

## IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS MAY NOT BE DISTRIBUTED DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES.

**IMPORTANT: You must read the following before continuing.** The following applies to the base prospectus (the "**Base Prospectus**") following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached Base Prospectus. In accessing the attached Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Issuer or from the Arrangers and Dealers (each as defined in the attached Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE ATTACHED BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTIONS AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATIONS**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED BASE PROSPECTUS IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THE ATTACHED BASE PROSPECTUS AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**") OR HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (EACH SUCH PERSON BEING REFERRED TO AS A "**RELEVANT PERSON**"). THIS COMMUNICATION IS BEING DIRECTED ONLY AT RELEVANT PERSONS AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. NO PERSON OTHER THAN A RELEVANT PERSON SHOULD RELY ON IT.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

**Confirmation of your representation:** By accessing the attached Base Prospectus you confirm to us that: (i) you understand and agree to the terms set out herein; (ii) you consent to delivery of the attached Base Prospectus and any amendments or supplements thereto by electronic transmission; (iii) you will not transmit the attached Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (iv) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Notes.

You are reminded that the attached Base Prospectus has been delivered to you on the basis that you are a person into whose possession the attached Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Base Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The attached Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that

an offering of securities described herein be made by a licensed broker or dealer and the Arrangers and Dealers or any affiliate of the relevant Arrangers or Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

Under no circumstances shall the attached Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached document who intend to subscribe for or purchase the Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the attached Base Prospectus as completed by the applicable Final Terms and/or supplement(s) to the Base Prospectus (if any).

The distribution of the attached Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the attached document comes are required by the Issuer, the Arrangers and Dealers to inform themselves about, and to observe, any such restrictions.

The attached Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Arrangers and Dealers nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer, the Arrangers and Dealers. Please ensure that your copy is complete. If you received the attached Base Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

## BASE PROSPECTUS



# EMIRATES TELECOMMUNICATIONS GROUP COMPANY (ETISALAT GROUP) P.J.S.C.

(incorporated with limited liability in the United Arab Emirates)

## U.S.\$10,000,000,000 Euro Medium Term Note Programme

Under this U.S.\$10,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C. ("**Etisalat**" or the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (described herein)), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and, together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".**

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"), as a base prospectus issued in compliance with the EU Prospectus Regulation for the purpose of giving information with regard to the issue of Notes issued under the Programme during the period of twelve months after the date hereof. The Central Bank has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof. Application will be made to: (i) the Central Bank for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market (the "**Market**") of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"); (ii) the Securities and Commodities Authority of the United Arab Emirates (the "**SCA**"), to approve the issuance of the Notes; and (iii) the Abu Dhabi Securities Exchange ("**ADX**") for Notes issued under the Programme to be admitted to listing on the ADX. The SCA makes no representation as to the accuracy or completeness of this Base Prospectus and accepts no liability for the contents of this Base Prospectus or for any loss of any kind which may be incurred by any party in connection with it or its contents. The regulated market of Euronext Dublin is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU ("**EU MiFID II**"). This Base Prospectus is valid for 12 months. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List, on the ADX and to trading on the Market or have been admitted to trading on such further stock exchanges or markets as may be specified in the applicable Final Terms (as defined below). The Market is a regulated market for the purposes of EU MiFID II.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on Euronext Dublin, will be delivered to the Central Bank and to Euronext Dublin.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Issuer and the relevant Dealer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities laws and the Notes may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act, unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Notes are being offered and sold outside the United States to persons that are not U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act and within the United States only to persons who are reasonably believed to be "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A ("**Rule 144A**") under the Securities Act. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The Issuer has been assigned a corporate rating of Aa3, with a stable outlook, by Moody's Investors Service Ltd. ("**Moody's**") and AA-, with a stable outlook, by S&P Global Ratings Europe Limited ("**S&P**"), respectively. The Programme has been assigned a rating of Aa3, with a stable outlook, by Moody's and AA-, with a stable outlook, by S&P. Notes issued under the Programme may be rated or unrated. Where a Series (as defined under "*Terms and Conditions of the Notes*") of Notes is rated, such rating, and the credit rating agency issuing such rating, will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant credit rating agency. The United Arab Emirates has been assigned a credit rating of AA with a stable outlook by Fitch Ratings Limited ("**Fitch**") and Aa2 with a stable outlook by Moody's Investors Services Singapore Pte. Ltd. ("**Moody's Singapore**"). Moody's Singapore is not established in the European Economic Area (the "**EEA**") or in the United Kingdom (the "**UK**") but the rating it has assigned is endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EU) No. 1060/2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). S&P is established in the EEA and registered under the EU CRA Regulation. As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/Listregistered-and-certified-CRAs>) in accordance with the EU CRA Regulation. The rating S&P has assigned is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EU) No. 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and have not been withdrawn. Each of Moody's and Fitch is established in the UK and registered under the UK CRA Regulation. Each of Moody's and Fitch appear on the latest update of the list of registered credit rating agencies on the UK Financial Conduct Authority's (the "**FCA**") Financial Services Register. The rating Moody's has assigned is endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the EU CRA Regulation. The rating Fitch has assigned is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

### Arrangers

BNP PARIBAS  
First Abu Dhabi Bank

HSBC  
Société Générale  
Corporate & Investment Banking

### Dealers

BNP PARIBAS  
First Abu Dhabi Bank

HSBC  
Société Générale  
Corporate & Investment Banking

The date of this Base Prospectus is 27 April 2021

## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation and for the purpose of giving information with regard to the Group (as defined herein) and the Notes which, according to the particular nature of the Issuer, the Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Group and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as completed by the applicable Final Terms. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, the applicable Final Terms.

The only persons authorised to use this Base Prospectus in connection with an offer of Notes are the relevant Dealer or the Managers (as defined in the relevant subscription agreement), as the case may be.

Copies of the applicable Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined in "*Terms and Conditions of the Notes*").

Certain information under the headings "*Risk Factors*", "*Overview of the UAE*", "*Financial Review*", "*Description of the Group*" and "*Book-Entry Clearance Systems*" has been extracted from information provided by the United Arab Emirates ("UAE") National Bureau of Statistics (the "NBS"), the Statistics Centre – Abu Dhabi (the "SCAD"), the International Monetary Fund (the "IMF") and the Organisation of Petroleum Exporting countries ("OPEC") (in the case of "*Overview of the UAE*"), the clearing systems referred to therein (in the case of "*Book-Entry Clearance Systems*") and from various national telecommunications regulators (in the case of "*Risk Factors*", "*Financial Review*" and "*Description of the Group*"). The Issuer confirms that all such third party information contained in this Base Prospectus has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the sources referred to above, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

Neither the Arrangers, the Dealers nor Citibank, N.A., London Branch (the "**Trustee**") have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Arranger, Dealer or the Trustee accepts any liability for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes.

No person is or has been authorised by the Issuer, any of the Arrangers, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arrangers, the Dealers or the Trustee.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the Programme or any Notes: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers, the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by

or on behalf of the Issuer, any of the Arrangers, the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus, any Final Terms nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular no action has been taken by the Issuer, any of the Arrangers, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar, Hong Kong and Singapore. See "*Subscription and Sale and Transfer and Selling Restrictions*".

In making an investment decision, investors must rely on their own independent examination of the Issuer, the Group and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

None of the Arrangers, the Dealers, the Issuer or the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

## U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of persons reasonably believed to be QIBs for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and the U.S. Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold in the United States only to persons reasonably believed to be QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or pursuant to any other applicable exemption. Prospective purchasers are hereby notified that sellers of Registered

Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note (as defined under "*Form of the Notes*") or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a trust deed dated 27 April 2021 (the "**Trust Deed**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

#### IMPORTANT – EEA RETAIL INVESTORS

If the relevant Final Terms in respect of any Series of Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

#### IMPORTANT – UK RETAIL INVESTORS

If the relevant Final Terms in respect of any Series of Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

#### EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Series of Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a

distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

#### **UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

#### **NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA")**

Unless otherwise stated in the applicable Final Terms, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **BENCHMARKS REGULATION**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain benchmarks. Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**"), are set out below.

| <b>Benchmark</b>                      | <b>Administrator</b>                 | <b>Administrator appears on ESMA Benchmarks Register?</b>   |
|---------------------------------------|--------------------------------------|---|
| EURIBOR (Euro interbank offered rate) | European Money Markets Institute     | Yes, European Money Marks Institute is authorised under Article 34 of the EU Benchmarks Regulation.   |
| LIBOR (London interbank offered rate) | ICE Benchmark Administration Limited | No, ICE Benchmark Administration Limited is authorised under Regulation (EU) 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the " <b>UK Benchmarks Regulation</b> ") |

## **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Issuer is a corporation organised under the laws of the UAE. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of its officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the UAE upon the Issuer or its officers or directors, or to enforce judgments against them predicated upon United States federal securities laws or the securities laws of any state or territory within the United States.

The Notes are governed by English law and disputes in respect of them may be settled by arbitration under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**") in London, England. In addition, actions in respect of the Notes may be brought in the English courts.

Investors may have difficulties in enforcing any arbitration awards against the Issuer in the courts of the UAE. Further, in the absence of any bilateral treaty for the reciprocal enforcement of foreign judgements, the UAE courts are unlikely to enforce an English court judgement without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Notes. In addition, even if English law is accepted as the governing law, this will only be applied to the extent that it is compatible with applicable federal law of the UAE and public policy. Moreover, judicial precedent in the UAE has no binding effect on subsequent decisions and there is no formal system of reporting court decisions in the UAE. These factors create greater judicial uncertainty. See "*Risk Factors – Risks Related To Enforcement – Investors may experience difficulty in enforcing arbitration awards and foreign judgments in the UAE*".

## **NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN**

In relation to investors in the Kingdom of Bahrain, securities issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain ("**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Base Prospectus and related offering documents have not been and will not be registered as a Base Prospectus with the CBB. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Notes will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

The offering complies with Legislative Decree No.(4) of 2001 with respect to the Prevention and Prohibition of the Laundering of Money and the Ministerial Orders issued thereunder, including but not limited to, Ministerial Order No.(7) of 2001 with respect to Institutions' Obligations Concerning the Prohibition and Combating of Money Laundering and Anti-Money Laundering and Combating of Financial Crime Module contained in the Central Bank of Bahrain Rulebook, Volume 6.

## **NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA**

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**").



The CMA does not make any representation as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of Notes issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Prospectus, he or she should consult an authorised financial adviser.

#### **NOTICE TO RESIDENTS OF THE STATE OF QATAR**

The Notes will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### PRESENTATION OF FINANCIAL INFORMATION

#### Historical financial statements

The financial statements relating to the Group and incorporated by reference in this Base Prospectus are:

- the audited consolidated financial statements as at and for the year ended 31 December 2020 (the "**2020 Financial Statements**"); and
- the audited consolidated financial statements as at and for the year ended 31 December 2019 (the "**2019 Financial Statements**" and, together with the 2020 Financial Statements, the "**Financial Statements**").

All Group financial information for 2018 in this Base Prospectus have been derived from the unaudited comparative information for 2018 in the 2019 Financial Statements. In the 2019 Financial Statements, foreign exchange difference on borrowings was reclassified to finance and other costs and finance and other income, including in the 2018 unaudited comparative financial information.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS**") and the applicable provisions of UAE Federal Law No. (2) of 2015.

Etisalat's financial year ends on 31 December and references in this Base Prospectus to 2018, 2019 and 2020 are to the 12 month period ended on 31 December in each such year.

#### Auditors

The Financial Statements have been audited by KPMG Lower Gulf Limited, independent auditors (the "**Auditors**"), in accordance with International Standards on Auditing, who have issued unqualified reports on the Financial Statements.

#### Non-IFRS financial measures and unaudited information

This Base Prospectus includes certain financial information which has not been prepared in accordance with IFRS and which also constitute alternative performance measures for the purposes of the ESMA Guidelines on Alternative Performance Measures ("**APMs**"). None of this financial information is subject to any audit or review by independent auditors.

#### EBITDA and Adjusted EBITDA

The Group's definition of EBITDA includes revenue, staff costs, direct cost of sales, regulatory expenses, network and other related costs, marketing expenses, other operating expenses and, reflecting the implementation of IFRS 16 from 1 January 2019, in 2018 only, operating lease rentals. The Group calculates Adjusted EBITDA as EBITDA including the effects of federal royalty and the share of results of associates and joint ventures. For a reconciliation of EBITDA and Adjusted EBITDA to profit for each relevant period, see "Selected financial information".

The Group believes that EBITDA and Adjusted EBITDA provide useful information to investors because these measures are used by management in analysing the Group's core performance excluding the impact of certain non-operating factors, as they remove the results of certain decisions that are outside the control of operating management and can differ significantly from company to company depending on long-term strategic decisions regarding capital structure, the stage of growth development, capital expenditure requirements and the jurisdictions in which certain of its companies operate and make capital investments. In addition, the Group believes EBITDA and Adjusted EBITDA are measures commonly used by investors, analysts and other interested parties in the Group's industry.

EBITDA and Adjusted EBITDA are not defined by or presented in accordance with IFRS, are not a measure of performance and should not be considered as alternatives to:

- profit after tax from continuing operations (as determined in accordance with IFRS), or as a measure of operating performance;
- cash flows from operating, investing or financing activities (as determined in accordance with IFRS), or as a measure of the Group's ability to meet its cash needs; or
- any other measures of performance under IFRS.

EBITDA and Adjusted EBITDA have limitations as analytical tools, and investors should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations. Some limitations of these measures are that:

- they do not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Group's working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, in respect of any borrowings;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies in the Group's industry may calculate these measures differently from how the Group does, limiting their usefulness as a comparative measure.

EBITDA and Adjusted EBITDA may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of future results.

## **PRESENTATION OF OTHER INFORMATION**

### **Currencies**

Unless otherwise indicated, in this Base Prospectus, all references to:

- "**dirham**" and "**AED**" are to the lawful currency of the UAE;
- "**Egyptian pounds**" and "**EGP**" refer to the lawful currency for the time being of Egypt;
- "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;
- "**MAD**" refer to the lawful currency for the time being of Morocco;
- "**rupee**" refer to the lawful currency for the time being of Pakistan;
- "**riyal**" and "**SAR**" refer to the lawful currency for the time being of the Saudi Arabia;
- "**sterling**" and "**£**" refer to the lawful currency for the time being of the United Kingdom; and
- "**U.S. dollars**" and "**U.S.\$**" are to the lawful currency of the United States.

References in this Base Prospectus to a billion are to a thousand million.

Unless otherwise indicated, the financial information contained in this Prospectus has been expressed in dirham. The Group's functional currency is dirham and the Group prepares its financial statements in dirham.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00.

## **Industry, market and customer data**

The customer data included in this Base Prospectus, including penetration rates, ARPU, churn rates and market shares, are derived from management estimates of such customer data for Etisalat and, where relevant, its operating subsidiaries. The Group's use or computation of ARPU may not be comparable with the use or computation of similarly titled measures reported by other companies in the telecommunications industry, including its competitors. How the Group calculates its number of customers, churn and ARPU in relation to its UAE telecommunications businesses is described in more detail below. In certain cases, there may be differences between the Group's methodology described below and that of its operating businesses for their internal reporting or regulatory obligations. Where these differences affect data disclosed in this Base Prospectus, they are also identified below.

The subscriber, market share, churn rates and ARPU data included in this Base Prospectus are not part of the Group's financial statements or financial accounting records and have not been audited or otherwise reviewed by independent auditors, consultants or independent experts.

### **Customers**

Mobile customers who pay in advance of services provided are counted as prepaid customers and mobile customers who pay periodically following the provision of services are counted as post-paid customers. The Group further delineates its customer base in the UAE by the annual revenue contribution per customer.

Customers contributing up to AED 25,000 per year are consumer customers; those contributing AED 25,000 to AED 250,000 per year are SMB customers; and those contributing more than AED 250,000 per year are enterprise customers.

The Group calculates active mobile subscribers (customers) on a monthly basis in each of its operating businesses by deducting the total number of subscribers that ceased their subscription for the relevant service in the relevant month from the total number of new subscribers for that service in that month and adding or subtracting the resulting figure, as applicable, from the total number of subscribers for the service as of the previous month end. A mobile customer is counted from the date of the activation of its SIM card. A mobile subscriber is considered to have ceased its subscription if: (1) the subscriber itself terminates the subscription; (2) the operator terminates the subscription; or (3) in the case of prepaid customers, the subscriber has not made any outgoing activity (voice, text or multimedia) or received any incoming calls within a 90-day period.

Fixed-line and internet customers are calculated by the number of active lines at the end of the period. In general, a customer is no longer counted as a fixed-line customer if: (1) the customer has voluntarily terminated the contract; or (2) the customer has not made a payment on an outstanding balance within approximately 60 days.

Customers who subscribe to Etisalat's eLife bundled services (including "Double Play" and "Triple Play" packages) are categorised uniquely as eLife customers.

Unless otherwise indicated, all subscriber figures presented in this Base Prospectus are calculated using the methods described above. However, some of the Group's operating businesses report subscriber numbers to their respective regulator based on another method of calculation. For example, the Egyptian telecommunications regulator requires operators to report subscriber statistics using a method similar to the method outlined above, but requires operators to consider prepaid and post-paid customers terminated if a subscriber has not made any outgoing activity or received any incoming calls within 125 days rather than 90 days.

Where subscriber numbers are presented in this Base Prospectus, the figures refer to the total number of subscribers and not to the proportionate number of subscribers, unless otherwise specifically stated. The term proportionate subscribers denotes the total number of subscribers in each of the Group's mobile operations calculated by multiplying the total number of subscribers by the Issuer's economic interest in the respective operator.

### **Churn**

The rate at which mobile customers are disconnected from a network or are removed from an operating company's customer count due to inactivity is referred to as the company's churn rate. The Group calculates

churn by dividing the number of voluntary and involuntary deactivations in a given period by the average number of customers for the same period. See "*Customers*" above.

## **ARPU**

The Group believes that ARPU provides useful information concerning the appeal and usage patterns of its rate plans and service offerings and its performance in attracting and retaining high-value customers.

ARPU is the measure of total service revenues for a given period, divided by the number of months in that period and divided again by that period's average total customers (calculated by dividing the aggregate number of customers at the beginning and end of the relevant period by two). The Group's calculation of mobile ARPU includes outgoing voice revenue, subscription fees and net customer roaming revenue. Interconnect revenue is not included in mobile ARPU. The Group calculates mobile ARPU for both prepaid and post-paid customers. Blended mobile ARPU is calculated by multiplying each of prepaid mobile ARPU and post-paid mobile ARPU by the number of prepaid and post-paid mobile subscribers for the period, respectively, adding the resulting figures together and then dividing by the total number of mobile subscribers for the period. Fixed-line ARPU includes outgoing voice revenue and line rental charges. Both ARPU measures are calculated monthly and include residential as well as business customers.

## **Market share**

The market share data of the Group's competitors as calculated by management and included in this Base Prospectus may differ from the market share data obtained from the telecommunications authorities in the UAE and other jurisdictions in which the Group operates, which is reported to those authorities by the Group's competitors. In certain markets, the regulatory authority provides no uniform definition or criteria for measuring either prepaid or post-paid subscribers within the market, and therefore the market share data provided to the regulatory authority by the Group's competitors in that market may not be measured by the same definitions and criteria which management applies in measuring the market share and subscriber data of the Group's competitors (especially if the competitor is using a different or more relaxed churn rule). In Pakistan and Egypt, the Group's operations use the market share data of their competitors in those markets as provided by these competitors to the relevant national regulatory authority. However, other of the Group's operations use their own methods of calculating the market share of their competitors. Etisalat cannot assure prospective investors of the comparability of the Group's competitors' criteria for measuring market share data to the methods used by management, as a third party using different methods to assemble, analyse or calculate market data may not obtain or generate the same results.

Market data and certain industry data, forecasts and statements regarding the position of the Group in the telecommunications industry in its various markets included in this Base Prospectus are based on the internal estimates of Group companies and, in some cases, on industry data collected by the relevant national regulator or the industry. While Etisalat believes the statements contained in this Base Prospectus, including customer and market share information, to be reliable and to provide fair and adequate estimates of the size of its markets and fairly reflect the Group's competitive position within those markets, these statements have not been independently verified, and Etisalat does not make any representation or warranty as to the accuracy or completeness of such information included in this Base Prospectus.

In addition, Etisalat has made statements in this Base Prospectus regarding the telecommunications industry, the markets in which its operating businesses operate, the position of those operating businesses in the industry and the market shares of various industry participants based on the Group's experience and its own investigation of market conditions (in particular, based on its internal data collected from its operating businesses' networks, monitoring traffic and customer activations). Etisalat cannot assure prospective investors that any of its assumptions are accurate or correctly reflect the operating businesses' position in the industry, and none of the Group's internal surveys or information has been verified by any independent sources.

