

GCS-mm/2021/1.3/100

المرجع: GCS-mm/2021/1.3/100

Date: 24th February 2021

التاريخ: 24 فبراير 2021

**H.E. Chief Executive Officer
Abu Dhabi Securities Exchange
Abu Dhabi, UAE**

سعادة/ الرئيس التنفيذي المحترم،
سوق أبوظبي للأوراق المالية
أبوظبي، دولة الإمارات العربية المتحدة
تحية طيبة وبعد ،،،

Dear Sir,

**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 the Annual General Assembly meeting at 4:30pm on Wednesday, 17/03/2021. The meeting will be held through electronic participation only without physical attendance. Video conferencing and electronic voting will be made available simultaneously during the meeting. Therefore, kindly find enclosed the following:

يرجى التكرم بالعلم بأن شركة مجموعة الإمارات للاتصالات ("مجموعة اتصالات") ش.م.ع. ستعقد اجتماع الجمعية العمومية السنوية في تمام الساعة 4:30 من مساء يوم الأربعاء الموافق 2021/03/17، وسيقام الاجتماع من خلال المشاركة الإلكترونية فقط دون الحضور الشخصي، حيث سيتم إتاحة خاصية التواصل المرئي والتصويت الإلكتروني بشكل متزامن مع انعقاد الاجتماع. وعليه، نرفق طيه ما يلي:

- 1- The announcement, which includes the agenda of the General Assembly meeting, to be published in the newspapers of Thursday, 25th February 2021.
- 2- Board Remunerations Policy which will be submitted to the General Assembly for approval.
- 3- Presentation on the proposed amendments to Articles of Association.

- 1- إعلان الدعوة المتضمن جدول أعمال اجتماع الجمعية العمومية والذي سينشر في الصحف المحلية التي ستصدر في يوم الخميس الموافق 25 فبراير 2021.
- 2- سياسة مكافآت أعضاء مجلس الإدارة التي ستطرح على الجمعية العمومية للموافقة عليها.
- 3- عرض توضيحي للتعديلات المقترحة على النظام الأساسي.

Kind regards,

وتفضلوا بقبول فائق الإحترام والتقدير،،،


حسن الحوسني
أمين عام الشركة - مجموعة اتصالات
Hasan Al Hosani
Group Corporate Secretary



Encl:

- As above

المرفات:

- كما هو موضح



Annual General Assembly Meeting

The Board of Directors of Emirates Telecommunications Group Company (“Etisalat Group”) PJSC has the pleasure to invite the shareholders to participate in the Annual General Assembly meeting of the Company to be held at 04:30 p.m. on Wednesday, 17/03/2021. The meeting will be held through electronic participation only without in person attendance. Video conferencing and electronic voting will be made available simultaneously during the meeting, and these features will enable the shareholders to raise queries on the meeting agenda items. Below are the meeting agenda items:

Ordinary Resolutions:

1. To approve the appointment of Mr. Hasan Alhosani “Group Corporate Secretary” as rapporteur of the meeting, and First Abu Dhabi Bank as Collector of votes.
2. 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 2020.
3. To discuss and approve the External Auditor’s report for the financial year ended 31st December 2020.
4. To discuss and approve the Company’s consolidated financial statements for the financial year ended 31st December 2020.
5. To consider the Board of Directors’ recommendation regarding distribution of dividends for the second half of the year 2020 at the rate of 40 Fils per share and one- time special dividend of 40 fils per share. Thus, the total amount of dividends per share for the financial year ended 31st December 2020 will be 1.20 Dirham (120% of the nominal value of the share).
6. To absolve the Members of the Board of Directors from liability for the financial year ended 31st December 2020.
7. To absolve the External Auditor from liability for the financial year ended 31st December 2020.
8. To appoint the External Auditor(s) for the year 2021 and determine their fees.
9. To approve the proposal concerning the remunerations of the Board Members for the financial year ended 31st December 2020.
10. To approve Board Remuneration Policy.
11. To delegate authority to the Board of appointing two representatives to represent shareholders who are unable to participate in future Annual General Assembly Meetings and determine their fees, In line with the decision of the Chairman of the Securities and Commodities Authority.

Special Resolutions:

1. To approve a budget of not more than 1% of the Company's net profits of the last two years (2019-2020) for voluntary contributions to the community (Corporate Social Responsibility), and to authorize the Board of Directors to effect the payments of such contributions to the beneficiaries determined at its own discretion.
2. To approve amending the Company's Articles of Association whereby:
 - a) The current 20% ownership limit for the non-UAE national shareholding in Etisalat Group will be increased to 49%.
 - b) The three consecutive years limit of the External Auditor appointment will be amended to be in line with the amended Commercial Companies Law which increased the limit to six consecutive years.
3. To approve cancelling the Share Buyback program.

