

GCS-mm/2019/1.3/51
04th March, 2019

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04 مارس 2019

**Chief Executive Officer
Abu Dhabi Securities Exchange
Abu Dhabi, UAE**

**الرئيس التنفيذي
سوق أبوظبي للأوراق المالية
أبوظبي – الإمارات العربية المتحدة**

Dear Sir,

تحية طيبة وبعد ،،،

**Announcement of Etisalat Group's
General Assembly Meeting**

إعلان اجتماع الجمعية العمومية لـ "مجموعة اتصالات"

Please be advised that Emirates Telecommunications Group Company PJSC ("Etisalat Group") will hold its General Assembly meeting at 4:30 p.m. on Wednesday, 20th March 2019 in Etisalat Group's Head Office building located at the intersection of Sheikh Zayed II Street and Sheikh Rashid Bin Saeed Al Maktoum Road in Abu Dhabi. Hence, please find attached the meeting announcement to be published in the local newspapers.

يرجى التكرم بالعلم بأن شركة مجموعة الإمارات للاتصالات ش.م.ع. ("مجموعة اتصالات") ستعقد اجتماع جمعيتها العمومية في يوم الأربعاء الموافق 20 مارس 2019 في تمام الساعة الرابعة والنصف مساءً وذلك في مبنى المركز الرئيسي لـ "مجموعة اتصالات" الواقع على تقاطع شارع الشيخ زايد الثاني وشارع الشيخ راشد بن سعيد آل مكتوم في أبوظبي. وعليه، نرفق طيه إعلان الدعوة للاجتماع الذي سينشر في الصحف المحلية.

We would like also to inform that the meeting agenda includes an item on the amendments to some clauses of the Company's Articles of Association, particularly clauses No. 1, 7, 9, 21, 26 and 55. For details of these amendments, please view the attached presentation or visit the below Company's website:

كما ننوه بأن جدول أعمال الاجتماع يتضمن بنداً بخصوص تعديل بعض أحكام النظام الأساسي للشركة، وتحديد المواد (1) و (7) و (9) و (21) و (26) و (55). لتفاصيل هذه التعديلات، يرجى الإطلاع على الشرح التوضيحي المرفق أو زيارة موقع الشركة الإلكتروني أدناه:

<https://www.etisalat.com/en/ir/announcements/latest-announcements.jsp>

<https://www.etisalat.com/en/ir/announcements/latest-announcements.jsp>

Kind regards,

وتفضلوا بقبول فائق الاحترام والتقدير،،،



**حسن محمد الحوسني
أمين عام الشركة - مجموعة اتصالات
Hassan M. Al Hosani
Corporate Secretary – Etisalat Group**



Notice for Annual General Meeting

The Board of Directors of Emirates Telecommunications Group Company PJSC (“Etisalat Group”) has the pleasure to invite the esteemed shareholders to attend the Company’s Annual General Meeting (“AGM”) to be held on Wednesday, 20th March 2019, at 4:30 p.m. in Etisalat Group’s Head Office building located at the intersection of Sheikh Zayed II Street and Sheikh Rashid Bin Saeed Al Maktoum Road in Abu Dhabi, to discuss the following agenda:

1. To hear and approve the report of the Board of Directors on the Company’s activities and its financial position for the financial year ended 31st December 2018.
2. To discuss and approve the External Auditor’s report for the financial year ended 31st December 2018.
3. To discuss and approve the Company’s consolidated financial statements for the financial year ended 31st December 2018.
4. To consider the Board of Directors’ recommendation regarding the distribution of dividends amounting to 40 Fils per share for the second half of the year 2018 to bring the total dividend pay out per share for the financial year ended 31st December 2018 to 80 Fils per share (80 % of the nominal value of the share).
5. To absolve the Members of the Board of Directors from liability for the financial year ended 31st December 2018.
6. To absolve the External Auditor from liability for the financial year ended 31st December 2018.
7. To appoint the External Auditor(s) for the year 2019 and to determine their fees.
8. To approve the proposal concerning the remunerations of the Board Members for the financial year ended 31st December 2018.
9. To pass Special Resolutions in respect of:

9-1 Approving a budget of not more than 1% of the Company's average net profits of the last two years (2017-2018) for voluntary contributions to the community (Corporate Social Responsibility), and to authorize the Board of Directors to effect payments of such contributions to beneficiaries to be determined at the Board's own discretion.

9-2 Approval of lifting the restriction of voting rights of foreign shareholders on the decisions of the AGM.