## **Definitions and rounding**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus, including the section entitled "Glossary".

In addition, in this Base Prospectus:

- "**Abu Dhabi**" means the Emirate of Abu Dhabi;
- "**Egypt**" means the Arab Republic of Egypt;
- "**GCC**" means the Gulf Cooperation Council (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE);
- "**Government**" means the federal government of the UAE;
- "**Group**" or the "**Etisalat Group**" means the Issuer, its consolidated subsidiaries and its associated companies and joint ventures;
- "**MENA**" region means the region comprising the Middle East and North Africa;
- "**Morocco**" means the Kingdom of Morocco;
- "**Pakistan**" means the Islamic Republic of Pakistan; and
- "**Saudi Arabia**" means the Kingdom of Saudi Arabia.

The Financial Statements present the Group's results in thousands of U.S. dollars. Certain financial statement data in this Prospectus has been expressed in millions of U.S. dollars and rounded to one decimal place, with 0.050 being round up and 0.049 being rounded down. As a result of such rounding, the totals of financial statement data presented in tables in this Prospectus may vary slightly from the arithmetic totals of such data. Where used in tables, the figure "**0**" means that the data for the relevant item has been rounded to zero and the symbol "—" means that there is no data in respect of the relevant item.

In addition, all percentage data in this Prospectus has been rounded to one decimal place, with 0.050 being round up and 0.049 being rounded down.

## **PRESENTATION OF STATISTICAL INFORMATION**

The statistical information in the section entitled "*Overview of the UAE*" has been derived from a number of different identified sources. All statistical information provided in that section may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times. The data set out in the section entitled "*Overview of the UAE*" relating to the UAE's gross domestic product ("**GDP**") for 2019 is preliminary and subject to change.

## **CERTAIN DEFINED TERMS AND CONVENTIONS**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus, including the section entitled "*Glossary*".

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them. References in this Base Prospectus to one gender shall be deemed to include the other except where the context does not permit.

All references in this Base Prospectus to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars, being the legal currency for the time being of the United States of America; all references to "**UAE dirham**" and "**AED**" refer to United Arab Emirates dirham, being the legal currency for the time being of the UAE; all references to "**MAD**" refer to Moroccan dirham, being the legal currency for the time being of the Kingdom of Morocco ("**Morocco**"); all references to "**SAR**" refer to Saudia Arabian Riyals, being the legal currency for the time being of the Kingdom of Saudi Arabia ("**Saudia Arabia**"); all references to "**Egyptian pounds**" refer to Egyptian pounds, being the legal currency for the time being of Egypt; all references to "**Pakistani rupee**" refer to Pakistani rupee, being the legal currency for the time being of Pakistan; all references to "**naira**" refer to the Nigerian naira, being the legal currency for the time being of Nigeria; all references to "**Sterling**" and "**£**" refer to pounds sterling, being the legal currency for the time

being of the United Kingdom and all references to "**Euro**", "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

References to a "**billion**" are to a thousand million.

"**We**", "**us**" and "**our**" are references to the Group or Etisalat, as the context requires.

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus are or may be deemed to be forward-looking statements. Forward-looking statements are all statements in this Base Prospectus that do not relate to historical facts and events. Forward-looking statements include statements concerning the Issuer's and the Group's plans, objectives, goals, strategies, future operations and performance, and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Financial Review*", "*Description of the Group*" and other sections of this Base Prospectus. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Such forward-looking statements are based on assumptions and current factors and are subject to risks and uncertainties, the non-occurrence or occurrence of which could cause the Group's actual results, including the Group's financial condition and profitability, to differ materially from or be more negative than those expressly or implicitly assumed or described by such forward-looking statements. Although the Issuer believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Group's actual results of operations may vary from those expected, estimated or predicted. You are therefore strongly advised to read the sections "*Risk Factors*", "*Financial Review*" and "*Description of the Group*", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sector in which the Group operates.

The risks and uncertainties referred to above include:

- changes in economic, financial and political conditions or changes in the regulatory and competitive environments in markets served by operations of the Group that would adversely affect the level of demand for telecommunications services;
- greater than anticipated competitive activity, from both existing competitors and new market entrants;
- the impact of investment in network capacity and the deployment of new technologies, or the obsolescence of existing technologies;
- the Group's ability successfully to execute its investments, whether in greenfield development or update of incumbent operations;
- the effects of, and changes in, laws, regulations or governmental policies affecting the Group's business activities;
- slower than expected customer growth, increased churn and reduced customer retention;
- changes in the spending patterns of new and existing customers;
- any unfavourable conditions, regulatory or otherwise, imposed in connection with pending or future acquisitions or dispositions and the integration of acquired companies and investments into the Group's existing operations;
- the Group's ability to obtain and maintain necessary regulatory approvals and licences for its businesses;

- the Group's ability to realise the benefits it expects from existing and future investments it is undertaking or plans to or may undertake;
- the Group's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments;
- the Group's ability to stabilise churn and ARPU; and
- changes in tax legislation in the jurisdictions in which the Group operates.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*".

Any forward-looking statements contained in this Base Prospectus speak only as of the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

### **STABILISATION**

**In connection with the issue of any Tranche of Notes, one or more Dealers (the "Stabilisation Manager(s)") (or any person acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, but in doing so such Dealer shall act as principal and not as agent of the Issuer. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**



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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, is completed by the applicable Final Terms. The Issuer and any relevant Dealer(s) may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No. 2019/980.

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

**Issuer:** Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C.

Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C. is a federal entity incorporated in the United Arab Emirates with limited liability on 30 August 1976 by the UAE Federal Government Decree No. 78, which was revised by the UAE Federal Law No. 1 of 1991 and further amended by Federal Law by Decree No. 3 of 2003 Regarding the Organisation of the Telecommunications Sector. The address of the Issuer's registered office is P.O. Box 3838, Abu Dhabi, United Arab Emirates. The Issuer's telephone number is +971 2 6283333.

In November 2015, Etisalat changed its name from "Emirates Telecommunications Corporation" to "Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C".

**Risk Factors:** There are certain factors that may affect the Issuer's ability to fulfil its obligations in respect of any Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. See "*Risk Factors*".

**Description:** Euro Medium Term Note Programme.

**Arrangers:** BNP Paribas, First Abu Dhabi Bank PJSC, HSBC Bank plc and Société Générale.

**Dealers:** BNP Paribas, First Abu Dhabi Bank PJSC, HSBC Bank plc and Société Générale and any other Dealers appointed in accordance with the terms of the Programme Agreement.

**Certain Restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable as at the date of this Base Prospectus.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000, as amended

(the "FSMA") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or, if the Notes are denominated in a currency other than sterling, the equivalent amount in such currency). See "*Subscription and Sale and Transfer and Selling Restrictions*".

#### **Bearer Notes**

**Notes in bearer form are subject to certain restrictions on transfer.** See "*Subscription and Sale and Transfer and Selling Restrictions – Transfer Restrictions*".

|   |   |
|---|---|
| <b>Trustee:</b>   | Citibank, N.A., London Branch.  |
| <b>Principal Paying Agent, Paying Agent and Transfer Agent:</b> | Citibank, N.A., London Branch.  |
| <b>Registrar:</b>   | Citigroup Global Markets Europe AG.   |
| <b>Irish Listing Agent:</b>                                     | Arthur Cox Listing Services.  |
| <b>Programme Size:</b>  | Up to U.S.\$10,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.   |
|   | Notes will be issued in series (each a " <b>Series</b> "). Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of the different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects, save that a Tranche may comprise Notes of different denominations. |
| <b>Distribution:</b>  | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.  |
| <b>Currencies:</b>  | Notes may be denominated in, subject to any applicable legal or regulatory restrictions or any restrictions imposed by the depositary from time to time, any currency agreed between the Issuer and the relevant Dealer(s). Payments in respect of Notes may, subject to such compliance, be made in any currency or currencies other than the currency in which such Notes are denominated.  |
| <b>Redenomination:</b>  | The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5 ( <i>Redenomination</i> ).   |
| <b>Maturities:</b>  | The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.   |
| <b>Issue Price:</b>   | Notes may be issued on a fully-paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par. The price and amount of Notes to be issued will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.  |

**Form of Notes:** The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Notes offered in the United States or to, or for the account or benefit of, U.S. persons will only be issued in registered form.

**Fixed Rate Notes:** Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms. Interest on Fixed Rate Notes in bearer form will only be payable outside the United States and its possessions, subject to Condition 7.5 (*Payments – General provisions applicable to payments*).

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes. Interest on Floating Rate Notes in bearer form will only be payable outside the United States and its possessions, subject to Condition 7.5 (*Payments – General provisions applicable to payments*).

**Other provisions in relation to Floating Rate Notes:** Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

**Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:** The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms prior to such stated maturity and at a price or prices specified in the applicable Final Terms and on such other terms as may be agreed between the Issuer and the relevant Dealer(s).

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions*" above.

**Denomination of Notes:** The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and specified in the applicable Final Terms subject to compliance with then-current laws and regulations and the provisions of the following sentence. Notes

will have a minimum denomination of €100,000 (or its equivalent in other currencies), see "*Certain Restrictions - Notes having a maturity of less than one year*" above, save that in case of any Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of Section 19 of the FSMA, the minimum specified denomination shall be £100,000 (or its equivalent in other currencies), unless otherwise permitted by then current law and regulations.

Unless otherwise stated in the applicable Final Terms, the minimum denomination of each Note which may be purchased by a QIB pursuant to Rule 144A will be U.S.\$200,000 or its approximate equivalent in other Specified Currencies.

**Taxation:** All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

**Negative Pledge:** The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge and Other Covenants*).

**Cross-Default:** The terms of the Notes will contain a cross-default provision as further described in Condition 11 (*Events of Default and Enforcement*).

**Status of the Notes:** The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge and Other Covenants*)) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

**Rating:** The rating of certain Series of the Notes to be issued under the Programme may be specified in the applicable Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless: (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless: (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

**Listing and admission to trading:** This Base Prospectus, as approved and published by the Central Bank, in accordance with the requirements of the EU Prospectus Regulation, comprises a Base Prospectus for the purposes of the EU Prospectus

Regulation and for the purpose of giving information with regard to the issue of Notes issued under this Programme, during the period of twelve months after the date hereof. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to be admitted to trading on the regulated market of Euronext Dublin. Application has also been made to the SCA to approve the issuance of the Notes, and the ADX for Notes issued under the Programme to be admitted to listing on the ADX.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Governing Law:**

The Notes, the Programme Agreement, the Agency Agreement and the Trust Deed, and any non-contractual obligations arising out of or in connection with the same will be governed by, and shall be construed in accordance with, English law.

**Clearing Systems:**

Euroclear and/or Clearstream, Luxembourg and/or DTC or, in relation to any Tranche of Notes, any other clearing system.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the United Kingdom, Japan, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*".

**United States Selling Restrictions:**

Regulation S, Category 2. Rule 144A. TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.

**Use of proceeds:**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## RISK FACTORS

*Etisalat believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur. Additional risks and uncertainties not presently known or currently deemed immaterial may also have a material adverse effect on the Group's business, results of operations, financial condition or prospects.*

*In addition, a list of factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme is also described below.*

*If any of the risks described below actually materialise, the Group's business, financial condition, results of operations or prospects could be materially adversely affected. If that were to happen, the trading price of the Notes could decline and investors could lose all or part of their investment.*

*Etisalat believes that the factors described below represent the principal risks of investing in Notes issued under the Programme, but its inability to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by Etisalat based on information currently available to it or which it does not or may not currently anticipate. Prospective investors should read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. See "Cautionary statement regarding forward-looking statements"*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks relating to Etisalat and the Group**

##### ***Etisalat's financial obligations are not guaranteed by the Government***

The Government is Etisalat's largest shareholder, holding 60 per cent. of Etisalat's ordinary shares through the Emirates Investment Authority (the "**Special Shareholder**") as at the date of this Base Prospectus. Pursuant to Federal Law No. 3 of 2015, the Government's shareholding in Etisalat may not be less than 51 per cent. unless the Special Shareholder decides otherwise. The Government shareholding in Etisalat was reduced from 60 per cent. of the Etisalat's share capital to 51 per cent., and the later threshold can only be reduced if so decided by the Special Shareholder. Although the Government is a majority shareholder, Etisalat is an independent commercial enterprise and, in the absence of an explicit guarantee from the Government in respect of any of its borrowings, none of its financial obligations (including its obligations under the Notes) or those of its subsidiaries, associates or joint ventures, are guaranteed by the Government. Accordingly, Etisalat's financial obligations, including its obligations under the Notes, are not and should not be regarded as obligations of the Government. Etisalat's ability to meet its financial obligations under the Notes is solely dependent on the Group's ability to fund such amounts from its profits and cash flows, or from other, non-Government, sources of financing. Therefore, any decline in the Group's operations, its profits or cash flows, or any difficulty in securing external funding, may have a material adverse effect on Etisalat's ability to satisfy its payment obligations to Noteholders irrespective of Government ownership.

***If the Group does not continue to provide telecommunications or related services that are useful and attractive to customers, it may not remain competitive, and its business, financial condition, results of operations and prospects may be adversely affected***

The telecommunications industry is characterised by technological changes, including an increasing pace of change in existing mobile systems, industry standards and ongoing improvements in the capacity and quality of technology. The Group's commercial success depends on providing telecommunications services that provide its customers with attractive products and services at a competitive price. As new technologies develop, the Group's operating entities' equipment may need to be replaced or upgraded, or its networks may need to be rebuilt in whole or in part in order to sustain a competitive position as a market leader. Continuing technological advances, ongoing improvements in the capacity and quality of digital technology and short development cycles also contribute to the need for continual upgrading and development of the operating entities' equipment, technology and operations. To respond successfully to technological advances, the Group may require substantial capital expenditures and access to related or enabling technologies in order to integrate the new technology with its existing technology. For example, in each of 2020, 2019 and 2018, the Group's capital expenditure amounted to AED 7.1 billion, AED 8.9 billion and

AED 8.4 billion, respectively. If the Group is unable to anticipate customer preferences or industry changes, or if it is unable to modify its networks on a timely and cost-effective basis, it may lose customers.

Many of the services the Group's operating entities offer are technology-intensive and the development or acceptance of new technologies may render such services non-competitive, replace such services or reduce prices for such services. In addition, as convergence of services accelerates, the Group has made and will have to continue to make additional investments in new technologies to remain competitive. For example, in both 2019 and 2020 part of the Group's capital expenditure in the UAE was focused on the rollout of its 5G network. The Group's operating results would also suffer if its new products and services are not responsive to the needs of its customers, are not appropriately timed with market opportunities or are not effectively brought to market. The new technologies the Group chooses may not prove to be commercially successful or profitable. For example, WiMAX technology, a wireless broadband network designed to provide significantly higher data transport speeds, has not proven to be as popular or cost-effective as the Group had initially hoped.

As telecommunications technology continues to develop, the Group's competitors may be able to offer telecommunications products and services that are, or that are perceived to be, substantially similar or better than those offered by the Group. This could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. If the Group is not successful in anticipating and responding to technological change and resulting consumer preferences in a timely and cost-effective manner, the Group's quality of services, business, financial condition, results of operations and prospects could be materially adversely affected.

As a result, the Group cannot be certain that existing, proposed or as yet undeveloped technologies will not become dominant in the future and render the technologies it uses less commercially viable or profitable or that the Group will be successful in responding in a timely and cost-effective way to keep up with new developments.

***A downturn in the domestic, regional or global economy may adversely affect the Group's businesses, as evidenced by the impact of the COVID-19 pandemic***

The Group is exposed to risks associated with any future downturn in the domestic, regional or global economy. To the extent that economic growth or performance, either globally or in the regions in which the Group operates, slows or remains depressed for an extended period, this could have an adverse effect on the Group's operations. Many of the Group's strategic partners and suppliers, who are based overseas may, in the event of a global downturn or a downturn in any specific region, experience financial difficulties that could affect their ability to service the Group in a timely and efficient manner. The Group operates in several countries that are highly dependent on the price of oil to support their economies, including, without limitation, the UAE and Saudi Arabia. Any sustained decline in global oil and gas prices may potentially adversely affect economic activity in these countries and could have a direct impact on the operations of the Group.

Economic conditions can have a material adverse effect on telecommunications businesses and on the quality and growth of their customer base and service offerings. For example, customers may decide that they can no longer afford mobile services, or that they can no longer afford the data services and value-added services that are instrumental in maintaining or increasing total revenue generated per subscriber and, in turn, increasing the Group's revenues. Subject to differing levels of price elasticity of demand in each market in which the Group operates, any future economic downturn in those markets could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. High rates of inflation in some of the countries in which the Group operates, particularly in Egypt and certain other African countries, may also cause consumer purchasing power to decrease, which may reduce consumer demand for the Group's services.

A loss of investor confidence in the financial systems of emerging as well as mature markets may cause increased volatility in the financial markets in the countries and regions in which the Group operates and a slowdown in economic growth or economic contraction in those countries and regions. Any such increased volatility or slowdown could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

COVID-19 was first identified in Wuhan, Hubei Province, China in late 2019. Since then it spread rapidly, infecting people and causing a substantial number of deaths around the world. Almost all countries that



were significantly affected, including the UAE and other countries in which the Group operates, introduced measures to try to contain the spread of the virus, including border closures and restricting the movement of their citizens. It remains unclear how long restrictions will be in place in most countries and what their ultimate impact will be on global and local economies.

The measures imposed impacted the way the Group conducted its business in 2020 and put pressure on revenue as a result of store closures, which affected the mobile prepaid segment and handset sales, in addition to the loss of roaming revenue due to travel bans and additional provisions related to trade receivables and contract assets. COVID-19 also led to a reduction in certain financial investments carried at fair value. The Group expects that the pandemic may continue to impact its business in future periods as new variants and waves continue to emerge around the world.

***A significant proportion of the Group's revenue is derived from its operations in the UAE, which makes the Group vulnerable to an economic downturn in the UAE***

A significant proportion of the Group's revenue is derived from its operations in the UAE. The Group relies on this revenue, and the cash flows derived from it, to make principal and interest payments on its indebtedness, including any Notes issued under the Programme, and to pay operating expenses, fund its capital expenditures and meet its other obligations that may arise from time to time.

In 2020, 59.5 per cent. of the Group's external revenue was derived from its operations in the UAE, compared to 61.4 per cent. in 2019 and 61.0 per cent. in 2018. Consequently, any future economic downturn in the UAE could, particularly if it negatively impacted consumer spending, materially and adversely affect the Group's overall performance. See "A downturn in the domestic, regional or global economy may adversely affect the Group's businesses, as evidenced by the impact of the COVID-19 pandemic" above. To the extent that economic growth or performance in the UAE slows further or remains depressed for an extended period, this could have an adverse effect on the Group's UAE operations.

Because a significant proportion of the Group's revenue is derived from its operations in the UAE, any material adverse effect on the Group's operations in the UAE may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group may face increased competition from established telecommunications operations or new entrants in the markets in which it operates, both in the UAE and in its international operations***

The Group operates telecommunications networks in the UAE, Morocco, Egypt, Pakistan and a number of other countries.

The Group operates in an increasingly competitive environment across its markets. The Group's competitors fall into four broad categories: (1) international diversified telecommunications companies; (2) state-owned and partly state-owned telecommunications companies; (3) local and regional telecommunications companies; and (4) "Over-the-Top" (OTT) providers of telecommunications services (such as Skype and Whatsapp) or other non-traditional competitors or industry disrupters who rely on technological innovation to compete in established markets.

Some of the Group's global competitors have substantially greater financial, personnel, technical, marketing and other resources. In a number of countries, the Group's competitors are also state-owned entities or major local business participants, and may have the advantage of being an incumbent service provider. Local and regional operators may be able to leverage their knowledge of the local markets more efficiently than the Group. Further the proliferation of OTT services further increases competitive risks. The growth in internet connectivity has led to the proliferation of entrants offering VoIP services or audio or video content services delivered over the internet. Such operators could displace the services the Group provides by using the Group's customers' internet access (which may or may not be provided by the Group) to enable the provision of voice calls and instant messaging services directly to the Group's customers. Any failure by the Group to continue to successfully transform its business models toward these data-driven products, which may be at the expense of voice calls and instant messaging, to account for this industry shift could have a negative impact on the Group's existing services and adversely impact the Group's business, financial condition and results of operations.

The continuing trend toward business combinations, strategic alliances and new forms of services in the telecommunications industry may create increased competition. Although new laws and regulatory

initiatives may provide the Group with increased business opportunities by removing or substantially reducing certain barriers to competition, in so doing they also create a more competitive business environment and may encourage new entrants, which could adversely affect the Group's key performance indicators such as ARPU.