Election of Four Board Members

The AGM will elect four Board members to represent Etisalat Group shareholders other than the Government Shareholder, As the term of the current Board will end on 20th March 2021.

Notes:

1. The electronic registration to attend the meeting will be opened through the link www.smartagm.ae from 4:30 p.m. on Tuesday, 16/03/2021, and will be closed at 4:30 p.m. on Wednesday, 17/03/2021.
2. Each shareholder is entitled to attend remotely or to delegate to a proxy, who is not a Board Member, employees of the company or brokerage company or its employees to attend the AGM on their behalf by virtue of a written special written authorization/proxy made pursuant to the delegation form attached with the invitation dispatched by mail. Holders of proxies must send a copy of their proxies to the email address is@bankfab.com with their names and mobile numbers to receive text messages for registration, latest by 15th March 2021. A Proxy holder may not represent a number of shareholders 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. In case the quorum was not achieved in the first meeting, the proxies issued for the first meeting shall be considered valid for any later meetings unless expressly cancelled by the shareholder through a notification to First Abu Dhabi Bank – Issuer Services Department - at least two days prior to the second meeting. The requirements under Clauses No. 1 and 2 of Article 40 of Securities and Commodities Chairman Decision No. (3/Chairman) of 2020 on the Approval of Public Joint Stock Companies Governance Guide ("Governance Guide") on adopting proxies shall be met. These requirements are set out in the explanatory disclosure on adopting proxies which is annexed to this invitation.
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. The authorized person shall have the powers as determined under the delegation decision.

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 shares. In case the quorum is not achieved in the first meeting, a second meeting for AGM should be held on Wednesday, 24th March 2021, at the same time and mechanism. 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, 16th March 2021, shall be entitled to vote in the AGM. In case the first meeting is inquorate and a second meeting is convened for the AGM on 24th March 2021, the owner of the shares registered on Tuesday, 23th March 2021 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 Clause 1 of Etisalat's Articles of Association "AoA") shall be counted to the extent that they do not reach 5% of the shares represented in the AGM.
7. The shareholders can review the Company's financial information and the governance report on the website of the Company www.etisalat.com and the website of Abu Dhabi Securities Exchange (ADX) www.adx.ae.
8. The shareholders can browse and upload the Investors Rights Manual, Reference Guide For the Nomination and Inclusion of Women on Boards of Directors the Company Dividend Policy through the below links, respectively:
<https://www.sca.gov.ae/ar/services/minority-investor-protection.aspx>
<https://www.etisalat.com/en/system/com/assets/docs/general/uae-gender-balance-council.pdf>
<https://www.etisalat.com/en/investors/dividends.jsp>
9. The AGM's ordinary resolutions shall be passed by majority of 66% of the 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 or opining on the matters addressable during the meeting.
11. The Shareholders should update their own bank details at ADX to ensure appropriate receipt of their dividends; since distribution of dividends will be through ADX.
12. The closure of record for the 2020 second half dividends shall be on Sunday, 28/03/2021, and the date of the last day of share purchase that is entitled to dividends is 24/03/2021 and the date of share purchase exclusion from entitlement to dividends is 25/03/2021. In case of convening a second AGM meeting due to inquorate 1st AGM meeting, then the closure of record for the 2020 second half dividends shall be on Sunday, 04/04/2021, and the date of the last day of share purchase that is entitled to dividends is 31/03/2021 and the date of share purchase exclusion from entitlement to dividends is 01/04/2021.

Board of Directors



Clarifying disclosure regarding the approval of agencies

According to Clauses 1 & 2 of Article 40 of the Corporate Governance Manual, we would like to inform the shareholders with the following:

1. Each shareholder who has the right to attend the general assembly may delegate someone from other than the Board members or the staff of the company, or securities brokerage company, or its employees, to attend on his behalf as per a written delegation stating expressly that the agent has the right to attend the general assembly and vote on its decision. A delegated person for a number of shareholders shall not have more than (5%) of the Company issued capital after gaining that delegation. Persons lacking legal capacity and are incompetent must be represented by their legal representatives.
2. The shareholder signature on the power of attorney referred in clause No. (1) shall be the signature approved by any of the following entities:
 - a. Notary Public.
 - b. Commercial chamber of economic department in the state.
 - c. Bank or company licensed in the state, provided that the agent shall have account with any of them.
 - d. Any other entity licensed to perform attestation works.