9-3 Approval on setting a Borrowing Cap at 1.5 times (150%) of consolidated Net Debt to EBITDA for the last 12 months as per IFRS compliant consolidated financial statements of Etisalat Group or thirty billion dirhams, whichever is lower. This Borrowing Cap includes debentures, financial obligations or facilities, bonds or sukuk, whether convertible or non-convertible to shares in the company, and bank guarantees. The Articles of Association shall specify the terms, conditions and procedures in addition to the powers of the Board of Directors within the Borrowing Cap and the cases requiring the approval of the General Assembly and the Special Shareholder. Details can be viewed by visiting the website of the Company and the Website of ADX through the below links:

<https://www.etisalat.com/en/ir/announcements/latest-announcements.jsp>

<https://www.adx.ae/Arabic/pages/default.aspx>

9-4 Approval on amending the AoA Clauses relating to the above agenda items 9.2 and 9.3 after obtaining the approval of the competent authority. Such amendment will include Clauses No. 1, 7, 9, 21, 26 and 55 of the AoA, as well as amending any other Clauses which may be affected by the above-mentioned amendments. The details of these amendments can be found on the websites of the Company and the Abu Dhabi Securities Exchange (ADX), where these amendments are to be uploaded before the AGM convention:

<https://www.etisalat.com/en/ir/announcements/latest-announcements.jsp>

<https://www.adx.ae/Arabic/pages/default.aspx>

Notes:

1. Each shareholder is entitled to attend or to delegate to a proxy, who is not a Board Member, to attend the AGM on his/her behalf by virtue of a written special authorization/proxy made pursuant to the delegation form attached with the invitation dispatched by mail. All delegation forms shall be submitted to the Issuer Services Department and its address FAB

Building- 4th Floor (FGB Main branch before), Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, latest by 17th March 2019. Only original delegation forms will be accepted. For AGM quorum purposes, a Proxy holder may not represent a number of shareholders whose aggregate shareholding is in excess of 5% of the Company's capital. However, if the proxy is representing one single shareholder, his/her proxy may exceed 5% of the Company's capital. Minors and those who have no legal capacity shall be represented by their legal representatives.

2. Natural shareholders should submit original passport or UAE I.D or family book. The corporate shareholders shall submit official documents issued by competent authorities to prove the identity and nationality of their owners.
3. The corporate shareholder may authorize one of its representatives or one of its management members by virtue of a resolution passed by its Board of Directors (or whoever carries out the duties of the Board of Directors) to represent it in the AGM.
4. The convention of the AGM shall only be deemed valid if attended by Shareholders representing, in person or by proxy, at least 66% of the Company's ordinary shares. In case the quorum is not achieved in the first meeting, a second meeting for AGM should be held on Tuesday, 26th March 2019, at the same time and venue. The second meeting shall then be considered quorate and duly held regardless of the number of attendees.
5. The owners of the shares registered on Tuesday, 19th March 2019, shall be entitled to vote in the AGM. In case first meeting is inquorate and a second meeting is convened for the AGM on 26th March 2019, the owner of the shares registered on Monday, 25th March 2019 shall be entitled to vote in the second meeting of the AGM.
6. Notwithstanding item 5 above and for the purposes of voting in the AGM, the votes of the Associated Persons (as defined in Article 1 of Etisalat's Articles of Association "AoA") shall be counted to the extent that they do not reach 5% of the ordinary shares represented in the AGM.
7. The restricted shares owned by non-national shareholders (categories of shareholders not mentioned in Article 7 of AoA) shall neither be counted in the quorum nor shall their holders be eligible for voting or participating in the AGM deliberations.
8. The shareholders can review the Company's financial information and the governance report and the amendments to the AoA on the website of the Company and the website of Abu Dhabi Securities Exchange (ADX). They also can browse and upload the Investors Rights Manual through the below link:
(<https://www.sca.gov.ae/English/Documents/ImportantLinks/investors-right.pdf>)
9. The AGM's resolutions shall be passed by majority of 66% of the ordinary shares represented in the AGM by owners attending in person or by proxy, unless the votable matter requires a special resolution passable by votes of shareholders owning not less than three fourths of the shares represented in the meeting.

10. Attendance record shall be closed upon announcing the quorum of the meeting. Shareholder or proxy who attends thereafter shall neither be recorded in the list nor be eligible for voting on the matters addressable during the meeting.
11. The Shareholders should update their own contact numbers and their addresses at ADX to ensure appropriate receipt of their dividends; since distribution of dividends will be through ADX.
12. The closure of record for the 2018 second half dividends shall be on Sunday, 31/3/2019, and the date of the last day of share purchase that is entitled to dividends is 27/3/2019 and the date of share purchases exclusion from entitlement to dividends is 28/3/2019. In case of convening a second AGM meeting due to inquorate 1st AGM meeting, then the closure of record for the 2018 second half dividends shall be on Sunday, 07/4/2019, and the date of the last day of share purchase that is entitled to dividends is 03/4/2019 and the date of share purchase exclusion from entitlement to dividends is 04/4/2019.