Increased competition may also lead to increased churn, a reduction in the rate at which the Group is able to add new customers or to a decline in customer numbers and a decrease in the Group's market share as customers purchase telecommunications services, or other competing services, from other providers and/or increasingly switch between providers based on pricing and the products and services that are offered. Increasing competition has also led, in certain markets, to declines in the prices the Group's operating companies are able to charge for their services and may lead to further price declines in the future, which could adversely affect the Group's overall profitability.

The competitive focus in certain markets in which the Group operates, including the UAE, continues to shift from acquiring new customers to retaining existing high-value customers and increasing usage by existing customers as a result of increased penetration of the mobile telecommunications market and increased competition. There can be no assurance that the Group's operating companies will not experience increases in churn rates, reflecting increased numbers of customer deactivations, particularly as competition for existing customers intensifies. The cost of acquiring a new subscriber is much higher than the cost of maintaining an existing subscriber. Accordingly, increased churn rates could have a material negative impact on the Group's operating income, even if the Group's operating companies are able to obtain one new subscriber for each lost subscriber. An increase in churn rates may result in lower revenue and higher costs resulting from the need to replace customers and may consequently have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group's ability to exercise control over its subsidiaries and influence over its associates and joint ventures is, in some cases, dependent upon the consent and cooperation of other participants who are not under its control. Disagreements or terms in the agreements governing the Group's subsidiaries, associates and joint ventures could adversely affect its business, financial condition, results of operations and prospects***

The Group currently conducts operations through subsidiaries, associates and joint ventures, both in and outside the UAE. The Group's level of ownership of each of its subsidiaries, associates and joint ventures varies from market to market, and it does not always have a majority interest, for example in both Saudi Arabia and Sri Lanka it operates through associates. Although the terms of its investments vary, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected if disagreements develop with its partners. The Group's ability to withdraw funds, including dividends, from its participation in, and to exercise management control over its subsidiaries and influence over its associates and joint ventures depends, in some cases, on the consent of its other partners in these entities. Further, failure to resolve any disputes with its partners in certain of the Group's operating subsidiaries, associates and joint ventures could restrict payments made by these operating entities to Etisalat and have a material adverse effect on Etisalat's business, financial condition, results of operations and prospects.

Etisalat enters into management agreements and/or technical services agreements with certain of its subsidiaries, associates and joint ventures, and accrues annual fees for the services it provides under those agreements. In 2020, Etisalat accrued AED 294 million in management fee and performance incentive income from PTCL, Mobily and Etisalat Misr. Management fees from subsidiaries are eliminated in Etisalat's consolidated financial statements. In addition, agreements governing these management arrangements and/or technical services contain, in some cases, change of control and similar provisions which if triggered could give other participants in these investments the ability to purchase the Group's interests or enact other penalties. Any failure of the Group to achieve or maintain positive working relationships with its business partners could have a material adverse effect on its business, financial condition, results of operations and prospects.

***Current antitrust and competition laws in the countries in which the Group operates may limit its growth and subject it to competition and other investigations or legal proceedings***

The antitrust and competition laws and related regulatory policies in many of the countries in which the Group operates generally favour increased competition in the telecommunications industry and may impact its operating entities' commercial decisions and ability to maximise competitiveness and prohibit the Group from making further acquisitions; or impact its operating entities' ability to continue to engage in particular

practices to the extent that such entity holds a significant market share in such countries. In addition, violations of such laws and policies could expose the Group's operating entities to administrative proceedings, regulatory measures, civil lawsuits or criminal prosecution, including fines and imprisonment, and to the payment of punitive damages.

Regulators in many of the countries in which the Group operates are particularly focused on establishing rules and a regulatory framework for interconnection between telecommunications networks, including calling between networks and the related pricing mechanisms. In fixed-line networks, although the incumbent provider has generally been obliged by the regulator to offer access to its network for the purposes of interconnection or call termination at prices which have usually been set by the regulator to equal cost, such pricing could also be set well below cost. Decisions by any of the Group's operating entities' relevant regulators requiring the relevant entity to provide mobile termination and interconnection services well below current rates, which is more likely to be required in countries in which the Group is viewed or designated by the local regulator as having significant market power, could prevent the Group from realising a significant amount of revenue and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Telecommunications businesses require substantial capital investment and the Group may not have sufficient capital to make future capital expenditure and other investments that the Group deems necessary or desirable***

The Group operates in a capital-intensive industry that requires substantial amounts of capital and other long-term expenditures, including those relating to the deployment, development or acquisition of networks and the expansion or improvement of existing networks. The Group may also require capital to affect future acquisitions. The Group commits substantial capital expenditure each year to the development of its networks and technologies in order to meet customer demand. In particular, the Group has significant capital expenditure plans in the 2021 - 2022 period, relating to network modernisation, coverage enhancements, 5G deployment in the UAE, building data centres, expanding digital capabilities, acquiring new licences and spectrum acquisition.

In the past, the Group has financed its capital expenditures through a variety of means, primarily through internally generated cash flows, and to a lesser extent, through joint ventures and partnerships, external borrowings and capital contributions from Etisalat, as the parent company of the Group, to its subsidiary operations. In the future, the Group expects to utilise a combination of these sources, including banking and capital markets transactions, to manage its balance sheet and meet its financing requirements. Most of the Group's operating companies, including Maroc Telecom, PTCL and Etisalat Misr have entered into financing agreements on their own. There can be no assurance that such sources of capital will be available to the Group on acceptable terms, if at all.

The Group's ability to arrange external financing, and the cost of such financing, depends on numerous factors, including the Group's future financial condition and results of operations, general economic and capital markets conditions which may be affected by numerous factors beyond the Group's control, interest rates, credit availability from banks or other lenders, investor confidence in the Group, applicable provisions of tax and securities laws and political and economic conditions in any relevant jurisdiction. There can be no assurance that the Group will be able to arrange external financing on commercially reasonable terms, if at all.

***The Group's investment plans are based on financial models conducted on the markets in which the Group seeks to operate. There can be no assurance that such financial models will correctly anticipate actual investment results***

The Group's investment plans, including, in particular, its network expansion plans and acquisition plans are influenced by its financial modelling of anticipated investment returns. The Group uses the results of its modelling to identify and execute its investment strategy. These financial models rely on certain assumptions of market fundamentals, such as pricing and competition in the relevant markets, in determining a given investment's timing, cost and expected profitability for the Group. If actual market conditions deviate from the assumptions underlying these financial models, the Group could be required to modify, scale-back or delay its acquisition and expansion plans.

For example, the Group's current capital expenditure programme is based upon forecasts for growth in demand for telecommunications in the markets in which it operates which are based on a number of material

assumptions, including population growth trends and trends in future demand for telecommunications services, and there is the risk that such assumptions may be inaccurate.

To the extent that the Group overestimates future telecommunications demand and is, subsequently, unable to revise its capital expenditure programme, the Group may be unable to receive the expected returns on its capital expenditure. To the extent that the Group has underestimated future telecommunications demand, it may be unable to meet demand, which may adversely affect its reputation and lead to a decline in customer numbers and a decrease in the Group's market share in the markets in which it operates. Either result may have an adverse effect on its business, financial condition or results of operations.

***The Group is exposed to certain risks in respect of the development, expansion and maintenance of its telecommunications networks***

The Group's ability to increase its subscriber base depends in part upon the success of the expansion and management of its telecommunications networks and upon its ability to obtain sufficient financing to facilitate these plans. The build-out of the Group's networks is subject to risks and uncertainties which could delay the introduction of services in some areas and increase the cost of network construction. Among the Group's recent projects are the rollout of its 5G network in the UAE and the launch of 4G services in Burkina Faso in 2019. Network expansion and infrastructure projects, including those in the Group's development pipeline, typically require substantial capital expenditure throughout the planning and construction phases and it may take months or years before the Group can obtain the necessary permits and approvals and the new sites become operational. During the planning and expansion process, the Group is subject to a number of construction, financing, operating, regulatory and other risks beyond its control, including but not limited to, an inability to obtain necessary financing on terms favourable to the Group or at all, increases in operating costs, failure to meet licence obligations and changes in demand for services or inaccurate estimates of service need.

The occurrence of these events may have a material adverse effect on the Group's ability to complete its current or future network expansion projects on schedule or within budget, if at all, and may prevent the Group from achieving the projected revenues, internal rates of return or capacity associated with such projects. There can be no assurance that the Group will be able to generate revenue or profits from its expansion projects that meet its planned targets and objectives, or that such revenue will be sufficient to cover the associated construction and development costs, either of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***A failure in the continuing operations of the Group's networks, gateways to its networks or the networks of other operators could adversely affect the Group's business, financial condition, results of operations and prospects***

The Group depends to a significant degree on the uninterrupted operation of its networks to provide its services. From time to time, customers of certain operating companies within the Group have experienced blocked or dropped calls because of network capacity constraints. The Group cannot assure investors that these relevant networks can be improved or maintained at current levels.

The Group also relies to a certain extent on interconnection to the networks of other telecommunications operators to carry calls from its customers to the customers of fixed-line operators and other mobile operators, both within a given country and internationally. While the Group has interconnection and international roaming agreements in place with many other telecommunications operators, it has no direct control over the quality of these networks and the interconnections and international roaming services they provide. Any difficulties or delays in interconnecting with other networks and services, or the failure of any operator to provide reliable interconnections or roaming services to the Group on a consistent basis, could cause customer dissatisfaction and result in a loss of subscribers or a decrease in traffic, which could adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, the Group's network, including its information systems, information technology and infrastructure and the networks of other operators with whom its customers interconnect, are vulnerable to damage or interruptions in operation from a variety of sources including earthquake, fire, flood, power loss, equipment failure, network software flaws, transmission cable disruption or similar events. Any interruption of the Group's operations or the provision of any service, whether from operational disruption, natural disaster, malicious intervention, war or terrorist action or otherwise, could damage the Group's

ability to attract and retain customers, cause significant customer dissatisfaction and have a material adverse effect on its business, financial condition, results of operations and prospects.

***Continued cooperation between the Group and its equipment and service providers is important to maintain the Group's telecommunications operations***

Once a manufacturer of telecommunications equipment has designed and installed its equipment within a system, the operator of the system will often be reliant on the manufacturer for continued service and supply. The Group's ability to maintain and grow its subscriber base depends in part on its ability to source adequate supplies of network equipment and on its ability to source adequate supplies of mobile handsets, software and content on a timely basis. For example, the Group has made substantial equipment purchases from Ericsson, Huawei and Nokia. Continued cooperation with these equipment and service providers is essential for the Group to maintain its operations.

The Group does not have direct operational or financial control over its key suppliers and has limited influence with respect to the manner in which its key suppliers conduct their businesses. The Group's reliance on these suppliers subjects the Group to risks resulting from any delays in the delivery of services. The Group cannot assure investors that its suppliers will continue to provide equipment and services at attractive prices or that the Group will be able to obtain such equipment and services in the future from these or other providers on the scale and within the time frames required, if at all. The inability or unwillingness of key suppliers to provide the Group with adequate equipment and supplies on a timely basis and at attractive prices could materially and adversely impact the Group's ability to retain and attract subscribers or offer attractive product offerings, either of which could materially and negatively impact the Group's business, financial condition, results of operations and prospects.

***The Group is subject to political conditions in the key markets in which it operates***

The Group's key operations are located in the UAE, Morocco, Egypt and Pakistan. The Group's results of operations are, and will continue to be, significantly affected by political developments in or affecting those markets. It is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the Group would be able to sustain the operation of its business if adverse political or other events or circumstances were to occur. Investors should also note that the Group's business and financial performance could be adversely affected by political, financial, economic or related developments both within and outside the key markets in which the Group operates because of inter-relationships within the global financial markets. In addition, the implementation by a national or local government in any of the key markets in which the Group operates of regulations adverse to the Group's interests, including changes with respect to royalty payments, taxation or telecommunications regulations, or changes to grants and licences of properties used by the Group in those markets, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects and thereby adversely affect the Group's ability to perform its obligations in respect of any Notes.

Certain countries in which the Group operates, such as Egypt, Pakistan, Mali and Afghanistan do not have particularly stable political environments. Instability in any of these countries may result from a number of factors, including government or military regime change, civil unrest or terrorism. To a varying extent in each of these countries, extremists have engaged in a campaign, sometimes violent, against various governments in the region and terrorists have struck both military and civilian targets. There can be no assurance that extremists or terrorist groups will not escalate violent activities in the countries in which the Group operates or that the governments of those countries will be successful in maintaining the prevailing levels of domestic order and stability. In recent years, there has been significant political and social unrest, including violent protests in a number of countries in which the Group operates, including Morocco, Egypt, Pakistan, Mali and Afghanistan. There can be no assurance that such significant political and social unrest will not escalate or that the governments of countries in which the Group operates will be successful in maintaining domestic order and stability. In each of these countries, the Group may incur substantial costs to maintain the safety of its personnel and to protect its assets. Despite these precautions, the safety of the Group's personnel in these locations may continue to be at risk. In addition, network maintenance and expansion projects in these areas could be delayed or cancelled due to the need for heightened security for employees and contractors operating in these areas. The security situation in each of Egypt, Pakistan, Mali and Afghanistan remains unstable and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Other potential sources of instability in the MENA region include a worsening of the current situation in Iraq and Syria, where a large amount of territory is controlled by jihadist rebel groups, the ongoing conflict in Yemen, fragile relations between the United States and Iran, and the ongoing Israeli-Palestinian conflict. Each of these situations, alone or in combinations, has the potential to adversely affect regional security as well as global oil and gas prices. Such a deterioration in relations, should it materialise, could adversely impact the UAE and broader regional security, potentially including the outbreak of a regional conflict.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the countries in which the Group operates and, in particular, could impact the level of economic activity in those countries and, consequently, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects, and thereby adversely affect the Group's ability to perform its obligations in respect of any Notes.

***If the Group fails to attract and retain qualified and experienced employees, its business may be harmed***

If the Group is unable to attract and retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or if the Group fails to recruit skilled professional and technical staff at a pace consistent with its growth, its business, financial condition, results of operations and prospects may be materially adversely affected. Experienced and capable personnel in the telecommunications industry remain in high demand and there is continuous competition for their talents. The Group may not be able to successfully recruit, train or retain the necessary qualified personnel in the future. The loss of some members of the Group's senior management team or any significant number of its mid-level managers and skilled professionals may result in a loss of organisational focus, poor execution of operations and corporate strategy or an inability to identify and execute potential strategic initiatives such as expansion of capacity or acquisitions and investments. These adverse consequences could, individually or in the aggregate, have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group may not be able to adequately protect its intellectual property, which could harm the value of the Group's brand and branded products***

The Group depends on its brands and branded products described under "Description of the Group—Intellectual property" and believes that these brands are important to its business. The Group relies primarily on trademarks and similar intellectual property rights to protect its brands and branded products. The success of the Group's business depends on its ability to use its existing trademarks in order to increase brand awareness and further develop its branded products and services in its markets. The Group is currently assessing the registration status of its trademarks and other intellectual property rights, has registered certain trademarks and has other trademark registrations pending. The Group has sought to register all of the trademarks that it currently uses in the markets in which they are used, though in many cases, the Group cannot be certain that these trademarks have not been registered by another party in the past in other jurisdictions. The Group may not be able to adequately protect its trademarks and its use of these trademarks may result in liability for trademark infringement, trademark dilution or unfair competition.

***The Government exerts significant control over Etisalat and the Government's interests may not always be aligned with those of the Noteholders and/or Etisalat itself***

The Government is Etisalat's most significant shareholder, owning 60 per cent. of Etisalat's shares as of the date of this Base Prospectus. The Government either directly or through a nominee holds a Special Share which gives its holder the authority to approve certain matters in accordance with Etisalat's Articles of Association and Federal Decree Law No. 3 of 2015. The Government's shareholding and the Special Share are currently held by the Emirates Investment Authority (the "EIA"). In addition, the Group is required to pay an annual royalty payment to the Government of 15 per cent. of its revenue derived from TRA-regulated activities in the UAE and 30 per cent. of its net profit after deduction of the 15 per cent. royalty fee on the revenue derived from TRA-regulated activities in the UAE. In respect of profit from international operations, the 30 per cent. royalty is reduced by the amount that the profit from international operations has already been subject to foreign taxes. This royalty payment represents a significant proportion of the Government's total revenue. The royalty charge in respect of 2020 amounted to AED 5,594 million, representing 9 per cent. of the Government's budget for 2020 (*source: Etisalat*). The current royalty scheme is scheduled to be in place until the end of 2021, following which the UAE Government may increase the royalty payable by the Group or impose more stringent terms on the Group in connection therewith. Notwithstanding the foregoing, the Government retains the power to review and/or change the royalty

payment scheme at any time. Such a change could be adverse to the Group and could have a material adverse effect on its business, financial condition, results of operations and prospects. See Note 4(iii) ("*Federal Royalty*") to the 2020 Financial Statements for details of critical accounting estimates and judgments in relation to the royalty payment.

The composition of Etisalat's Board of Directors (the "**Board**") is regulated by Federal Law No. 1 of 1991 on Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C., as amended (the "**Etisalat Law**"), as well as Etisalat's Articles of Association. The Board comprises 11 directors of which seven directors (including the Chairman and Vice Chairman of the Board) represent the Government and are appointed by the EIA. EIA is entitled to appoint one board member for each 8.5 per cent. of the shares in Etisalat that it holds and its right to appoint the Vice Chairman of the Board is subject to holding at least 25 per cent. of Etisalat's shares. The remaining directors are elected by other shareholders during the General Assembly meeting. Amendments to Etisalat's Articles of Association require a special resolution from a General Meeting of shareholders, with a 75 per cent. majority of the total votes of the participating shareholders as well as EIA approval, as the Special Shareholder, when the amendments affects the rights attaching to the Special Share.

Given the Government's ownership of 60 per cent. of Etisalat's shares and its holding of the Special Share, the Government has the ability to determine the outcome of certain votes by shareholders of Etisalat, including but not limited to, the appointment of a majority of Etisalat's directors and, in turn, the selection of Etisalat's management, Etisalat's business policies and strategies, budget approval, the issuance of equity and debt securities, mergers, acquisitions and disposals of Etisalat's assets or businesses, the payment of dividends and other matters. The interests of the Government and investors in the Notes may conflict, and there can be no assurance that the resolution of any matter that may involve the interests of the Government will be resolved in what investors would consider to be their best interests or the best interests of the Group. In addition, the Government could make changes to the Etisalat Law that would enable it to change or eliminate any minimum shareholding requirement. There can be no assurance that the Government will not change such law, and the impact of any such change on investors in the Notes cannot be predicted. In addition, investors in the Notes do not have the benefit of a restriction on change of control of the Group in the Transaction Documents.

***A downgrade in Etisalat's credit ratings could adversely affect the Group's ability to access the debt capital markets and may increase its borrowing costs***

Etisalat's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining its cost of borrowings. The interest rates of the Group's borrowings are partly dependent on Etisalat's credit ratings. As of the date of this Base Prospectus, Etisalat's corporate ratings were Aa3 (stable) by Moody's and AA- (stable) by S&P. However, there can be no assurance that Moody's or S&P will not reassess their ratings of Etisalat or that any of Etisalat's ratings will remain the same in the future.

A downgrade of Etisalat's credit ratings (or announcement of a negative change in ratings watch) may increase its cost of borrowing and may also limit the Group's ability to raise capital. Moreover, actual or anticipated changes in Etisalat's credit ratings or the credit ratings of the Notes (if applicable) generally may affect the market value of the Notes. In addition, ratings assigned to the Notes (if applicable) may not reflect the potential impact of all risks related to the transaction, the market or any additional factors discussed in this Base Prospectus and other factors may affect the value of the Notes. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

***The Group may pursue acquisitions, investments or merger opportunities, which may subject the Group to significant risks and there is no assurance that it will be successful or that the Group will derive the expected benefits from these transactions***

Part of the Group's strategy is expanding its scale and scope and the Group may pursue acquisitions of, investments in or mergers with businesses, technologies, services and/or products that complement or expand the Group's business, including as part of the Group's growth and rollout strategy to compete with larger competitors in certain regions. Some of these potential transactions could be significant relative to the size of the Group's business and operations and may require significant investment and/or additional leverage. Any such transaction would involve a number of risks and could present financial, managerial

and operational challenges, including, but not limited to, diverting management attention from running the Group's existing business or from other viable acquisitions or investment opportunities, incurring significant transaction expenses, increased costs to integrate the relevant acquisition and potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with any such transaction.

In June 2019, Maroc Telecom acquired 100 per cent. of the share capital of Tigo Chad and in February 2020 Etisalat acquired Help AG's operations in the UAE and Saudi Arabia. Any future acquisitions of new businesses by the Group carry the risk that the business acquired may underperform relative to the price paid or the resources committed by the Group, the Group may not achieve anticipated cost savings or the Group may otherwise be adversely affected by acquisition-related charges. While the Group seeks to mitigate these risks through, among other things, due diligence processes and indemnification provisions, the Group cannot be certain that these mitigation measures will be sufficient in all cases. These risks can be particularly significant in emerging markets, where it is difficult to assess the regulatory environment given limited history and precedent and other economic and political factors.