Board Remunerations Policy

This document aims at setting clear principles, which provide the basis for remunerations of Chairman and the Members of Board of Directors of Emirates Telecommunications Group Company "Etisalat Group" PJSC (hereinafter referred to as the "**Company**"). These principles are tailored in a way that complies with relevant provisions of the Company's Articles of Association and the provisions of the Chairman of Securities and Commodities Authority Resolution No. (3/Chairman) of 2020 Concerning the Approval of Joint Stock Companies Governance Guide. Further, these principles took into consideration the competitive, challenging and evolving nature of telecom sector.

This Policy has the following components:

Annual Board Fees

In accordance with Article 33 (1) of the Articles of Association, the remunerations of the Board shall be paid as a lump sum based on a recommendation by the Board and approval of the General Assembly provided that such remuneration does not exceed (0.5%) of the net profits for the closed financial year after deducting the depreciations and reserves.

The below table shows the details of the annual Board fees:

Title	Annual Fees
Chairman	AED 3,100,000
Vice Chairman	AED 1,600,000
Board Member	AED 1,300,000

A handwritten signature in blue ink, appearing to be in Arabic script.



The Chairman and the Members of the Board are not eligible for any fees against the attendance of Board meetings.

Board Committees' Fees

As per Article 33 (2) of the Articles of Associations, the Company may pay expenses or additional fees to any Board member, if such member serves in any committee, makes special efforts or performs additional work to serve the Company in excess of his regular duties as a member in the Company Board.

The below table shows the Board Committees' fees:

Title	Committee Fees
Committee Chairman	AED 80,000
Committee Member	AED 40,000

The Chairman and the Members of the Committees are eligible for attendance fee of AED 7,000 per meeting.

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Together
Matters



Etisalat Group General Assembly Meeting
Amendments to the Articles of Association
17 March 2021

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1. The proposed amendments to increase the current 20% ownership limit for the non-UAE national shareholding in Etisalat Group to become 49%.
2. The proposed amendments to the three consecutive years limit of the External Auditor appointment to become six consecutive years in line with the Decree by Federal Law No. 26 of 2020 amending some provisions of the Federal Law No. 2 of 2015 concerning the Commercial Companies.

The proposed amendments to increase the current 20% ownership limit for the non-UAE national shareholding in Etisalat Group to become 49%.

Article Number	Original Text	Amended Text
1	<p>.....</p> <p>Decree by Law: The Decree by Federal Law No. (3) of 2015 amending some provisions of Federal Law No. 1 of 1991 concerning Emirates Telecommunications Corporation.</p>	<p>.....</p> <p>Decree by Law: The Decree by Federal Law No. (3) of 2015 amending some provisions of Federal Law No. 1 of 1991 concerning Emirates Telecommunications Corporation and any amendments thereto from time to time.</p>
9	<p>The Company's shares may be owned by any natural or legal person, whether or not such person is 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.</p>	<p>The Company's shares may be owned by any natural or legal person, whether or not such person is a UAE national. In all cases, those who are not UAE nationals may not own more than 49% of the Company's share capital regardless of the share type they own.</p>

We propose to remove Clause No. 2 of Article 56 of the Company's Articles of Association so that the three consecutive years limit of the External Auditor appointment will become six consecutive years in line with the Decree by Federal Law No. 26 of 2020 amending some provisions of the Federal Law No. 2 of 2015 concerning the Commercial Companies.

Article Number	Original Text	Amended Text
56	<ol style="list-style-type: none"> 1. The Company shall have one or more Auditors nominated by the Board, in accordance with the terms provided for in Articles 243 and 244 of the Commercial Companies Law and the controls issued by the Authority. Such Auditor(s) shall be presented to the General Assembly for approval. 2. The General Assembly may appoint one or more Auditors for a renewable one year term not exceeding three consecutive years. The Auditor(s) shall carry out his/their functions from the end of the General Assembly meeting which appointed it/them to the end of the next annual General Assembly meeting. Appointment of the Auditor(s) is not permissible to be delegated to the Company's Board. 3. The General Assembly shall determine the remuneration of the Auditor and the Board may not be delegated in this regard. 	<ol style="list-style-type: none"> 1. The Company shall have one or more Auditors nominated by the Board, in accordance with the terms provided for in Articles 243 and 244 of the Commercial Companies Law and the controls issued by the Authority. Such Auditor(s) shall be presented to the General Assembly for approval. 2. The General Assembly shall determine the remuneration of the Auditor and the Board may not be delegated in this regard.

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Thank
You