Board of Directors



Proposed Amendments to Etisalat Group's Articles of Association (AoA)

The Recommendation to General Assembly



9-2 Approval of lifting the restriction of voting rights of foreign shareholders on the decisions of the AGM.

9-3 Approval on setting a Borrowing Cap at 1.5 times (150%) of consolidated Net Debt to EBITDA for the last 12 months as per IFRS compliant consolidated financial statements of Etisalat Group or thirty billion dirhams, whichever is lower. This Borrowing Cap includes debentures, financial obligations and facilities, bonds or sukuk, whether convertible or non-convertible to shares in the company, and bank guarantees. The Articles of Association shall specify the terms, conditions and procedures in addition to the powers of the Board of Directors within the Borrowing Cap and the cases requiring the approval of the General Assembly and the Special Shareholder.

9-4 Approval on amending the AoA Clauses relating to the above agenda items 9.2 and 9.3 after obtaining the approval of the competent authority. Such amendment will include Clauses No. 7, 9, 21, 26 and 55 of the AoA, as well as amending any other Clauses which may be affected by the above-mentioned amendment. The details of these amendments can be found on the websites of the Company and the Abu Dhabi Securities Exchange (ADX), where these amendments are to be uploaded before the AGM convention:

<https://etisalat.com/en/index.jsp>

<https://www.adx.ae/Arabic/pages/default.aspx>

Purpose of these Amendments

By these amendments to the Articles of Association, the Company aims to:

1. Lift the restriction on the vote of the foreign shareholders on the resolutions of the General Assembly.
2. Authorize the Company to use various debt instruments for amounts exceeding its capital by introducing a new borrowing limit called "Borrowing Cap" instead of the current ceiling, "Company's Authorized Capital", and determine the powers of the Board of Director, General Assembly and the Special Shareholder within this ceiling or in excess of the same.

First: Lift the Restriction on the Voting of Foreign Shareholding

1- The deletion of Clause 7 of the AoA which stipulates as follows:

The Original Text of Clause 7:

The Company's Ordinary Shares shall be owned by:

- (A) Natural persons from amongst UAE nationals;
- (A) The Government or the Special Shareholder or the Government Shareholder or the government of one of the Emirates that is a member of the Union, or any entity wholly owned by these bodies, whether directly or indirectly.
- (B) UAE companies wholly owned by UAE nationals and referred to in items (A) and (B) above of this Article, excluding those companies established in the free zones of the UAE, as they cannot own shares in the Company even if it are wholly owned by UAE nationals.



2-Amendment to Clause 9 of the AoA by deleting points 2 and 3 and amending point 1

The Original Text of Clause 9:

1. The Company's shares may be owned by any natural or legal person, whether or not they are a UAE national, in accordance with the controls and procedures set by the Board. In all cases, those who are not UAE nationals may not own more than 20% of the Company's share capital regardless of the share type they own.
2. If any person who is not a UAE national owns shares in the Company, those shares shall be converted to Restricted Shares and said restrictions shall be automatically removed in the event the ownership of said shares is transferred to any category from amongst those mentioned in Article 7 of these Articles of Association.
3. As an exception to the provisions of Article 7 of these Articles of Association, those who are not UAE nationals, whether they are natural persons or legal persons (either wholly owned by persons who are not UAE nationals or in combination with them), may own shares in the Company and hold the same rights assigned to the owners of ordinary shareordinary shares, as mentioned in Article 14-1 of these Articles of Association, including the right to receive an invitation to attend the General Assembly of the Company but without the right to call for the General Assembly meeting, be counted in the quorum, or vote on its resolutions. The owner of these shares may not participate in the discussions of the General Assembly save in the case where the Chairman of the General Assembly requests him to do so during the meeting.



The Proposed Text of Clause 9:

The Company's shares may be owned by any natural or legal person, whether or not they are a UAE national. In all cases, those who are not UAE nationals may not own more than 20% of the Company's share capital regardless of the share type they own.

Second: The Borrowing Cap



1- The addition of the below definition to Clause 1 of the AoA:

Text of Definition:

Borrowing Cap: The maximum borrowing limit allowed for the Company which is set by virtue of a Special Resolution passed by the General Assembly with the consent of the Special Shareholder. The borrowing limit includes the debentures, borrowing, financial obligations or facilities, bonds or sukuk convertibles or non convertibles to shares and bank guarantees.

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To continue...



The Borrowing Cap will be 1.5 times (150%) of consolidated Net Debt to EBITDA for the last 12 months as per IFRS compliant consolidated financial statements of Etisalat Group or thirty billion dirhams, whichever is lower.



Explanatory Note:

If we assume, for example, that EBITDA amount for the last 12 months is AED 24 billion, Borrowing Cap would be:

$$1.5 \times 24 \text{ billion} = 36 \text{ billion}$$

But, since AED 30 billion is lower than AED 36 billion, the Borrowing Cap will be the lesser amount which is AED 30 billion.