In addition, the Group's investments may not perform as expected, which may result in the Group recording losses or significant impairment charges against the value of those investments, as has happened in the past. For example, impairments have been recorded against its investments in PTCL, Tigo Sri Lanka and Zantel.

Moreover, the Group may not be able to successfully complete acquisitions in light of challenges such as strong competition from its competitors and other prospective acquirers who may have substantially greater resources than the Group in terms of access to capital.

For any or all of these reasons, the pursuit of an acquisition, investment in or merger with businesses, technologies, services and/or products, or failure to properly execute the divestiture of an existing business, could have an adverse effect on the Group's business, financial condition and results of operations.

***Any failure in the Group's information and technology systems could result in interruptions of the Group's business operations***

The Group's information and technology systems are designed to enable the Group to use its infrastructure resources as effectively as possible and to monitor and control all aspects of its operations. Any failure or breakdown in these systems could interrupt normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could impact the Group's ability to offer services to its customers, which could have an adverse effect on the Group's business, financial condition or results of operations. For example, the Group depends on certain technologically sophisticated management information systems and other systems, such as its customer billing system, to enable it to conduct its operations. The Group has in the past implemented a number of new IT systems and applications. While these have historically been implemented with minimum impact on the business, there can be no assurance that any future new IT will not result in any business interruptions. Any significant delays or interruptions in providing services could negatively impact the Group's reputation as an efficient and reliable telecommunications provider.

In addition, the Group relies on third-party vendors to supply and maintain much of its information technology. In the event that one or more of the third-party vendors that the Group engages to provide support and upgrades with respect to components of the Group's information technology ceased operations or became otherwise unable or unwilling to meet its needs, the Group cannot assure investors that it would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could adversely affect the Group's business, financial condition or results of operations.

***Cyber-attacks impacting the Group's networks or systems could have an adverse effect on the Group's business and result in data loss or other security breaches***

Cyber-attacks, including through the use of malware, computer viruses, dedicated denial of services attacks, credential harvesting, social engineering and other means for obtaining unauthorised access to or disrupting the operation of the Group's networks and systems and those of the Group's suppliers, vendors and other service providers, could have an adverse effect on the Group's business.



Cyber-attacks may cause equipment failures as well as disruptions to the Group's or the Group's customers' operations. Cyber-attacks against companies, including the Group, have increased in frequency, scope and potential harm in recent years. Other businesses have been victims of ransomware attacks in which the business becomes unable to access its own information and is presented with a demand to pay a ransom in order to once again have access to its information. Further, perpetrators of cyber-attacks are not restricted to particular groups or persons. These attacks may be committed by company employees or external actors operating in any geography, including jurisdictions where law enforcement measures to address such attacks are unavailable or ineffective, and may even be launched by or at the behest of nation states. Cyber-attacks may occur alone or in conjunction with physical attacks, especially where disruption of service is an objective of the attacker.

The inability to operate or use the Group's networks and systems or those of the Group's suppliers, vendors and other service providers as a result of cyber-attacks, even for a limited period of time, may result in significant expenses to the Group and/or a loss of market share to other communications providers. The costs associated with a major cyber-attack on the Group could include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, lost revenues from business interruption and litigation. Further, as the Group sells cyber-security services to its enterprise clients any cyber-security incident affecting the Group could have an adverse effect on its reputation and ability to sell these services to customers.

Additionally, the Group's business, like that of most retailers and wireless companies, involves the receipt, storage, and transmission of confidential information, including sensitive personal information and payment card information, confidential information about the Group's employees and suppliers, and other sensitive information about the Group, such as the Group's business plans, transactions and intellectual property. Unauthorised access to confidential information may be difficult to anticipate, detect, or prevent, particularly given that the methods of unauthorised access constantly change and evolve. The Group may experience unauthorised access or distribution of confidential information by third parties or employees, errors or breaches by third party suppliers, or other breaches of security that compromise the integrity of confidential information, and such breaches can have an adverse effect on the Group's business or damage the Group's reputation.

There can be no guarantee that the Group will not be subject to cyber-attacks which, individually or in the aggregate, may adversely affect to the Group's operations, financial condition or results of operations.

***Fluctuations in currency exchange rates could materially and adversely affect the Group's business, financial condition, results of operations and prospects***

As the Group presents its financial statements in dirham, it is exposed to risks related to the translation of assets and liabilities denominated in other currencies, particularly given that none of the Group's operations outside the UAE uses the dirham as their reporting or transactional currency. As a result, the Group is exposed to risks related to risk of fluctuating exchange rates used for the translation of assets and liabilities denominated in foreign currencies into dirham at reporting dates. This risk could cause the amount of the Group's net investment in its Group companies to vary which could have a significant impact on the Group's consolidated financial statements.

Further, the Group has foreign currency transactional exposure to exchange rate risk as it enters into contracts in multiple currencies) given rise to revenue, expenses, assets and liabilities in a number of different currencies, which are all exposed to foreign exchange rate fluctuations. In 2020, based on external sales, the Group derived 14.2 per cent. of its external revenue from Morocco, whose revenue is largely denominated in MAD, 8.0 per cent. of its revenue from Egypt, whose revenue is largely denominated in Egyptian pound and 5.5 per cent. of its revenue from Pakistan, whose revenue is largely denominated in rupee. Fluctuations in these currencies, in particular, may have a material impact on the Group's revenue and profit. Based on a sensitivity analysis in note 35(a) to the 2020 Financial Statements, a 10 per cent. change in the dirham against the euro would have impacted the Group's profit and loss by AED 842 million and its equity by AED 241 million in 2020. Similar changes in the dirham against the MAD and the Central African franc would have impacted the Group's profit and loss by AED 443 million and AED 206 million, respectively, in 2020.

The Group enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange rate risk, including forward foreign exchange contracts and cross currency swaps. The Group cannot provide any assurance that these arrangements will fully protect its results of operations, assets and

liabilities and cash flows from the effect of exchange rate fluctuations and there can be no assurance that future exchange rate fluctuations between the dirham and the currencies of countries in which the Group operates will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group's business may be adversely affected if the dirham/U.S. dollar peg were to be removed or adjusted***

The Group maintains its accounts, and reports its results, in dirham. Currently, the dirham remains pegged to the U.S. dollar. However, there can be no assurance that the dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that negatively impacts the valuation of Etisalat's international investments. Any such de-pegging or adjustment could have a material adverse effect on the Group's business, financial condition, results of operations and prospects which could therefore affect the ability of Etisalat to perform its obligations in respect of any Notes.

***Because the Group operates in heavily regulated business environments, the implementation of existing laws by regulators and government authorities as well as changes in laws, regulations or governmental policy affecting its business activities could adversely affect the Group's business, financial condition, results of operations and prospects***

Because the Group has operations in a large number of jurisdictions, it must comply with an extensive range of laws and regulations pertaining to the licensing, construction and operation of telecommunications networks and services, as implemented by relevant agencies or other regulatory bodies. Among the most significant of these laws and regulations are those governing tariffs, the ability to offer and/or bundle products and services, the allocation of frequency spectrum, interconnection and access, and those governing the regulatory agencies that monitor and enforce regulation and competition laws that apply to the telecommunications industry. In particular, in the UAE, the TDRA has significant power and latitude to regulate all aspects of Etisalat's business, from pricing and competition to network infrastructure.

In many of the countries in which the Group operates, local regulators have significant latitude in the administration and interpretation of telecommunications licences and laws, rules and regulations. In addition, the actions taken by these regulators in the administration and interpretation of these licences and laws, rules and regulations may be influenced by local political and economic pressures. Decisions by regulators regarding the grant, amendment or renewal of licences, to the Group or to third parties, or regarding laws, rules, and regulations, could materially and adversely affect the Group's operations in these geographic areas. The Group cannot provide any assurance that governments or regulatory bodies in the countries in which it operates will not issue telecommunications licences to new operators whose services will compete with those services provided by the Group, which may lead to increased competition and adversely affect the Group's revenue.

In addition, other changes in the regulatory environment concerning the use of mobile phones may lead to a reduction in the usage of mobile phones or otherwise adversely affect the Group. Decisions by regulators and new legislation, including in relation to retail, wholesale and interconnect price regulation, could adversely affect the pricing of, or adversely affect the revenue from, the services the Group offers. Decisions by regulators may include limiting the Group's pricing flexibility, raising its costs, reducing its retail or wholesale revenues or conferring greater pricing flexibility on the Group's competitors.

Laws and regulations are subject to change which could result in material compliance costs for the Group. For example, the introduction of data privacy legislation in Egypt, Pakistan and the Kingdom of Saudi Arabia as well as the expected introduction of such regimes in the UAE in the near future is likely to result in increased compliance costs for the Group. Existing or future laws and regulations may be implemented or enforced in a manner that is detrimental to the Group. In addition, violations of any applicable laws and regulations could expose the Group to administrative proceedings, civil lawsuits, criminal prosecution (including fines) or a prohibition on the Group engaging in certain types of business or offering certain products or services in one or more of the core markets in which it operates. The Group also cannot predict the effect that current or any future lawsuits, appeals or investigations by regulatory bodies or by any third party in any of the countries in which it operates will have on its business, financial condition or results of operations.

***The Group is involved in disputes, litigation and/or ongoing discussions with regulators, shareholders in its subsidiaries, associates and joint ventures, competitors and other parties, the ultimate outcome of which is uncertain***

The Group is subject to numerous risks relating to legal and regulatory proceedings to which it or its subsidiaries, associates and joint ventures are currently a party or which could develop in the future. The Group is currently engaged in a number of formal legal disputes with its former and existing partners in respect of several of its international operations. In 2010, the Pakistan Telecommunication Employees Trust ("PTET") board, which is responsible for administering the pension funds of PTCL employees, approved a pension increase which was less than the increase notified by the Government of Pakistan (GoP). As a result, PTCL petitioners filed a number of writ petitions. After a series of hearings, on 12 June 2015 the Supreme Court of Pakistan decided the case in favour of the petitioners. On 13 July 2015, review petitions were filed in the Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the Review Petitioners) against the Supreme Court judgment. On 10 May 2018, a decision of the Appeals bench of the Supreme Court clarified that Voluntary Separation Scheme ("VSS") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET. The case has been further postponed on several occasions since that date.

On 3 November 2014, Mobily, pursuant to its results announcement for the third quarter of 2014, announced that it had restated its financial statements for the prior year-and-a-half, mainly as a result of changing the timing of revenue recognition. Following this announcement, the Capital Market Authority ("CMA") suspended Mobily's shares from trading on the Saudi Stock Exchange ("Tadawul"). Subsequently, on 25 February 2015, Mobily announced revised results earnings for the year ended 31 December 2014, showing a significantly increased fourth quarter loss as compared to that stated in its unaudited results announcement on 21 January 2015. Pursuant to the restatement of Mobily's financial statements for 2014, aggrieved shareholders filed 188 lawsuits against Mobily before the Committee for the Resolutions of Security Disputes (the "CRSD"), some of which are still being adjudicated. Following Mobily's announcement of its revised earnings, the CMA suspended Mobily's shares from trading on Tadawul on 25 February 2015. In light of this restatement and revised earnings announcement on 2 March 2015, the CMA announced that it had assigned a specialised team to review Mobily's financial statements, conduct site visits, obtain documents and hear concerned parties' statements. As at 31 December 2020, Mobily had received 159 final favourable verdicts. Of the remaining cases, eleven have been dismissed, four have been suspended, two have been abandoned and twelve remain ongoing. See "*Litigation, Arbitration and Disputes – Relating to Mobily*".

The Group's involvement in the disputes described above and other litigation and regulatory proceedings may adversely affect its reputation. Furthermore, litigation and regulatory proceedings are unpredictable and legal or regulatory proceedings in which the Group is or becomes involved (or settlement thereof) may have a material adverse effect on its business, financial condition, results of operations and prospects.

***The Group's telecommunications licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal, any of which may result in modification or early termination. In addition, the Group's inability to obtain new licences and permits could adversely affect its business***

The terms of the Group's licences, permits and frequency allocations are subject to finite terms, ongoing review and/or periodic renewal and, in some cases, are subject to modification or early termination or may require renewal with the applicable government authorities. While Etisalat does not expect that it or any of its subsidiaries, associates or joint ventures will be required to cease operations at the end of the term of their business arrangements or licences, and while many of these licences provide for terms on which they may be renewed, there can be no assurance that these business arrangements or licences will in all cases be renewed on equivalent or satisfactory terms, or at all. Upon termination, the licences and assets of these companies may revert to the local governments or local telecommunications operators, in some cases without any or adequate compensation being paid.

The Group has in the past paid significant amounts for certain of its telecommunications licences and the competition for these licences has historically been high. Most recently, it acquired a 4G mobile licence in Burkina Faso in January 2019. The Group anticipates that it may have to continue to pay substantial licence fees in certain markets, particularly those with high anticipated growth rates, and incur substantial costs to meet specified network build-out requirements that the relevant operating entity commits to in acquiring such licences. There can be no assurance that the Group will be successful in obtaining or funding these

licences, or, if licences are awarded, that they can be obtained on terms acceptable to the Group. If the Group obtains or renews further licences, it may need to seek future funding through additional borrowings or equity offerings and there can be no assurance that such funding will be obtained on satisfactory terms, or at all. Failure to obtain financing on satisfactory terms or at all may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group's operations could be adversely affected by natural disasters or other catastrophic events beyond the Group's control***

The Group's business operations, technical infrastructure (including its network infrastructure) and development projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to, changes to predominant natural weather, hydrologic and climatic patterns, major accidents including chemical or other material environmental contamination, pandemic diseases and acts of terrorism.

The occurrence of any of these events, or a similar such event, in the regions in which the Group operates or affecting any part of the Group's telecommunications network may cause disruptions to the Group's operations in part or in whole, may increase the costs associated with providing services as a result of, among other things, costs associated with remedial work, may subject the Group to liability or impact the Group's brands and reputation and may otherwise hinder the normal operation of the Group's business, which could materially adversely affect its business, financial condition, results of operations and prospects.

In addition, the Group's technical infrastructure is vulnerable to damage or interruption from information and telecommunications technology failures, acts of war, terrorism, intentional wrongdoing, human error, international sanctions and similar events. Unanticipated problems affecting any part of the Group's telecommunications network, such as system failures, hardware or software failures, computer viruses, disruptions in the supply chain or hacker attacks could affect the quality of its services and cause service interruptions. Any of these occurrences could result in reduced user traffic and reduced revenues and could harm the Group's operations.

The effect of any of these events on the Group's business, financial condition, results of operations and prospects may be worsened to the extent that any such event involves risks for which the Group is uninsured or not fully insured, or which are not currently insurable, such as acts of war and terrorism.

***Actual or perceived health risks or other problems relating to mobile handsets or transmission and/or network infrastructure could lead to litigation or decreased mobile communications usage***

The effects of any damage caused by exposure to an electromagnetic field have been and continue to be the subject of careful evaluations by the international scientific community, but to date there is no conclusive scientific evidence of harmful effects on health. However, the Group cannot rule out that exposure to electromagnetic fields or other emissions originating from wireless handsets or transmission infrastructure is not, or will not be found to be, a health risk.

The Group's mobile communications business may be harmed as a result of these alleged or actual health risks. For example, the perception alone of these health risks could result in a lower number of customers, reduced usage per customer or potential customer liability. In addition, these concerns may cause regulators to impose greater restrictions on the construction of base station towers or other infrastructure, which may hinder the completion of network build-outs and the commercial availability of new services and may require additional investments.

**FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

**The Notes May Not Be a Suitable Investment for All Investors**

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### **Risks Related to the Structure of a Particular Issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

##### ***The Notes may be subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

##### ***The Notes may be Redeemed prior to their Final Maturity Date for Tax Reasons***

If the Issuer becomes obliged to pay any additional amounts in respect of the Notes as provided or referred to in Condition 9 (*Taxation*) of the Notes as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 8.2 (*Redemption and Purchase – Redemption for tax reasons*) of the Notes.

##### ***Partly-paid Notes are subject to additional risks***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

##### ***Inverse Floating Rate Notes are subject to increased volatility***

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate

not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

***Fixed/Floating Rate Notes are subject to additional risks***

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing rates on its Notes.

***Notes issued at a substantial discount or premium are subject to increased volatility***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

**Risks Related to the Notes Generally**

Set out below is a brief description of certain risks relating to the Notes generally:

***The Notes are subject to modification by a majority of Noteholders without the consent of all Noteholders***

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or by way of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

***The Trustee may exercise certain discretions in relation to the Notes without the consent of all Noteholders***

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to: (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes subject as provided in the Trust Deed; or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such as provided in the Trust Deed; or (iii) the substitution of another company, being a Subsidiary of the Issuer, as principal debtor under any Notes in place of the Issuer, if in the opinion of the Trustee such modification, waiver, authorisation or determination is not materially prejudicial to the interests of the Noteholders in the circumstances described in Condition 16 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

***European Monetary Union may cause Notes denominated in certain currencies to be redenominated in euro***

If Notes are issued under the Programme which are denominated in the currency of a country which, at the time of issue, has not adopted the euro as its sole currency and, before the relevant Notes are redeemed, the euro becomes the sole currency of that country, a number of consequences may follow including, but not limited to: (i) all amounts payable in respect of the relevant Notes may become payable in euro; (ii) applicable law may allow or require such Notes to be redenominated into euro and additional measures to be taken in respect of such Notes; and (iii) there may no longer be available published or displayed rates for deposits in such currency used to determine the rates of interest on such Notes. Any of these or any other consequences could adversely affect the holders of the relevant Notes.

***A change of law may adversely affect the Notes***

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

***Certain Bearer Notes the denominations of which involve integral multiples may be illiquid and difficult to trade***

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note form in respect of such holding (should such Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Bearer Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Investors in the Notes must rely on DTC, Euroclear and Clearstream, Luxembourg procedures***

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) Notes are legal investments for it; (2) Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***Certain benchmark rates, including LIBOR and EURIBOR, may be discontinued or reformed in the future - including the potential phasing-out of LIBOR after 2021***

LIBOR, EURIBOR and other rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark".

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed to be equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

In addition, the EU Benchmarks Regulation and/or the UK Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the EU Benchmarks Regulation and/or the UK Benchmarks Regulation and other applicable regulations, and the risks associated therewith.

As an example of such benchmark reforms, on 27 July 2017, the FCA announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. In a further speech on 12 July 2018, the FCA announced that the LIBOR benchmark may cease to be a regulated benchmark under the EU Benchmarks Regulation and that market participants should not rely on the continued publication of LIBOR after the end of 2021. Furthermore, on 5 March 2021, the FCA announced the future cessation or loss of representatives of the 35 LIBOR benchmark settings currently published by ICE Benchmark Administration, an authorised administrator, regulated and supervised by the FCA. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark could require or result in an adjustment to the interest provisions of the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for floating rate Notes based on the rate which was last observed on the Relevant Screen Page. Further, in certain circumstances, the Trustee may, in its discretion, determine the applicable Rate of Interest for a given period. Any such consequences could have a material adverse effect on the value and return on any such Notes.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including LIBOR or EURIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing the relevant benchmark.

The elimination of LIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the Rate of Interest provisions of the Conditions (as further described in Condition 11.2(i) (*Benchmark Replacement*)).

The Conditions provide for certain fallback arrangements if a Benchmark Event occurs, including the possibility that the interest rate could be set by reference to a successor rate or an alternative Reference Rate (without a requirement for the consent or approval of Noteholders and that such successor rate or alternative Reference Rate may be adjusted (if required) by an Adjustment Spread. Any such changes may



result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback for a particular Interest Period may result in the interest rate for the last preceding Interest Period being used. The consent or approval of the Noteholders shall not be required in connection with effecting a successor rate or an alternative Reference Rate (as applicable) and/or (in either case) an Adjustment Spread or any of the other changes set out in Condition 11.2(i) (*Benchmark Replacement*).

This may result in the effective application of a fixed rate for floating rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative Reference Rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, reforms or possible cessation or reform of certain Reference Rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

### **Risks Related to Enforcement**

#### ***Investors may experience difficulty in enforcing arbitration awards and foreign judgments in the UAE***

The payments under the Notes are dependent upon the Issuer making payments to investors in the manner contemplated under the Notes. If the Issuer fails to do so, it may be necessary to bring an action against the Issuer to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time-consuming.

Under current UAE law, the UAE courts are unlikely to enforce an English court judgement without re-examining the merits of the claim, to which they may simply apply UAE law; thus ignoring the choice by the parties of English law as the governing law of the transaction. In the unlikely event that the parties' choice was respected, it is important to note that in the UAE, foreign law is required to be established as a question of fact. Therefore, the interpretation of English law by a court in the UAE may not accord with that of an English court.

In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or which is contrary to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in the UAE have no binding effect. In addition, court decisions in the UAE are generally not recorded. These factors create greater judicial uncertainty.

The Notes, the Trust Deed, the Agency Agreement and the Programme Agreement are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the LCIA Rules, with an arbitral tribunal with its seat in London (or, subject to the exercise of an option to litigate given to certain parties (other than the Issuer) the courts of England are stated to have jurisdiction to settle any disputes).

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should be enforceable in the UAE in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the UAE courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement

convention). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, and whose rulings may have no more than persuasive force cross border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards have been refused. Federal Cabinet Resolution No. 57 of 2018 (the "**Resolution**") also governs the enforcement of foreign arbitral awards in the UAE. The Resolution confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that the conditions for enforcement of foreign arbitral awards set out in the New York Convention shall not be prejudiced by the Resolution. However, there is not established track record as to how the overlapping provisions of the New York Convention and the Resolution will be interpreted and applied by the UAE courts in practice. There is also a risk that, notwithstanding the New York Convention, the Resolution or the terms of any other applicable multilateral or bilateral enforcement convention, the UAE courts may in practice consider and apply the grounds for enforcement of domestic UAE arbitral awards set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. The UAE Arbitration Law and the Resolution are both new and it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

***The Issuer's waiver of immunity may not be effective under UAE law***

The Issuer has waived its rights in relation to sovereign immunity; however, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Trust Deed, the Agency Agreement, the Programme Agreement and the Notes are valid and binding under the laws of the UAE.

**Risks Related to the Market Generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***A secondary market may not develop for any Notes***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. The liquidity of any market for the Notes that may develop depends on a number of factors, including the method of calculating the principal and interest in respect of the Notes, the time remaining to the maturity of the Notes, the outstanding amount of the Notes, the redemption features of the Notes, and the level, direction and volatility of the market more generally.

Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

***Notes may be subject to exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls which could adversely affect an applicable exchange rate. The Issuer does not have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. However, fluctuations between currencies in the past are not necessarily indicative of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-

equivalent yield on the Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note may not be available at such Note's maturity.

***Fixed Rate Notes are subject to interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Issuer and to Notes issued under the Programme. The ratings may not reflect the potential impact of all risks related to the transaction structure, the market, the additional factors discussed above or any other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the relevant rating agency at any time. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely if circumstances in the future so warrant.

In general, EEA regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank shall be incorporated in, and form part of, this Base Prospectus:

### *Financial Statements*

1. the 2020 Financial Statements (an electronic copy of which is available at <https://www.etisalat.com/en/investors/financial-results.jsp>); and
2. the 2019 Financial Statements (an electronic copy of which is available at <https://www.etisalat.com/en/investors/financial-results.jsp>).

### *Terms and Conditions*

1. The Terms and Conditions of the Notes contained in the Base Prospectus dated 22 May 2014 (the "**2014 Terms and Conditions**"), pages 40 to 70 (inclusive) (an electronic copy of which is available at [https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus\\_02084e89-7d4c-4c9d-bf3c-8fab48f21ca5.pdf](https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_02084e89-7d4c-4c9d-bf3c-8fab48f21ca5.pdf)); and
2. The Terms and Conditions of the Notes contained in the Base Prospectus dated 16 April 2015 (the "**2015 Terms and Conditions**"), pages 42 to 72 (inclusive) (an electronic copy of which is available at [https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus\\_94db430c-c084-404f-a15c-e37c202a0b60.pdf](https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_94db430c-c084-404f-a15c-e37c202a0b60.pdf)).

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the specified offices of the Principal Paying Agent for the time being in London.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The parts of the above mentioned documents which are not incorporated by reference into this Base Prospectus are either not relevant for investors or covered elsewhere in this Base Prospectus.

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus in accordance with Article 23 of the EU Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, shall constitute a supplemental base prospectus in accordance with Article 23 of the EU Prospectus Regulation. Statements contained in any such supplement (or any statement contained in a document, all or a portion of which is deemed to be incorporated by reference herein), shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

This Base Prospectus should be read and construed with any amendment or supplement hereto and with any other document incorporated by reference herein.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

Bearer Notes will only be delivered outside the United States and its possessions.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Bearer Global Note of the same Series; or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest, coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification if such Note is being issued in accordance with TEFRA C Rules or if certification has already been given (as described in the preceding paragraph).

Each Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default (as defined in Condition 11.1 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the

event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), receipts and interest coupons relating to such Notes where TEFRA-D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE 1986, AS AMENDED."

The sections referred to provide that U.S. Holders (as defined in "*Taxation – United States Federal Income Tax Considerations*") with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to persons reasonably believed to be QIBs. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, each a "**Registered Global Note**"). No sale of Legended Notes (as defined under "*U.S. Information*" above) in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount.

Registered Global Notes will either: (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**"); or (ii) be deposited with a common depository for, and registered in the name of the nominee for the Common Depository of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4 (*Payments – Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the relevant exchange agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of

the Agency Agreement. None of the Issuer, any Paying Agent, the Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.4 (*Payments – Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in either case, no alternative clearing system satisfactory to the Trustee is available; (ii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect signed by two Directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

***Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "Subscription and Sale and Transfer and Selling Restrictions".***

### **General**

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Issuer, the Principal Paying Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing. In addition, holders of interests in such Global Note credited to their accounts

with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11.1 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, from 8.00 p.m. (London time) on such day, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or DTC on and subject to the terms of the Trust Deed. In addition, holders of interests in such Global Notes credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.



## APPLICABLE FINAL TERMS

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive (EU) 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129 (as amended or superseded, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS**– The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[EU MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[Notification under Section 309B(1)(c) of the [Securities and Futures Act (Chapter 289) of Singapore (the "SFA")** - Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore)(as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products "]/["capital markets products other than

prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Date: [●]

**Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C.  
Legal Entity Identifier (LEI): 529900XDPQPWEQ9BGB80**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the U.S.\$10,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 27 April 2021 (the "**Base Prospectus**") [and the supplement(s) to it dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129) (the "**EU Prospectus Regulation**"). [This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented]]<sup>1</sup>. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplementary prospectus(es)] [is/are] available for viewing in accordance with Article 21 of the EU Prospectus Regulation on Euronext Dublin's website at <https://live.euronext.com/> and during normal business hours at the registered office of the Issuer at Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C., P.O. Box 3838, Abu Dhabi, United Arab Emirates and copies may be obtained from the registered office of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2014]/[2015] Terms and Conditions of the Notes (the "**Conditions**") incorporated by reference in the Base Prospectus dated 27 April 2021. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 27 April 2021 [and the supplemental Base Prospectus dated [date]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**"). [This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129) (the "**EU Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 27 April 2021 [and the supplemental prospectus dated [●]]<sup>2</sup>, which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation] , save in respect of the Conditions. The Base Prospectus [and the supplementary prospectus(es)] [is/are] available for viewing in accordance with Article 21 of the EU Prospectus Regulation on Euronext Dublin's website at <https://live.euronext.com/> and during normal business hours at the registered office of the Issuer at Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C., P.O. Box 3838, Abu Dhabi, United Arab Emirates and copies may be obtained from the registered office of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.]

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | Emirates Telecommunications Group<br>Company (Etisalat Group) P.J.S.C.  |
|    | (a) Series Number:   | [●]   |
|    | (b) Tranche Number:  | [●]   |
|    | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note |

<sup>1</sup> Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

<sup>2</sup> Delete where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [ ]/[Not Applicable]

2. Specified Currency or Currencies: [●]
3. Aggregate Nominal Amount of Notes admitted to trading:
  - (a) Series: [●]
  - (b) Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5. (a) Specified Denominations: [●]
  - (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): [●]
6. (a) Issue Date: [●]
  - (b) Interest Commencement Date: [●]/[Issue Date]/[Not Applicable]
7. Maturity Date: [ ]/[ Interest Payment Date falling in or nearest to [ ]]
8. Interest Basis:
  - [[●] per cent. Fixed Rate]
  - [[●] +/- [●] per cent. Floating Rate]
  - [Zero Coupon]
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10. Change of Interest Basis or Redemption/Payment Basis: [Applicable]/[Not Applicable]
11. Put/Call Options:
  - [Investor Put]
  - [Issuer Call]
12. (a) Status of the Notes: Senior
  - (b) [Date [Board] Approval for Issuance of Notes Obtained: [●]]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions: [Applicable]/[Not Applicable]
  - (a) Rate(s) of Interest: [●] per cent. per annum payable [annually]/[semi-annually]/[quarterly] in arrear on each Interest Payment Date
  - (b) Interest Payment Date(s): [●] [and [●]] in each year [up to and including the Maturity Date]

- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):  per Calculation Amount/[Not Applicable]
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):  per Calculation Amount, payable on the Interest Payment Date falling [in]/[on] /[Not Applicable]
- (e) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]
- (f) Determination Date(s):  in each year/[Not Applicable]
14. Floating Rate Note Provisions: /[Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: , subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Interest Payment Date(s):  [and ] in each year [up to and including the Maturity Date]
- (c) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
- (d) Additional Business Centre(s): /[Not Applicable]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination]/[ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):
- (g) Screen Rate Determination:
- Reference Rate: [ ] month [LIBOR]/[EURIBOR]
  - Interest Determination Date(s):
  - Relevant Screen Page:
- (h) ISDA Determination:
- Floating Rate Option:
  - Designated Maturity:
  - Reset Date:
  - ISDA Definitions: [2000]/[2006]

- ISDA Benchmarks [Applicable / Not Applicable]  
Supplement:
  - (i) Linear Interpolation: [Applicable – the Rate of Interest for the [long]/[short]/[first]/[last] Interest Period shall be calculated using Linear Interpolation]/[Not Applicable]
  - (j) Margin(s): [+/-][●] per cent. per annum
  - (k) Minimum Rate of Interest: [●] per cent. per annum
  - (l) Maximum Rate of Interest: [●] per cent. per annum
  - (m) Day Count Fraction: [Actual/Actual (ISDA) [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond basis] 30E/360 (ISDA)]
15. Zero Coupon Note Provisions: [Applicable]/[Not Applicable]
- (a) Accrual Yield: [●] per cent. per annum
  - (b) Reference Price: [●]
  - (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360] [Actual/360] [Actual/365]

**PROVISIONS RELATING TO REDEMPTION**

16. Issuer Call: [Applicable]/[Not Applicable]
- (a) Optional Redemption Date(s): [●]
  - (b) Optional Redemption Amount: [●] per Calculation Amount  
*(NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes)*
  - (c) If redeemable in part:
    - (i) Minimum Redemption Amount: [●] per Calculation Amount
    - (ii) Maximum Redemption Amount: [●] per Calculation Amount
17. Investor Put: [Applicable]/[Not Applicable]
- (a) Optional Redemption Date(s): [●]
  - (b) Optional Redemption Amount: [●] per Calculation Amount
18. Final Redemption Amount: [●] per Calculation Amount

19. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [Not Applicable]/[Final Redemption Amount]/[[●] per Calculation Amount]]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes:

|       |   |
|-------|---|
| Form: | <p>[Bearer Notes:</p> <p>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]</p> <p>[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]</p> <p>[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]</p> <p>[Registered Notes:</p> <p>[Regulation S Global Note [U.S.\$[●] nominal aggregate amount] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]</p> <p>[Rule 144A Global Note [U.S.\$[●] aggregate nominal amount] registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]</p> |
|-------|---|

21. U.S. Selling Restrictions: [Reg. S Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

[Not] Rule 144A Eligible

22. Additional Financial Centre(s): [Not Applicable]/[●]

23. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): [Yes]/[No]

24. Details relating to Partly Paid Notes:

(a) Instalment Amount: [Not Applicable]/[●]

(b) Instalment Date(s): [Not Applicable]/[●]

25. Redenomination applicable: Redenomination [not] applicable

**[THIRD PARTY INFORMATION**

[Relevant third party information] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C.:**

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application [has been]/[is expected to be] made by the Issuer (or on its behalf) to Euronext Dublin for the Notes to be admitted to (i) the Official List and to trading on the Market; and (ii) the SCA to approve the issuance of the Notes; and (iii) listing on the ADX, in each case with effect from [●]/[Not Applicable]
- (b) Estimate of total Expenses related to Admission to trading: [●]/[Not Applicable]

### 2. RATINGS

Ratings: [[The Notes to be issued [have been]/[are expected to be] rated]/[ The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[Moody's: [●]]

[Standard & Poor's: [●]]

[[S&P] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended).]

[[Moody's] is established in the United Kingdom and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers]/[Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business for which they may receive fees]

### 4. YIELD (Fixed Rate Notes only)

Indication of yield: [●] per cent. per annum

### 5. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) FISN: [●]
- (d) CFI: [●]
- (e) CUSIP: [●]
- (f) CINS: [●]

(g) Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

(h) Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [●]/[Not Applicable]

6. **DISTRIBUTION**

(a) Method of distribution: [●]

(b) If syndicated, names of Managers: [●]

(c) Date of [Subscription] Agreement: [●]

(d) Stabilisation Manager(s) (if any): [●]

(e) If non-syndicated, name of relevant Dealer: [●]

(f) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)*

(g) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)*

7. **THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]

8. **USE OF PROCEEDS**

(a) [General corporate purposes./[●]]

(b) [Estimated net proceeds: [●]]



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purposes of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C. (the "**Issuer**") constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") dated 27 April 2021 made between the Issuer and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include any successor as Trustee).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 27 April 2021 and made between the Issuer, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and Citigroup Global Markets Europe AG as registrar (the "**Registrar**", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents). References in these Conditions to "**Agents**" shall mean the Paying Agents and the Transfer Agents.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the "**Noteholders**" (which expression shall mean (in the case of Bearer Notes) the bearers of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates (unless this is a Zero Coupon Note), Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Principal Paying Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. FORM, DENOMINATION AND TITLE**

- 1.1 The Notes are in bearer form or in registered form as specified in the applicable Final Terms and in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.
- 1.2 This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.
- 1.3 This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.
- 1.4 Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.
- 1.5 Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.
- 1.6 For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such nominal amount of such

Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

- 1.7 For so long as the Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.
- 1.8 In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.
- 1.9 Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

## **2. TRANSFERS OF REGISTERED NOTES**

### **2.1 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### **2.2 Transfers of Registered Notes in definitive form**

Subject as provided in Conditions 2.5 (*Transfers of Registered Notes – Transfers of interests in Regulation S Global Notes*), 2.6 (*Transfers of Registered Notes – Transfers of interests in Legended Notes*) and 2.7 (*Transfers of Registered Notes – Exchanges and transfers of Registered Notes generally*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms).

In order to effect any such transfer; (a) the holder or holders must; (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement).

Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### 2.4 **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.5 **Transfers of interests in Regulation S Global Notes**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (a) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (a) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period: (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (B) such certification requirements will no longer apply to such transfers.

### 2.6 **Transfers of interests in Legended Notes**

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

## 2.7 Exchanges and transfers of Registered Notes generally

Holders of interests in a Registered Global Note may exchange such interests for Registered Notes in definitive form of the same type upon the occurrence of an Exchange Event (as defined in the Registered Global Note).

## 2.8 Definitions

In this Condition, the following expressions shall have the following meanings:

**"Distribution Compliance Period"** means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

**"Legended Note"** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **"Legend"**);

**"QIB"** means a **"qualified institutional buyer"** within the meaning of Rule 144A;

**"Regulation S"** means Regulation S under the Securities Act;

**"Regulation S Global Note"** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**"Rule 144A"** means Rule 144A under the Securities Act;

**"Rule 144A Global Note"** means a Registered Global Note representing Notes sold in the United States or to QIBs; and

**"Securities Act"** means the United States Securities Act of 1933, as amended.

## 3. STATUS OF THE NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge and Other Covenants*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## 4. NEGATIVE PLEDGE AND OTHER COVENANTS

### 4.1 Negative Pledge

So long as any Note remains outstanding, the Issuer will not and will procure that no Principal Subsidiary will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**"), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

### 4.2 Definitions

In these Conditions:

"**EBIT**" means Net Revenues minus operating expenses before any federal royalty charge;

"**Net Revenues**" means gross revenues minus any sales taxes, discounts or rebates;

"**Non-recourse Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any project, provided that: (i) any Security Interest given by the Issuer or any Principal Subsidiary is limited solely to assets of the project; (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and (iii) there is no other recourse to the Issuer or any Principal Subsidiary in respect of any default by any person under the financing;

"**Permitted Security Interest**" means:

- (i) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the Notes;
- (ii) any Security Interest securing Relevant Indebtedness of a person existing at the time that such person is merged into, or consolidated with, the Issuer or any Principal Subsidiary, provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Issuer or any Principal Subsidiary;
- (iii) any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer or any Principal Subsidiary and not created in contemplation of such acquisition; or
- (iv) any renewal of or substitution for any Security Interest permitted by any of paragraphs (i) to (iii) (inclusive) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

"**Principal Subsidiary**" means at any time a Subsidiary of the Issuer:

- (a) whose EBIT (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated EBIT of the Issuer or, as the case may be, 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, non-consolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer

and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;

- (b) to which is transferred all or substantially all of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (c) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate EBIT equal to) not less than 10 per cent. of the consolidated EBIT of the Issuer, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate EBIT equal to) not less than 10 per cent. of the consolidated EBIT of the Issuer, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (a) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (c) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Trust Deed.

A report by two Authorised Signatories of the Issuer whether or not addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**"Relevant Indebtedness"** means any indebtedness, other than indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, sukuk obligations in respect of trust certificates or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed, dealt in or traded on any stock exchange, over-the-counter or other securities market;

**"Securitisation"** means any securitisation of existing or future assets and/or revenues, provided that: (i) any Security Interest given by the Issuer or any Principal Subsidiary in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced

or payment of any other liability; and (iii) there is no other recourse to the Issuer or any Principal Subsidiary in respect of any default by any person under the securitisation;

"**Subsidiary**" in relation to the Issuer means, at any particular time, any person (the "**first person**"):

- (a) which is then directly or indirectly controlled by the Issuer; or
- (b) more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the Issuer; or
- (c) whose financial statements at any time are required by law or in accordance with generally accepted accounting principles to be fully consolidated with those of the Issuer.

For the first person to be "**controlled**" by the Issuer means that the Issuer (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that first person or otherwise controls, or has the power to control, the affairs and policies of the first person; and

"**Telecom Law**" means UAE Federal Law by Decree No. 3 of 2003 Regarding the Organisation of the Telecommunications Sector, as amended.

## 5. **REDENOMINATION**

### 5.1 **Redenomination**

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders but after prior consultation with the Trustee, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent and the Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer: (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent and the Trustee may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;



- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
  - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
  - (ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding; and

- (g) if the Notes are Floating Rate Notes, the applicable Final Terms will complete the provisions relating to interest.

## 5.2 Definitions

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 (*Redenomination – Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

**"Relevant Notes"** means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

**"Treaty"** means the Treaty establishing the European Community, as amended.

## 6. INTEREST

### 6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **"Fixed Interest Period"** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1 (*Interest – Interest on Fixed Rate Notes*):

- (i) if **"Actual/Actual (ICMA)"** is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (1) the number of days in such Determination Period; and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

**"Determination Period"** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 6.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms: and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) (*Interest – Interest on Floating Rate Notes – Interest Payment Dates*) above, the Floating Rate Convention, such Interest Payment Date: (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply *mutatis mutandis*; or (ii) in the case of (y)

above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (b) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System (the "**TARGET 2 System**") is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, and, if specified in the relevant Final Terms, as supplemented by the ISDA Benchmarks Supplement, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as of the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and

- (C) the relevant Reset Date is either: (1) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone interbank offered rate ("**EURIBOR**"), the first day of that Interest Period; or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (i):

- (A) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions; and
- (B) "**ISDA Benchmarks Supplement**" means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as of 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the "**Specified Time**") on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if: (i) no offered quotation appears; or (ii) fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

For the purposes of this subparagraph (ii), "**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer or as specified in the applicable Final Terms.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2 (*Interest – Interest on Floating Rate Notes*):

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction: } \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction: } \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction: } \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Interest Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

- (e) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (ii) in relation to ISDA Determination, the Designated Maturity.