2-Amendment to Clause 21 of the AoA

The Original Text of Clause 21:

Subject to the terms and the procedures set out by the UAE Central Bank and the Authority, the Company may, within the limits of its authorized capital and pursuant to a Special Resolution issued by the General Assembly, issue negotiable bonds or Sukuks, whether convertible or non-convertible to shares in the Company with equal values per issue. If the share or Sukuk issued is for an amount exceeding the authorized capital, then, in addition to the above, the terms of Article 55 shall be observed. The Special Resolution may contain authorization of the Board in setting the date for the bond or Sukuk issuance, provided that it does not exceed one year from the date of approving the authorization. The capital shall be collected from the shareholders in full, and the budget, along with the income statement for one financial year at least, shall be published, unless the issue is guaranteed by the UAE or one of the banks operating therein

The bonds or Sukuks issued for one loan shall grant equal rights to its holders. The bonds or Sukuks may be converted into shares provided that this is mentioned in the prospectus. If it is decided to convert the bonds or Sukuks, only the holders shall have the right to accept the conversion or receive the nominal value of the bonds or Sukuks. The bonds or Sukuks shall remain at a nominal value until its full value has been paid.



The Proposed Text of Clause 21:

Subject to the terms and the procedures set out by the UAE Central Bank and the Authority, the Board may issue, within the Borrowing Cap, negotiable bonds or sukuk, non-convertible to shares in the Company, with equal values per issuance. If the issuance of such bonds or sukuk may lead to exceeding the Borrowing Cap, or the bonds or sukuk are convertible to shares in the Company, within or in excess of the Borrowing Cap, then, in addition to the above, the provisions of Article 55 of these Articles of Association shall be observed. In the latter two cases, the Board may be authorized of setting the date for the bonds or sukuk issuance, provided that this does not exceed one year from the date of approving the authorization. The capital shall be collected from the shareholders in full, and the balance sheet and the profits and losses account for at least one financial year shall be published, unless the issuance is guaranteed by the UAE or one of the banks operating therein.

The bonds or sukuk issued for one loan shall grant equal rights to its holders. If the bonds or sukuk are convertible to shares, this should be mentioned in the prospectus. If the conversion is decided, only the bonds or sukuk holders shall have the right to accept the conversion or receive the nominal value of the bonds or sukuk. The bond or sukuk shall remain at its nominal value until its full value is paid.



3-Amendment to Clause 26 of the AoA by adding point 5 & 6 as follows:

5. The Board may borrow or enter into financial obligations or facilities for amounts of value not exceeding the Borrowing Cap. If the borrowing or financial obligations or facilities exceed the Borrowing Cap, Clause (55) of these Articles shall be observed.
6. The Board may give the guarantees required for businesses of the Company or its subsidiaries or associates provided that, in the latter two cases, the percentage of the guarantee given by the Company in the total guarantee given on behalf of the subsidiary or associate by its all shareholders is less than or equal the Company's shareholding in that subsidiary or associate. If the guarantee percentage is in excess of the same or if the guarantee value would result in the Company to exceed the Borrowing Cap, Clause (55) of these Articles of Association shall be observed.



4-Amendment to Clause 55 (12) of the AoA

The Original Text of Clause 55 (12):

Notwithstanding the provisions of these Articles of Association, the following matters shall be undertaken only by virtue of a Special Resolution and with the consent of the Special Shareholder:

12. Issuance of bonds or Sukuk, whether ordinary or convertible to shares, or debentures, or borrowing, or entering into financial facilities or obligations, whatever the case maybe from amongst the above, in an amount exceeding the Company's authorized share capital;



The Proposed Text of Clause 55 (12):

Notwithstanding the provisions of these Articles of Association, the following matters shall be undertaken only under a Special Resolution and with the consent of the Special Shareholder:

12. Issuance of debentures, bonds or sukuks non-convertible to shares for an amount that exceeds the Borrowing Cap, or issuance of bonds or sukuks convertible to shares in the Company, within or in excess of the Borrowing Cap, or borrowing or entering into financial obligations or facilities, or giving bank guarantees, whatever the case maybe from amongst the above, in an amount exceeding the Borrowing Cap, or giving bank guarantees required for the business of the Company's subsidiaries or associates in case the percentage of the guarantee given by the Company in total guarantee given on behalf of the subsidiary or associate by its all shareholders is more than the Company's shareholding in that subsidiary or associate.



It is worth mentioning here that these amendments will increase the flexibility of the Company's work and expedite the making of decisions and their implementation. Also, Entry of these amendments into force requires the approval of the General Assembly, the Special Shareholder (Emirates Investment Authority) and the Telecommunications Regulatory Authority (TRA).



Thank You