- (f) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the other Paying Agents and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes



of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Failed Determination or Calculation

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b) (ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (d) above, the Issuer shall (at its own cost) appoint another agent who shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 (*Interest – Interest on Floating Rate Notes*), whether by the Principal Paying Agent or the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud or gross negligence) no liability to the Issuer, the Noteholders, Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) Benchmark Replacement

Notwithstanding any other provisions of Condition 11.2 (*Interest on Floating Rate Notes*), if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any rate applicable to the Notes for any Rate of Interest remains to be determined by such Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than five business days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-Off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case, if applicable, an Adjustment Spread for the purposes of determining the Rate of Interest (or component part thereof) applicable to the Notes;
- (ii) if (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 5.2(b)(ii) prior to the relevant IA Determination Cut-Off Date, then the Issuer (acting in good faith and in a commercially reasonable manner) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and/or, in either case, an Adjustment Spread itself for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this Condition 5.2(b)(ii) applying *mutatis mutandis*) to allow such determinations to be made by the Issuer without consultation with the Independent Adviser;

- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods in respect of such Notes (subject to the subsequent operation of, and to adjustment as provided in, this Condition 11.2(i) (*Benchmark Replacement*));
- (iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) provided however, that if the Independent Adviser (following consultation with the Issuer), or the Issuer (acting in good faith and in a commercially reasonable manner), fails to determine the Adjustment Spread in accordance with this Condition 5.2(b)(iv) prior to the relevant Interest Determination Date, then the Successor Rate or Alternative Reference Rate, as determined in accordance with this Condition 5.2(b)(iv), will apply without an Adjustment Spread; and;
- (v) if any Successor Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this Condition 11.2(i) (*Benchmark Replacement*) and the Independent Adviser (following consultation with the Issuer) determines: (1) that amendments to these Conditions, the Agency Agreement, the Calculation Agency Agreement or the Trust Deed (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Interest Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and (2) the terms of the Benchmark Amendments, then, at the direction and expense of the Issuer and subject to delivery of a notice in accordance with Condition 11.2(i)(v): (x) the Issuer, the Calculation Agent and the Agents shall, without a requirement for the consent or approval of Noteholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, provided that neither the Trustee, the Calculation Agent or any Agent shall be required to effect any such Benchmark Amendments if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it. Prior to any such Benchmark Amendments taking effect, the Issuer shall provide a certificate signed by a director or a duly authorised signatory of the Issuer to the Principal Paying Agent, Trustee and the Calculation Agent (if any) certifying that such Benchmark Amendments are: (x) in the Issuer's reasonable opinion (following consultation with the Independent Adviser), necessary to give effect to any application of this Condition 6.2 (*Interest on Floating Rate Notes*); and (y) in each case, have been drafted solely to such effect, and the Trustee, the Calculation Agent (if any) and the Agents (as the case may be) shall be entitled to rely on such certificates without further enquiry or liability to any person. For the avoidance of doubt, no Agent shall be liable to the Noteholders or any other person for so acting or relying on such notice, irrespective of whether any such modification is or may be prejudicial to the interests of any such Noteholders or person;
- (vi) the Issuer shall promptly and no later than forty days prior to when they are intended to become effective, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Trustee, any Calculation Agent and the Agents and, in accordance with Condition 15 (*Notices*), the Noteholders confirming: (1) that a Benchmark Event has occurred; (2) the Successor Rate or Alternative Reference Rate (as applicable); (3) any applicable Adjustment Spread; and (4) the specific terms of the Benchmark Amendments (if any);

- (vii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Reference Rate on the immediately following Periodic Distribution Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to the above provisions, then the Reference Rate shall be determined as at the last preceding Interest Determination Date or, if there has not been a first Interest Payment Date, the Reference Rate shall be determined as for the first Interest Period. For the avoidance of doubt, this Condition 11.2(i)(vi) shall apply to the relevant immediately following Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 11.2(i); and
- (viii) the Independent Adviser appointed pursuant to this Condition 11.2(i) shall act and make all determinations pursuant to this Condition 11.2(i) in good faith and in a commercially reasonable manner and the Independent Adviser, shall act as an expert. In the absence of bad faith, wilful default or fraud, the Independent Adviser shall not have any liability whatsoever to the Noteholders in connection with any determination made by it pursuant to this Condition 11.2(i).

In this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**"Adjustment Spread"** means either: (i) a spread (which may be positive, negative or zero); or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be), and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (2) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Issuer) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate;
- (3) (if the Independent Adviser (following consultation with the Issuer) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (4) (if the Independent Adviser (following consultation with the Issuer) determines that there is no such industry standard) the Independent Adviser (following consultation with the Issuer) determines (acting in good faith and in a commercially reasonable manner) in its sole discretion to be appropriate;

**"Alternative Reference Rate"** means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Issuer) determines, in accordance with Condition 11.2(i) (*Benchmark Replacement*), is customarily applied in international debt capital markets transactions for the purposes of determining interest rates in the same Specified Currency as the Notes and of a comparable duration to the relevant Interest Period or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the relevant Reference Rate;

**"Benchmark Event"** means:

- (i) the relevant Reference Rate ceasing to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (ii) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will, by a specified future date (a "**Specified Future Date**"), cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate);
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that the relevant Reference Rate has been or will, by a Specified Future Date, be permanently or indefinitely discontinued;
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will, by a Specified Future Date, be prohibited from being used either generally, or in respect of the Notes;
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or
- (vi) it has, or will by a specified date within the following six months, become unlawful for the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate,

provided that, where the relevant Benchmark Event is a public statement within paragraphs (ii), (iii) or (iv) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

**"Financial Stability Board"** means the organisation established by the Group of Twenty (G20) in April 2009;

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser with appropriate expertise appointed by the Issuer at its expense;

**"Relevant Nominating Body"** means, in respect of a Reference Rate: (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which the Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means the rate that the Independent Adviser (in consultation with the Issuer) determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

### 6.3 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes.

#### 6.4 **Calculation of Interest**

Notwithstanding any provision of these Conditions, if in an Agent or Calculation Agent's sole opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation, the relevant Agent or Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the relevant Agent or Calculation Agent in writing as to which alternative course of action to adopt. If the relevant Agent or Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the relevant Agent or Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

#### 6.5 **Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*) as provided in the Trust Deed.

### 7. **PAYMENTS**

#### 7.1 **Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto.

#### 7.2 **Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Payments – Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Payments – Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 (*Payments – Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

### 7.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

### 7.4 **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at

the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if: (a) a holder does not have a Designated Account; or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business (in the relevant clearing system) on the day prior (whether or not such day is a business day) to the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar in the city where the specified office of the Registrar is located not less than three business days before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the relevant exchange agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### 7.5 **General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons

shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### 7.6 **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
  - (ii) each Additional Financial Centre specified in the applicable Final Terms;
- (b) either: (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.



## 7.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5 (*Redemption and Purchase – Early Redemption Amounts*)); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

## 8. REDEMPTION AND PURCHASE

### 8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

### 8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the

Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 (*Redemption and Purchase – Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 8.5 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### 8.3 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*); and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) at least five days prior to the Selection Date.

### 8.4 **Redemption at the option of the Noteholders**

- (a) Optional Investor Put

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (*Notices*) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount (each as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders*) in any multiple of their lowest Specified Denomination.

- (b) Procedures to Exercise Put

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the

Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes – Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders*) and instead to declare such Note forthwith due and payable pursuant to Condition 11 (*Events of Default and Enforcement*).

#### 8.5 **Early Redemption Amounts**

For the purpose of Condition 8.2 (*Redemption and Purchase – Redemption for tax reasons*) above and Condition 11 (*Events of Default and Enforcement*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

(the "**Early Redemption Amount**").

#### 8.6 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5 (*Redemption and Purchase – Early Redemption Amounts*) above.

#### 8.7 **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition, as completed by the applicable Final Terms.

#### 8.8 **Purchases**

The Issuer or any Subsidiary may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

#### 8.9 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.8 (*Redemption and Purchase – Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent for cancellation and cannot be reissued or resold.

#### 8.10 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1 (*Redemption and Purchase – Redemption at maturity*), 8.2 (*Redemption and Purchase – Redemption for tax reasons*), 8.3 (*Redemption and Purchase – Redemption at the option of the Issuer (Issuer Call)*) or 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders*) above or upon its becoming due and repayable as provided in Condition 11 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) (*Redemption and Purchase – Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

### 9. **TAXATION**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or

duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in a Tax Jurisdiction; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payments – Payment Day*)).

As used herein:

- (i) "**Tax Jurisdiction**" means in the case of payments by the Issuer, the United Arab Emirates or any Emirate therein or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

## 10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 (*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Payments – Presentation of definitive Bearer Notes, Receipts and Coupons*).

## 11. EVENTS OF DEFAULT AND ENFORCEMENT

### 11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction) (but, in the case of the happening of any of the events described in paragraph (b), only if the Trustee shall have certified in writing to the Issuer that such event is, in its sole opinion, materially prejudicial to the interests of the Noteholders) give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an "**Event of Default**") shall occur and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) (i) the holders of any Indebtedness of the Issuer or any Principal Subsidiary accelerate such Indebtedness or declare such Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such Indebtedness), prior to the stated maturity thereof; or (ii) the Issuer or any Principal Subsidiary fails to pay in full any principal of, or interest on, any of its Indebtedness when due (after expiration of any applicable grace period); or (iii) any Security Interest given by the Issuer or a Principal Subsidiary for any Indebtedness becomes enforceable and any step is taken to enforce the Security Interest (including the taking of possession or the appointment of a receiver, manager or other similar person, but excluding the issue of any notification to the Issuer or the relevant Principal Subsidiary, as the case may be, that such Security Interest has become enforceable); or (iv) any guarantee or indemnity of any Indebtedness of others given by the Issuer or any Principal Subsidiary shall not be honoured when due and called upon; provided that no event described in this paragraph (c) shall constitute an Event of Default unless the Indebtedness or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness and/or liabilities due and unpaid relating to all (if any) of the events specified in (i) to (iv) (inclusive) above which have occurred and are continuing, amounts to at least U.S.\$50,000,000 (or its equivalent in any other currency); or
- (d) if any Governmental Authority takes any definitive action to deprive the Issuer of the use or ownership of all or any material part of the assets of the Issuer and its subsidiaries (taken as a whole) through the seizure, expropriation, nationalisation or acquisition of such assets, other than: (a) any such action in respect of which the consideration or compensation paid to the Issuer is: (i) at least equal to the fair market value of such assets (as determined by an Independent Financial Advisor); and (ii) paid in cash at the time of such action; or (b) where such action has been, or subsequently within 90 days thereof, is approved, adopted or ratified by the Board of Directors of the Issuer; or
- (e) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Principal Subsidiary, save in connection with a Permitted Reorganisation; or
- (f) if: (i) proceedings are initiated against the Issuer or any Principal Subsidiary under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any Principal Subsidiary or, as the case may be, in relation to all or substantially all of the undertaking or assets of any of them, or an encumbrancer takes possession of all or substantially all of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of any of them; and (ii) in any case (other than the appointment of an administrator) is not discharged within 14 days, save in connection with a Permitted Reorganisation; or
- (g) if the Issuer or any Principal Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors), save in connection with a Permitted Reorganisation; or

- (h) if: (i) the validity of the Notes is contested by the Issuer; or (ii) the Issuer shall deny any of its obligations under the Notes; or (iii) as a result of any change in, or amendment to, the laws or regulations in the United Arab Emirates or any Emirate therein, which change or amendment takes place after the date on which agreement is reached to issue the first Tranche of the Notes: (A) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement; or (B) any of such obligations becomes unenforceable or invalid; or
- (i) if any event occurs which, under the laws of any relevant jurisdiction, has or may have, in the Trustee's sole opinion, an analogous effect to any of the events referred to in paragraphs (e) to (g) above.

## 11.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Agency Agreement, the Calculation Agency Agreement, the Notes, the Receipts or the Coupons unless: (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in aggregate nominal amount of the Notes then outstanding; and (b) it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

## 11.3 Definitions

For the purposes of the Conditions:

**"Indebtedness"** means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) other than any such obligations, guarantees or indemnities owing or given by one member of the Group to another member of the Group;

**"Group"** means the Issuer, its consolidated subsidiaries and its associated companies and joint ventures;

**"Permitted Reorganisation"** means:

- (a) any winding-up or dissolution of a Principal Subsidiary whereby the undertaking or assets of that Principal Subsidiary are transferred to or otherwise vested in the Issuer and/or any of its other Subsidiaries; or
- (b) any composition or other similar arrangement on terms previously approved by the Trustee or by an Extraordinary Resolution.

**"Government Authority"** means the government or any political subdivision of the government of the United Arab Emirates, any agency, department or any other administrative authority or instrumentality thereof, including, without limitation, any local or other governmental agency or other authority within the United Arab Emirates; and

**"Independent Financial Adviser"** means any accounting firm of internationally recognised standing or any independent investment banking firm of internationally recognised standing, as appointed by the Issuer.

## 12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the

claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### 13. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an exchange agent with a specified office in New York City.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*Payments – General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### 14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

### 15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint



holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

## 16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Agency Agreement, the Calculation Agency Agreement, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (as set out in paragraph 7 of Schedule 3 of the Trust Deed), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders. The expression "**Extraordinary Resolution**" is defined in the Trust Deed to mean either: (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the votes cast; or (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes.

The Trustee may agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, the Agency Agreement or the Calculation Agency Agreement (other than in respect of those matters set out in paragraph 7 of Schedule 3 to the Trust Deed), or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the sole opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be

notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a Subsidiary of the Issuer, subject to: (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer; and (ii) certain other conditions set out in the Trust Deed being complied with.

**17. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or prefunded and/or secured to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*: (a) to enter into business transactions with the Issuer and/or any of its Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

**18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes. The Issuer may offer additional notes with original issue discount (the "**OID**") for U.S. federal income tax purposes as part of a further issue. Purchasers of notes after the date of any further issue may not be able to differentiate between notes sold as part of the further issue and previously issued notes. If the Issuer were to issue additional notes with OID, purchasers of notes after such further issue may be required to accrue OID (or greater amounts of OID than they would have otherwise accrued) with respect to their notes. This may affect the price of outstanding Notes following a further issuance.

**19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 20. GOVERNING LAW AND DISPUTE RESOLUTION

### 20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes (including the remaining provisions of this Condition) the Receipts and the Coupons, are and shall be governed by, and construed in accordance with, English law.

### 20.2 Agreement to arbitrate

Subject to Condition 20.3 (*Governing Law and Dispute Resolution – Option to litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration (the "**LCIA**"), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition. For these purposes:

- (a) the seat of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. In the event that one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (c) the language of the arbitration shall be English.

### 20.3 Option to litigate

Notwithstanding Condition 20.2 (*Governing Law and Dispute Resolution – Agreement to arbitrate*) above, the Trustee may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Trustee gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 20.4 (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) and, subject as provided below, any arbitration commenced under Condition 20.2 (*Governing Law and Dispute Resolution – Agreement to arbitrate*) in respect of that Dispute will be terminated. Each of the Trustee and the recipient of such notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

#### 20.4 **Effect of exercise of option to litigate**

In the event that a notice pursuant to Condition 20.3 (*Governing Law and Dispute Resolution – Option to litigate*) is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;
- (b) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 20.4 (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) and, subject as provided below, any arbitration commenced under Condition 20.2 (*Governing Law and Dispute Resolution – Agreement to arbitrate*) is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. As a result, and notwithstanding paragraph (a) above, the Trustee may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.

#### 20.5 **Appointment of Process Agent**

The Issuer appoints Law Debenture Corporate Services Limited, at its registered office at Eighth Floor, 100 Bishopsgate, London EC2N 4AG, as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

#### 20.6 **Waiver of immunity**

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

#### 20.7 **Other documents**

The Issuer has in the Trust Deed and the Agency Agreement made provision for arbitration and appointed an agent for service of process in terms substantially similar to those set out above.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

## OVERVIEW OF THE UAE

### INTRODUCTION

The UAE is a federation of seven Emirates, Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al-Quwain, Fujairah and Ras Al Khaimah. Formerly known as the Trucial States, the Emirates were British protectorates until they achieved independence in December 1971 and merged to form the federation of the UAE. Each Emirate has a local government headed by the Ruler of the Emirate. There is a UAE Government which is headed by the President. The federal budget is principally funded by Abu Dhabi.

The UAE as a whole extends along the West coast of the Arabian Gulf, from the coast of Saudi Arabia near the base of the Qatar peninsula in the West to Ras Al Khaimah in the North and across the Mussandum peninsula to the Gulf of Oman in the East, covering an area of 83,699 square kilometres in total.

Abu Dhabi is located in the western and south western part of the UAE along the southern coast of the Arabian Gulf. The total area of the Emirate is 59,402 square kilometres, which represents approximately 87 per cent. of the total area of the UAE. The territorial waters of the Emirate include approximately 200 islands off its coastline.

### GOVERNANCE, LEGISLATION AND JUDICIARY

#### UAE constitution

The original constitution of the UAE (the "**Constitution**") was initially provisional and provided the legal framework for the Federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996.

The major principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was confined to the UAE Government, but the local governments of the seven Emirates were authorised to regulate those matters that were not the subject of legislation by the UAE Government.

Pursuant to Articles 120 and 121 of the Constitution, the UAE Government is responsible for foreign affairs; security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft and a number of other matters including labour relations; banking; the delimitation of territorial waters; and the extradition of criminals.

Federal matters are regulated through a number of specially created federal ministries which include the Ministries of Foreign Affairs, Defence, Justice, Finance and Economy. Although most of the UAE Government ministries are based in Abu Dhabi, many also maintain offices in Dubai. The UAE's monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank. Article 122 of the Constitution states that the Emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the Federation, in accordance with the provision of the preceding two Articles.

The individual Emirates are given flexibility in the governance and management of their own Emirates. The Constitution permits individual Emirates to elect to maintain their own competencies in certain sectors.

The natural resources and wealth in each Emirate are considered to be the public property of that Emirate. Each Emirate manages its own budget on an independent basis and no Emirate has any obligation to contribute to the budget of any other Emirate. Each Emirate makes contributions to the federal budget in agreed amounts.

#### Governance

The governance of the UAE is split between: (i) the Federal Supreme Council of the Rulers of all the Emirates (the "**Supreme Council**"); (ii) the Federal Council of Ministers (the "**Cabinet**"); and (iii) the Federal National Council (the "**Council**").

#### Federal Supreme Council

The Supreme Council is the highest federal governing body and consists of the Rulers of the seven Emirates. The Supreme Council elects from its own membership the President and the Vice President of the UAE

(for renewable five-year terms). Decisions relating to substantive matters are decided by a majority vote of five Emirates, provided that the votes of both Dubai and Abu Dhabi are included in that majority, but matters that are purely procedural are decided by a simple majority vote.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

The then Ruler of Abu Dhabi, Sheikh Zayed bin Sultan Al Nahyan, was elected in 1971 as the first President of the UAE and was re-elected as President for successive five-year terms until his death in November 2004. Sheikh Zayed bin Sultan Al Nahyan was succeeded by his son Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi and was elected as President of the UAE in November 2004 by the members of the Supreme Council.

### **Federal Council of Ministers**

The Cabinet is described in the Constitution as the executive authority for the UAE and is responsible for implementing policy decisions of the Supreme Council. The Cabinet is the principal executive body of the UAE. The Constitution defines the responsibilities of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual federal budget.

Based in Abu Dhabi, the Cabinet is headed by the Prime Minister and consists of two Deputy Prime Ministers and a number of other Ministers. These Ministers are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister.

### **Federal National Council**

The Council is a parliamentary body which comprises 40 members who are UAE nationals. From 1972 to 2006, each Emirate appointed members for a particular number of seats based on such Emirate's population and size. Abu Dhabi and Dubai have eight members each, Sharjah and Ras Al Khaimah have six members each and the other Emirates have four members each. The nomination of representative members is left to the discretion of each Emirate, and the members' legislative term is four calendar years. The members represent the UAE as a whole rather than their individual Emirates. Presided over by a speaker, or either of two deputy speakers elected from amongst its members, the Council has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the Council is to discuss the annual budget of the UAE. Although the Council can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself.

During 2006, reforms were made with a view to enhancing public participation in indirect elections to the Council. Under these reforms, the Ruler of each Emirate selects an electoral college whose members are at least 100 times the number of Council members for the Emirate. The members of each electoral college elect half of the Council members for their Emirate, with the remainder being appointed by the Ruler. The most recent elections to the Federal National Council were held in 2019.

### **Legal and court system**

There are three primary sources of law in the UAE, namely: (i) federal laws and decrees (applicable in all seven Emirates); (ii) local laws and decrees (i.e. laws and regulations enacted by the Emirates individually); and (iii) the *Shari'a* (Islamic law). The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler or local government of each Emirate can apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-Emirate disputes and disputes between the UAE Government and the Emirates.

In accordance with the Constitution, three of the seven Emirates (Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective Emirates.

## ECONOMY OF THE UAE

The UAE is the second largest economy in the Gulf Cooperation Council ("GCC") after Saudi Arabia.

As at 31 December 2019, the UAE had the world's sixth largest proven crude oil and seventh largest proven natural gas reserves according to OPEC data. As at the same date, OPEC estimated the UAE's crude oil reserves to be 97,800 million barrels, equal to 6.3 per cent. of OPEC's estimate for the world's total crude oil reserves, and its natural gas reserves to be 6,091 billion standard cubic metres (or 215 trillion standard cubic feet ("SCF")), equal to 3.0 per cent. of OPEC's estimate for the world's total natural gas reserves. The OPEC estimates do not take into account the discovery of an additional 7 billion barrels of conventional crude oil reserves and 58 trillion SCF of conventional gas reserves announced by Abu Dhabi's Supreme Petroleum Council (the "SPC") in November 2019 or the further 2 billion barrels of conventional crude oil reserves announced by the SPC in November 2020, which would give the UAE reserves of approximately 107 billion barrels of oil and 7,700 standard cubic metres (or 273 trillion SCF) of gas.

In addition, the SPC also announced 160 trillion SCF recoverable resources of unconventional gas in November 2019 and 22 billion recoverable resources of unconventional oil in November 2020.

According to data produced by the FCSA, the UAE's crude oil and natural gas sector accounted for 29.8 per cent., 29.3 per cent. and 29.0 per cent. of the UAE's real GDP in 2019, 2018 and 2017, respectively.

The FCSA estimated that real GDP in the UAE was AED 1,486 billion, AED 1,462 billion and AED 1,445 billion in 2019, 2018 and 2017, respectively, representing real GDP growth rates of 1.7 per cent., 1.2 per cent. and 2.4 per cent., respectively.

The table below shows the UAE's nominal and real GDP and their GDP growth rates for each of the years indicated.

|                                    | 2019      | 2018      | 2017      | 2016      |
|------------------------------------|-----------|-----------|-----------|-----------|
| UAE Nominal GDP (AED billion)..... | 1,546,645 | 1,550,585 | 1,416,136 | 1,311,248 |
| UAE Nominal Growth Rate (%) .....  | (0.3)     | 9.5       | 8.0       | (0.3)     |
| UAE Real GDP (AED billion).....    | 1,486,261 | 1,461,737 | 1,444,549 | 1,411,057 |
| UAE Real GDP Growth Rate (%).....  | 1.7       | 1.2       | 2.4       | 3.1       |

Source: FCSA

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. Whilst fluctuations in energy prices do have a bearing on economic growth, the UAE is generally viewed as being less vulnerable than some of its GCC neighbours, due to the growth in the non-oil sector, particularly trading, finance, construction, real estate and tourism.

The UAE's economy remains heavily protected and nearly all utilities and most major industries are controlled by the state. However, tight restrictions placed on foreign investment are gradually being relaxed. For example, whilst foreigners are not permitted to have a controlling interest in UAE businesses or corporates, many of the Emirates have established trade and industry free zones (in which 100 per cent. foreign ownership is permitted) as a means of attracting overseas investment and diversifying the economy. Despite the UAE's membership of the WTO, progress towards economic liberalisation has been slow, although trade agreements with Europe and the United States are being negotiated.

## CREDIT RATING

The United Arab Emirates has been assigned a credit rating of AA- with a stable outlook by Fitch and Aa2 with a stable outlook by Moody's Singapore.

## POPULATION

The most recent UAE census for which data has been published was conducted in 2005. The most recent estimate of population for the UAE as a whole was made by the UAE Federal Competitiveness and Statistics Authority (the "FCSA"), which estimated the registered resident population of the UAE to be approximately 9.5 million as at 31 December 2019 of that year.



The population of the UAE has grown significantly in recent years, reflecting an influx of foreign labour, principally from Asia, as the Emirates have developed and the table below illustrates this growth since 1985, using census data for each of 1985, 1995 and 2005.

|                            | <u>1985</u> | <u>1995</u> | <u>2005</u> | <u>2019</u>  |
|----------------------------|-------------|-------------|-------------|--------------|
| Total UAE population ..... | 1,379,303   | 2,411,041   | 4,106,427   | 9,513,738(1) |

Note:

(1) FCSA estimate at 31 December.

Source: FCSA

The majority of the population of the UAE are estimated to be non-UAE nationals, mainly drawn from the Indian subcontinent, Europe and other Arab countries.

## RELATIONS WITH OTHER COUNTRIES

The foreign policy of the UAE is based upon a set of guiding principles, laid down by the country's first President, Sheikh Zayed bin Sultan Al Nahyan. He derived these principles from his belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non-interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolution of disputes, together with support for international institutions, such as the United Nations.

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance cooperation and to resolve disagreement through the pursuit of dialogue. Thus one of the central features of the UAE's foreign policy has been the development of closer ties with its neighbours in the Arabian Peninsula. The Cooperation Council for the Arab States of the Gulf (formerly known as the Gulf Cooperation Council, the "GCC"), which comprises the UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, was founded at a summit conference held in Abu Dhabi in May 1981.

At the broader level of the Arab world as a whole, the UAE is committed to rebuilding a sense of common purpose among both its people and its governments and, to this end, has supported the strengthening of common institutions, such as the League of Arab States. Beyond the Arab world, the UAE has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. In August 2020, the UAE and Israel signed an historic peace accord to normalise their relations. The UAE also maintains cordial relations with other regional states and has established good relations with the United States of America, the United Kingdom and the European Union as well as with developing nations in Africa and many of the countries of the former Soviet Union. In December 2009, the UAE entered into a bilateral agreement with the United States for peaceful nuclear co-operation which establishes the legal framework for commerce in civilian nuclear energy between the two countries.

Since its establishment, the UAE has played an active role in the provision of financial aid to developing countries and has been a contributor of emergency relief to countries and areas affected by conflict and natural disasters. The philosophy behind the aid policy is two-fold: first, the provision of help for the needy is a duty incumbent on all Muslims and, second, the country's policy on utilisation of the revenues from its oil and gas production has always included a component that they should be devoted, in part, to helping other countries which have fewer natural resources.

The UAE is also an active participant in a number of multi-lateral aid-giving institutions, including the International Bank for Reconstruction and Development (the "**World Bank**"), the IMF, the International Development Agency and regional bodies like the OPEC Fund for International Development, the Arab Gulf Fund for the UN, the Arab Bank for Economic Development in Africa, the Abu Dhabi-based Arab Monetary Fund and the Islamic Development Bank. In addition, the UAE is a member of various other international organisations including, among others, the GCC, the United Nations, the League of Arab States, the Organisation of Islamic Countries, the Organisation of Arab Petroleum Exporting Countries, OPEC, the WHO, the International Organisation for Industrial Development, the World Trade Organisation and the Asia-Pacific Economic Co-operation.

The UAE has an ongoing dispute with Iran and continuing discussions with Saudi Arabia over border issues. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied

by Iran. The UAE believes that the islands should be returned to Sharjah which claims sovereignty over them and is seeking to resolve the dispute through negotiation. In 2011, the UAE participated, along with other GCC nations, in a peacekeeping mission aimed at restoring security in the Kingdom of Bahrain. Since 2015, the UAE has been a member of a military force led by the Kingdom of Saudi Arabia (and supported by the United States of America) to support the internationally recognised government in Yemen against an insurgency led by Houthi tribesmen.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified, agreement with Saudi Arabia on the border between the two countries, which the UAE believes should be substantially amended. In addition, the UAE is involved in discussions with the governments of Saudi Arabia and Qatar relating to a maritime corridor which Qatar has purported to grant to Saudi Arabia, from within Qatar's own maritime waters. This corridor crosses part of the route of the Dolphin gas pipeline between Qatar and the UAE, which the UAE considers to be a breach of pre-existing agreements between Qatar and the UAE.

In June 2017, three GCC countries, Saudi Arabia, the UAE and Bahrain, as well as Egypt and Yemen, severed diplomatic ties with Qatar, cut trade and transport links and imposed sanctions on Qatar. The stated rationale for such actions was Qatar's support of terrorist and extremist organisations and Qatar's interference in the internal affairs of other countries. Following the signing of the AIUI declaration in early January 2021, each of the UAE, Saudi Arabia and Bahrain have announced that they will end all measures taken against Qatar and restore diplomatic relations.

## SELECTED FINANCIAL INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and should also be read in conjunction with "Financial review". See also "Presentation of financial and other information" for a discussion of the sources of the numbers contained in this section.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS DATA

The table below shows selected consolidated statement of profit or loss data for the Group for each of 2020, 2019 and 2018.

|  | 2020                   | 2019              | 2018              |
|--|------------------------|-------------------|-------------------|
|  | <i>(AED thousands)</i> |                   |                   |
| <b>Continuing operations</b>                                   |                        |                   |                   |
| Revenue .....  | 51,708,211             | 52,186,413        | 52,387,814        |
| Operating expenses .....                                       | (31,839,996)           | (32,225,456)      | (32,738,565)      |
| Impairment loss on trade receivables and contract assets ..... | (1,159,364)            | (1,114,703)       | (1,236,345)       |
| Impairment loss on other assets – net .....                    | (296,704)              | (1,185,903)       | (127,844)         |
| Share of results of associates and joint ventures .....        | 197,407                | (36,254)          | (26,639)          |
| <b>Operating profit before federal royalty .....</b>           | <b>18,609,554</b>      | <b>17,624,097</b> | <b>18,258,421</b> |
| Federal royalty .....  | (5,594,431)            | (5,826,594)       | (5,587,187)       |
| <b>Operating profit .....</b>                                  | <b>13,015,123</b>      | <b>11,797,503</b> | <b>12,671,234</b> |
| Finance and other income .....                                 | 1,112,374              | 1,363,042         | 946,052           |
| Finance and other costs .....                                  | (2,361,052)            | (2,051,524)       | (1,373,976)       |
| <b>Profit before tax .....</b>                                 | <b>11,766,445</b>      | <b>11,109,021</b> | <b>12,243,310</b> |
| Income tax expenses .....                                      | (1,450,709)            | (1,614,443)       | (1,500,239)       |
| <b>Profit for the year from continuing operations .....</b>    | <b>10,315,736</b>      | <b>9,494,578</b>  | <b>10,743,071</b> |
| <b>Discontinued operations</b>                                 |                        |                   |                   |
| Loss from discontinued operations – net of tax .....           | —                      | —                 | (301,151)         |
| <b>Profit for the year .....</b>                               | <b>10,315,736</b>      | <b>9,494,578</b>  | <b>10,441,920</b> |
| Profit attributable to:  |                        |                   |                   |
| Owners of the Company .....                                    | 9,026,522              | 8,692,516         | 8,614,745         |
| Non-controlling interests .....                                | 1,289,214              | 802,062           | 1,827,175         |

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

The table below shows selected consolidated statement of financial position data for the Group as at 31 December in each of 2020, 2019 and 2018.

|  | As at 31 December      |            |            |
|--|------------------------|------------|------------|
|  | 2020                   | 2019       | 2018       |
|  | <i>(AED thousands)</i> |            |            |
| Goodwill and other intangible assets .....         | 26,276,442             | 24,966,218 | 27,622,092 |
| Property, plant and equipment .....                | 45,803,436             | 45,069,729 | 43,242,703 |
| Investments in associates and joint ventures ..... | 4,250,007              | 4,077,380  | 4,129,268  |
| Total non-current assets .....                     | 83,319,224             | 80,907,920 | 78,186,258 |
| Total current assets .....                         | 49,698,687             | 47,358,413 | 47,056,896 |
| Trade and other payables (current) .....           | 29,040,664             | 28,097,830 | 28,297,153 |
| Current borrowings .....                           | 12,881,074             | 6,539,159  | 8,552,469  |
| Total current liabilities .....                    | 50,827,798             | 44,343,836 | 46,833,704 |
| Non-current borrowings .....                       | 13,819,946             | 17,349,932 | 14,973,191 |
| Total non-current liabilities .....                | 21,640,092             | 26,155,398 | 21,164,047 |
| Total equity .....                                 | 60,550,021             | 57,767,099 | 57,245,403 |

## CONSOLIDATED STATEMENT OF CASH FLOWS DATA

The table below shows selected consolidated statement of cash flow data for the Group for each of 2020, 2019 and 2018.

|   | <u>2020</u>            | <u>2019</u>        | <u>2018</u>       |
|---|------------------------|--------------------|-------------------|
|   | <i>(AED thousands)</i> |                    |                   |
| Net cash generated from operating activities.....                 | 18,968,486             | 19,425,750         | 19,039,491        |
| Net cash generated from/(used in) investing activities .....      | 1,537,684              | (17,913,953)       | (2,094,556)       |
| Net cash used in financing activities .....                       | (9,443,479)            | (9,677,879)        | (10,121,526)      |
| <b>Net increase/(decrease) in cash and cash equivalents .....</b> | <b>11,062,691</b>      | <b>(8,166,082)</b> | <b>6,823,409</b>  |
| Cash and cash equivalents at the beginning of the year.....       | 2,827,314              | 10,819,008         | 3,863,568         |
| Effect of foreign exchange rate changes.....                      | (684,475)              | 174,388            | 132,031           |
| <b>Cash and cash equivalents at the end of the year.....</b>      | <b>13,205,530</b>      | <b>2,827,314</b>   | <b>10,819,008</b> |

## EBITDA AND ADJUSTED EBITDA DATA

The table below shows EBITDA and Adjusted EBITDA data for the Group for each of 2020, 2019 and 2018. EBITDA and Adjusted EBITDA are non-IFRS financial measures and are APMs, see "*Selected financial and other information*". This information is unaudited and has been calculated based on information in the Financial Statements.

|  | <u>2020</u>            | <u>2019</u>       | <u>2018</u>       |
|--|------------------------|-------------------|-------------------|
|  | <i>(AED thousands)</i> |                   |                   |
| Profit for the year.....   | 10,315,736             | 9,494,578         | 10,441,920        |
| Plus: Federal royalty .....  | 5,594,431              | 5,826,594         | 5,587,187         |
| Plus: Income tax expenses.....                                       | 1,450,709              | 1,614,443         | 1,500,239         |
| Plus: Finance and other costs .....                                  | 2,361,052              | 2,051,524         | 1,373,976         |
| Less: Finance and other income .....                                 | (1,112,374)            | (1,363,042)       | (946,052)         |
| Plus: Depreciation .....   | 6,203,909              | 5,878,239         | 5,646,429         |
| Plus: Amortisation .....   | 1,695,888              | 1,586,994         | 1,543,539         |
| Plus: Foreign exchange (gains)/losses - net.....                     | (165,370)              | 58,887            | 277,129           |
| (Less)/plus: Share of results of associates and joint ventures ..... | (197,407)              | 36,254            | 26,639            |
| Plus: Impairment loss on other assets – net .....                    | 296,704                | 1,185,903         | 127,844           |
| Add: Loss from discontinued operations.....                          | —                      | —                 | 301,151           |
| <b>EBITDA.....</b>   | <b>26,443,278</b>      | <b>26,370,374</b> | <b>25,880,001</b> |
| Less: Federal royalty.....   | (5,594,431)            | (5,826,594)       | (5,587,187)       |
| Plus/(less): Share of results of associates and joint ventures ..... | 197,407                | (36,254)          | (26,639)          |
| <b>Adjusted EBITDA .....</b>   | <b>21,046,254</b>      | <b>20,507,526</b> | <b>20,266,175</b> |

## FINANCIAL REVIEW

The following financial review is based on the Financial Statements. Investors should read the following information together with the section entitled "Selected financial information" and the Financial Statements. This review may include forward-looking statements, including those described under the heading "Cautionary statement regarding forward-looking statements", that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "Cautionary statement regarding forward-looking statements" and "Risk factors". Except as may be required by applicable law, the Group does not intend to update any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

### OVERVIEW

Etisalat was established in 1976 and is the leading and incumbent telecommunications provider in the UAE, offering a wide range of mobile, fixed-line, internet and data telecommunications services to business, residential and government customers. A significant proportion of the Group's revenue, profit and cash flows are derived from its operations in the UAE. In each of 2020, 2019 and 2018, the Group had consolidated revenue of AED 51,708 million, AED 52,186 million and AED 52,388 million, respectively, of which 59.5 per cent, 61.4 per cent. and 61.0 per cent., respectively, was contributed by the Group's UAE telecommunications operations carried out by Etisalat (based on external revenue).

In 2004, Etisalat began forming and acquiring interests in subsidiaries, associates and joint ventures in order to grow and carry out its international operations. Since then, the Group has significantly expanded its international telecommunications operations through acquisitions of existing operators as well as by acquiring new licences and building its own operations. The Group has a presence in 15 countries outside the UAE, through its subsidiaries, associates and joint ventures in Morocco, Egypt, Pakistan, Saudi Arabia, Afghanistan, Sri Lanka, Benin, Burkina Faso, the Central African Republic ("CAR"), Chad, Cote d'Ivoire, Gabon, Mali, Mauritania, Niger and Togo.

The table below provides summary information on the Group's operating subsidiaries and their contribution to the Group's consolidated revenue for 2020 and 2019. Each of these subsidiaries is controlled by the Group and therefore fully consolidated in the Financial Statements.

|  | Year ended 31 December |                                    |   |      |
|--|------------------------|------------------------------------|---|------|
|  |                        | 2020                               | 2019  |      |
| Operating business                         | Country of operation   | Equity interest (%) <sup>(2)</sup> | Contribution to consolidated revenue (%) <sup>(3)</sup> |      |
| Maroc Telecom <sup>(1)</sup> .....         | Morocco                | 48.4                               | 14.2  | 14.2 |
| Etisalat Misr .....                        | Egypt                  | 66.4                               | 8.0   | 6.4  |
| PTCL <sup>(1)</sup> .....                  | Pakistan               | 23.4                               | 5.5   | 5.9  |
| Etisalat Afghanistan <sup>(4)+</sup> ..... | Afghanistan            | 100.0                              |   |      |

Notes:

<sup>(1)</sup> The Group has 48 per cent. of the voting rights in Maroc Telecom and 23 per cent. in PTCL, as well as the right in each case to appoint a majority of the Board of Directors and key management personnel. Maroc Telecom consolidates the Group's African operations.

<sup>(2)</sup> Includes direct and indirect interests as at 31 December 2020.

<sup>(3)</sup> Based on external revenue earned in country of operation only.

<sup>(4)</sup> Etisalat Afghanistan, along with the Group's African operations consolidated into Maroc Telecom but excluding Maroc Telecom, make up its Others operating segment, which contributed 12.8 per cent. to consolidated revenue in 2020 and 12.0 per cent. in 2019, based on external revenue only.

## SIGNIFICANT FACTORS AFFECTING FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Revenue from mobile telecommunications services

In 2020, the Group's mobile telecommunications services generated revenue of AED 25,916 million, or 50.1 per cent. of the Group's total external revenue in 2020. The Group's revenue from mobile telecommunications services is primarily affected by:

- the number of the Group's active mobile customers in the countries in which it operates, which in turn is affected by a number of factors, including competition, pricing, quality of service, availability of new services, population growth, churn, regulatory environment and general economic conditions; and
- the amount spent by those customers, as measured by ARPU.

Revenue from mobile customers is driven by a combination of traffic volume and tariffs.

In the UAE in particular, tariffs are driven both by the competitive environment and the regulator, as all tariffs (including promotions) in the UAE are subject to pre-approval by the regulator.

### Fixed-line services

The Group also derives telecommunications revenue from the provision of fixed-line services, the majority of which is derived from Etisalat in the UAE. In 2020, the Group's fixed-line services generated revenue of AED 15,976 million, or 30.9 per cent. of the Group's total external revenue in 2020. Etisalat's UAE fixed-line operations generated AED 11,199 million, or 70.1 per cent., of this amount.

Penetration rates for fixed-lines and broadband internet services in the UAE were 23.5 per cent. and 34.0 per cent., respectively, as at 31 October 2020 (source: TRA). These penetration rates are relatively low compared to North America and Western Europe. In order to increase the penetration of internet services, Etisalat has invested and continues to invest in network infrastructure to deploy new technologies.

### Mobile and fixed-line ARPU among customer base

In addition to the number of customers, revenue generated by the Group's mobile and fixed-line telecommunications services is influenced by the amount of revenue generated by each of those customers for voice services, as measured by ARPU. See "*Presentation of financial and other information—Presentation of other information—Presentation of industry, market and customer data*".

### UAE

In 2020, 59.5 per cent. of the Group's external revenue was derived from the provision of telecommunications services in the UAE by Etisalat, compared to 61.4 per cent. in 2019 and 61.0 per cent. in 2018.

The table below shows ARPU for the Group's UAE mobile and fixed-line businesses for each of 2020, 2019 and 2018.

|                          | <u>2020</u>  | <u>2019</u> | <u>2018</u> |
|--------------------------|--------------|-------------|-------------|
|                          | <i>(AED)</i> |             |             |
| Blended mobile ARPU..... | 85           | 95          | 98          |
| Fixed-line ARPU.....     | 504          | 513         | 509         |

Note:

- (1) Mobile ARPU is calculated as total mobile voice, data and roaming revenues divided by the average number of mobile subscribers. Fixed ARPU is based on fixed-line revenues divided by the average number of fixed subscribers. ARPU figures are unaudited.

Market penetration for mobile customers in the UAE is high, with a penetration rate of 185.3 per cent. as at 31 October 2020 (*source: TRA*). Mobile ARPU declined by 3.1 per cent. in 2019 compared to 2018 and by 10.5 per cent. in 2020 compared to 2019 reflecting the impact of lower mobile revenue, particularly in the prepaid segment.

Fixed line ARPU increased by 0.8 per cent. in 2019 compared to 2018 and then fell by 1.8 per cent. in 2020 compared to 2019 driven mainly by changes in broadband and TV revenue.

Tariffs, both fixed-line and mobile, are required to be pre-approved by the TRA, and any changes must also be pre-approved by the TRA.

### **Morocco**

In each of 2020, 2019 and 2018, 14.2 per cent. of the Group's external revenue was derived from the provision of telecommunications services in Morocco. The table below shows ARPU for the Group's Moroccan mobile and fixed-line businesses for each of 2020, 2019 and 2018.

|                          | <u>2020</u> | <u>2019</u>  | <u>2018</u> |
|--------------------------|-------------|--------------|-------------|
|                          |             | <i>(MAD)</i> |             |
| Blended mobile ARPU..... | 54.27       | 58.31        | 58.59       |
| Fixed-line ARPU .....    | 116.21      | 125.36       | 135.80      |

Note:

- (1) Mobile ARPU is calculated as total mobile voice, data and roaming revenues divided by the average number of mobile subscribers. Fixed ARPU is based on fixed-line revenues divided by the average number of fixed subscribers. ARPU figures are unaudited.

Market penetration for mobile customers in Morocco is high, with a penetration rate of 134 per cent. as at 30 September 2020 (*source: National Agency of Telecommunications Regulation ("ANRT") Q3 report*). Blended mobile ARPU in Morocco was stable in 2019, compared to 2018 and then fell by 6.9 per cent. in 2020 compared to 2019, principally as a result of increased pressure on Maroc Telecom both from competition and regulation. Fixed-line ARPU in Morocco fell by 7.7 per cent. in 2019 compared to 2018 and by 7.3 per cent. in 2020 compared to 2019, principally as a result of offers for the ARPU business from local competitors.

Tariffs, both fixed-line and mobile, in Morocco are required to be pre-approved by the ANRT, and any changes must also be pre-approved by the ANRT.

### **Egypt**

In 2020, 8.0 per cent. of the Group's external revenue was derived from the provision of telecommunications services in Egypt compared to 6.4 per cent. in 2019 and 5.2 per cent. in 2018.

The table below shows ARPU for the Group's Egyptian mobile businesses for each of 2020, 2019 and 2018.

|                          | <u>2020</u> | <u>2019</u>  | <u>2018</u> |
|--------------------------|-------------|--------------|-------------|
|                          |             | <i>(MAD)</i> |             |
| Blended mobile ARPU..... | 54.30       | 46.73        | 37.61       |

Note:

- (1) Mobile ARPU is calculated as total mobile voice, data and roaming revenues divided by the average number of mobile subscribers. Fixed ARPU is based on fixed-line revenues divided by the average number of fixed subscribers. ARPU figures are unaudited.

Market penetration for mobile customers in Egypt is relatively high, with a penetration rate of 93 per cent. as at 31 December 2020 (*source: Global Data Q4 2020*). Blended mobile ARPU in Egypt increased by 24.2 per cent. in 2019 compared to 2018 and by 16.2 per cent. in 2020 compared to 2019, principally as a result of double digit growth in data revenue.

Tariffs, both fixed-line and mobile, in Egypt are required to be pre-approved by the National Telecommunications Regulatory Authority (the "NTRA"), and any changes must also be pre-approved by the NTRA.

### **Pakistan**

In 2020, 5.5 per cent. of the Group's external revenue was derived from the provision of telecommunications services in Pakistan compared to 5.9 per cent. in 2019 and 7.2 per cent. in 2018. The table below shows ARPU for the Group's Pakistani mobile and fixed-line businesses for each of 2020, 2019 and 2018.

|                          | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------|-------------|-------------|
|                          |             | (PKR)       |             |
| Blended mobile ARPU..... | 196         | 216         | 236         |
| Fixed-line ARPU .....    | 2,759       | 2,597       | 2,441       |

Note:

- (1) Mobile ARPU is calculated as total mobile voice, data and roaming revenues divided by the average number of mobile subscribers. Fixed ARPU is based on fixed-line revenues divided by the average number of fixed subscribers. ARPU figures are unaudited.

Market penetration for mobile customers in Pakistan is relatively high, with a penetration rate of 80 per cent. as at 31 December 2020 (*source: Global Data Q4*). Blended mobile ARPU in Pakistan fell by 8.5 per cent. in 2019 compared to 2018 and by 9.3 per cent. in 2020 compared to 2019, principally as a result of Pakistan being a highly competitive market dominated by price sensitive subscribers. In 2020, the decline in ARPU can be attributed to the impact of COVID-19, which significantly reduced Pakistan's economic activity. Fixed-line ARPU in Pakistan increased by 6.4 per cent. in 2019 compared to 2018 and by 6.2 per cent. in 2020 compared to 2019, principally as a result of a rise in high ARPU with respect to fibre connectivity, digital subscriber lines and wireless digital subscriber lines and a fall in low ARPU fixed voice subscribers.

Tariffs, both fixed-line and mobile, in Pakistan are required to be pre-approved by the Pakistan Telecommunication Authority (the "PTA"), and any changes must also be pre-approved by the PTA.

### **Network development**

The Group's strategy is to increase its capacity in targeted regions if it believes that there is or will be demand in that region for its telecommunications services, in particular, in the Group's key markets such as the UAE, Morocco, Egypt and Pakistan. When the Group makes decisions with respect to capacity development it also considers whether the expansion in areas for which coverage is provided will have a significant impact on its ability to attract new customers and retain existing customers. For a discussion of the Group's capital expenditure, see "*Capital expenditure*".

### **Segmental analysis**

The Group presents information relating to its reporting segments in accordance with IFRS 8. See Note 5 ("**Segmental information**") to the 2020 Financial Statements. The Group views its business as being divided into UAE, Morocco, Egypt, Pakistan and other geographical segments. For this purpose, Morocco includes only the Group's operations in Morocco and the Others segment comprises all of Maroc Telecom's African businesses outside Morocco, the Group's business in Afghanistan and its associate in Saudi Arabia. Segment results represent operating profit before federal royalty and without allocation of finance income and finance costs.

The tables below show the Group's revenue and results by segment for each of 2020, 2019 and 2018.

|                     | <u>2020</u>       |                  |                  |                  |                  |                     |                     |
|---------------------|-------------------|------------------|------------------|------------------|------------------|---------------------|---------------------|
|                     | <u>UAE</u>        | <u>Morocco</u>   | <u>Egypt</u>     | <u>Pakistan</u>  | <u>Others</u>    | <u>Eliminations</u> | <u>Consolidated</u> |
|                     | (AED thousands)   |                  |                  |                  |                  |                     |                     |
| External sales      | 30,751,960        | 7,366,733        | 4,113,156        | 2,852,043        | 6,624,319        | —                   | 51,708,211          |
| Inter-segment sales | 261,281           | 442,070          | 57,294           | 87,953           | 71,378           | (919,976)           | —                   |
| Total revenue       | <b>31,013,241</b> | <b>7,808,803</b> | <b>4,170,450</b> | <b>2,939,996</b> | <b>6,695,697</b> | <b>(919,976)</b>    | <b>51,708,211</b>   |
| Segment result      | 13,497,238        | 2,923,808        | 885,008          | (225,282)        | 1,528,782        | —                   | 18,609,554          |



|                     | 2019              |                  |                  |                  |                  |                    | Consolidated      |
|---------------------|-------------------|------------------|------------------|------------------|------------------|--------------------|-------------------|
|                     | UAE               | Morocco          | Egypt            | Pakistan         | Others           | Eliminations       |                   |
|                     | (AED thousands)   |                  |                  |                  |                  |                    |                   |
| External sales      | 32,024,495        | 7,424,417        | 3,362,458        | 3,102,887        | 6,272,156        | —                  | 52,186,413        |
| Inter-segment sales | 274,203           | 543,185          | 67,132           | 75,169           | 95,189           | (1,054,878)        | —                 |
| Total revenue       | <b>32,298,698</b> | <b>7,967,602</b> | <b>3,429,590</b> | <b>3,178,056</b> | <b>6,367,345</b> | <b>(1,054,878)</b> | <b>52,186,413</b> |
| Segment result      | 13,074,391        | 2,801,735        | 654,461          | 17,776           | 1,075,734        | —                  | 17,624,097        |

|                     | 2018              |                  |                  |                  |                  |                    | Consolidated      |
|---------------------|-------------------|------------------|------------------|------------------|------------------|--------------------|-------------------|
|                     | UAE               | Morocco          | Egypt            | Pakistan         | Others           | Eliminations       |                   |
|                     | (AED thousands)   |                  |                  |                  |                  |                    |                   |
| External sales      | 31,932,389        | 7,421,745        | 2,725,850        | 3,788,707        | 6,519,123        | —                  | 52,387,814        |
| Inter-segment sales | 302,934           | 649,024          | 80,125           | 60,161           | 108,072          | (1,200,316)        | —                 |
| Total revenue       | <b>32,235,323</b> | <b>8,070,769</b> | <b>2,805,975</b> | <b>3,848,868</b> | <b>6,627,195</b> | <b>(1,200,316)</b> | <b>52,387,814</b> |
| Segment result      | 13,935,447        | 2,625,021        | 590,289          | (9,736)          | 1,117,400        | —                  | 18,258,421        |

Changes in each segment's external sales revenue are discussed under "*Results of operations—Revenue*" below. In each of 2020, 2019 and 2018, the UAE segment result was AED 13,497 million, AED 13,074 million and AED 13,935 million, respectively, an increase of AED 423 million, or 3.2 per cent., in 2020 compared to 2019 and a decrease of AED 861 million, or 6.2 per cent., in 2019 compared to 2018. The increase of 3.2 per cent. in 2020 compared to 2019 mainly reflected cost optimisation initiatives applied during 2020. The 6.2 per cent. decrease in 2019 compared to 2018 was due to higher costs incurred during 2019.

In each of 2020, 2019 and 2018, the Morocco segment result was AED 2,924 million, AED 2,802 million and AED 2,625 million, respectively, an increase of AED 122 million, or 4.4 per cent., in 2020 compared to 2019 and an increase of AED 176 million, or 6.7 per cent., in 2019 compared to 2018. The increase of 4.4 per cent. in 2020 compared to 2019 mainly reflected cost optimisation initiatives applied during 2020. The 6.7 per cent. increase in 2019 compared to 2018 was due to lower costs incurred during 2019.

In each of 2020, 2019 and 2018, the Egypt segment result was AED 885 million, AED 654 million and AED 590 million, respectively, an increase of AED 231 million, or 35.3 per cent., in 2020 compared to 2019 and an increase of AED 64 million, or 10.8 per cent., in 2019 compared to 2018. The increases of 35.3 per cent. in 2020 compared to 2019 and 10.8 per cent. in 2019 compared to 2018 principally reflected year over year increases in revenue due to strong growth in mobile broadband and increased penetration in the postpaid segment.

In each of 2020, 2019 and 2018, the Pakistan segment result was a loss of AED 225 million, profit of AED 18 million and a loss of AED 10 million, respectively. The loss in 2020 compared to the profit in 2019 was mainly due to impairment costs incurred in 2020. The profit in 2019 compared to the loss in 2018 was mainly due to lower costs incurred during 2019.

In each of 2020, 2019 and 2018, the Others segment result was AED 1,529 million, AED 1,076 million and AED 1,117 million, respectively, an increase of AED 453 million, or 42.1 per cent., in 2020 compared to 2019 and a decrease of AED 42 million, or 3.7 per cent., in 2019 compared to 2018. The increase of 42.1 per cent. in 2020 compared to 2019 mainly reflected higher revenue and lower costs in 2020. The 3.7 per cent. increase in 2019 compared to 2018 was due to lower costs incurred during 2019.

### Significant capital and investment expenditure

The Group has a strong commitment to maintenance of and, where required, improving network quality and new technologies, as reflected in the construction and upgrading of its network infrastructure, as well as making significant investment expenditures in subsidiaries, associated companies and other entities and the renewal and acquisition of telecommunications licences in its various markets. See "*Liquidity and capital resources—Cash flows*" and "*Capital expenditure*". As a result, its capital and investment expenditures, including in the UAE, were substantial in each of 2020, 2019 and 2018.

## **Demographic and economic trends**

The Group's revenue is driven by overall market demand for telecommunications services in the markets served by the Group, which is in turn directly affected by macroeconomic and other trends. In particular, demand for the Group's services depends primarily on a number of demographic and economic factors, all of which are outside of its control, such as population and GDP growth. These factors vary substantially across the markets in which the Group operates and have historically impacted the Group's results of operations. and prospects.

Management believes that the UAE has a favourable demographic profile for a telecommunications operator. It has been among the fastest growing societies in the MENA region in terms of population during the periods under review.

## **CRITICAL ESTIMATES AND JUDGMENTS**

The preparation of the Group's financial statements in conformity with IFRS requires the use of certain estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management bases its estimates and judgments on historical experience, available information, future expectations and other factors and assumptions that management believes are reasonable under the circumstances and provide a basis for making judgments about the carrying value of assets and liabilities. Management reviews its estimates and judgments on an ongoing basis and revises them when necessary. Actual results may differ from those estimates under different assumptions or conditions.

Management has identified accounting estimates and judgments in respect of the below key items that they believe could potentially produce materially different results under different underlying assumptions, estimates, judgments and conditions:

- fair value of other intangible assets;
- classification of interests in other entities;
- federal royalty;
- revenue recognition;
- impairment of goodwill and investment in associates;
- impairment of other intangible assets;
- property, plant and equipment;
- measurement of the expected credit loss allowance;
- provisions and contingent liabilities; and
- provision for income tax.

For further details in respect of the accounting estimates and judgments by management in respect of the above items, please refer to the Note 4 to the 2020 Financial Statements.

## **RESULTS OF OPERATIONS**

*The following is a review of the Group's results of operations for each of 2020, 2019 and 2018. The following review should be read in conjunction with the information in "Presentation of financial and other information" and the Financial Statements.*

The table below shows consolidated statement of profit or loss data for the Group for each of 2020, 2019 and 2018.

|  | <u>2020</u>           | <u>2019</u>       | <u>2018</u>       |
|--|-----------------------|-------------------|-------------------|
|  | <i>(AED thousand)</i> |                   |                   |
| <b>Continuing operations</b>                             |                       |                   |                   |
| Revenue  | 51,708,211            | 52,186,413        | 52,387,814        |
| Operating expenses                                       | (31,839,996)          | (32,225,456)      | (32,738,565)      |
| Impairment loss on trade receivables and contract assets | (1,159,364)           | (1,114,703)       | (1,236,345)       |
| Impairment loss on other assets – net                    | (296,704)             | (1,185,903)       | (127,844)         |
| Share of results of associates and joint ventures        | 197,407               | (36,254)          | (26,639)          |
| <b>Operating profit before federal royalty</b>           | <b>18,609,554</b>     | <b>17,624,097</b> | <b>18,258,421</b> |
| Federal royalty  | (5,594,431)           | (5,826,594)       | (5,587,187)       |
| <b>Operating profit</b>                                  | <b>13,015,123</b>     | <b>11,797,503</b> | <b>12,671,234</b> |
| Finance and other income                                 | 1,112,374             | 1,363,042         | 946,052           |
| Finance and other costs                                  | (2,361,052)           | (2,051,524)       | (1,373,976)       |
| <b>Profit before tax</b>                                 | <b>11,766,445</b>     | <b>11,109,021</b> | <b>12,243,310</b> |
| Income tax expenses                                      | (1,450,709)           | (1,614,443)       | (1,500,239)       |
| <b>Profit for the year from continuing operations</b>    | <b>10,315,736</b>     | <b>9,494,578</b>  | <b>10,743,071</b> |
| <b>Discontinued operations</b>                           |                       |                   |                   |
| Loss from discontinued operations – net of tax           | —                     | —                 | (301,151)         |
| <b>Profit for the year</b>                               | <b>10,315,736</b>     | <b>9,494,578</b>  | <b>10,441,920</b> |
| Profit attributable to:                                  |                       |                   |                   |
| Owners of the Company                                    | 9,026,522             | 8,692,516         | 8,614,745         |
| Non-controlling interests                                | 1,289,214             | 802,062           | 1,827,175         |

## Revenue

The Group's revenue was AED 51,708 million in 2020, AED 52,186 million in 2019 and AED 52,388 million in 2018.

The table below shows the Group's disaggregated external revenue by segment in each of 2020, 2019 and 2018.

|                   | <u>UAE</u>            | <u>Morocco</u>   | <u>Egypt</u>     | <u>Pakistan</u>  | <u>Others</u>    | <u>Total</u>      |
|-------------------|-----------------------|------------------|------------------|------------------|------------------|-------------------|
|                   | <i>(AED thousand)</i> |                  |                  |                  |                  |                   |
| <b>2020</b>       |                       |                  |                  |                  |                  |                   |
| Mobile.....       | 10,789,290            | 4,320,897        | 3,748,690        | 1,021,794        | 6,035,165        | 25,915,836        |
| Fixed.....        | 11,199,092            | 2,701,272        | 228,274          | 1,355,835        | 491,886          | 15,976,359        |
| Equipment.....    | 1,728,915             | 146,064          | 74,302           | 11,717           | 10,510           | 1,971,508         |
| Other.....        | 7,034,663             | 198,500          | 61,890           | 462,697          | 86,758           | 7,844,508         |
| <b>Total 2020</b> | <b>30,751,960</b>     | <b>7,366,733</b> | <b>4,113,156</b> | <b>2,852,043</b> | <b>6,624,319</b> | <b>51,708,211</b> |
| <b>2019</b>       |                       |                  |                  |                  |                  |                   |
| Mobile.....       | 12,307,170            | 4,511,975        | 2,920,180        | 1,245,051        | 5,654,713        | 26,639,089        |
| Fixed.....        | 11,315,463            | 2,539,877        | 154,647          | 1,440,566        | 488,058          | 15,938,611        |
| Equipment.....    | 1,925,994             | 103,880          | 70,946           | 13,080           | 13,466           | 2,127,366         |
| Other.....        | 6,475,868             | 268,685          | 216,685          | 404,190          | 115,919          | 7,481,347         |
| <b>Total 2019</b> | <b>32,024,495</b>     | <b>7,424,417</b> | <b>3,362,458</b> | <b>3,102,887</b> | <b>6,272,156</b> | <b>52,186,413</b> |
| <b>2018</b>       |                       |                  |                  |                  |                  |                   |
| Mobile.....       | 12,654,236            | 4,417,952        | 2,381,868        | 1,568,789        | 5,892,053        | 26,914,898        |
| Fixed.....        | 11,252,305            | 2,608,770        | 122,726          | 1,774,830        | 486,681          | 16,245,312        |
| Equipment.....    | 1,945,185             | 105,753          | 48,525           | 18,626           | 33,017           | 2,151,106         |
| Other.....        | 6,080,663             | 289,270          | 172,731          | 426,462          | 107,372          | 7,076,498         |
| <b>Total 2018</b> | <b>31,932,389</b>     | <b>7,421,745</b> | <b>2,725,850</b> | <b>3,788,707</b> | <b>6,519,123</b> | <b>52,387,814</b> |

## 2020 and 2019 compared

The Group's revenue decreased by AED 478 million, or 0.9 per cent. in 2020 compared to 2019.

On a geographic basis, the AED 478 million decline in revenue in 2020 compared to 2019 principally reflected:

- a decrease of AED 1,273 million, or 4.0 per cent, in UAE revenue, which was driven by the impact of COVID-19 which particularly impact the Group's UAE operations through lower voice revenue, mobile roaming and handset sales; and

- a decrease of AED 251 million, or 8.1 per cent., in revenue from Pakistan, which was driven by a devaluation of the rupee against the dirham and revenue in Pakistan was stable in rupee terms.

These decreases were offset by:

- an increase of AED 751 million, or 22.3 per cent., in revenue from Egypt, which was driven by strong growth in mobile broadband; and
- an increase of AED 352 million, or 5.6 per cent., in revenue from the Other segment, which was driven by growth in mobile and other telecommunications services.

On a product basis, the AED 478 million decline in revenue in 2020 compared to 2019 principally reflected:

- a decrease of AED 723 million, or 2.7 per cent, in mobile revenue, reflecting lower mobile revenue in the UAE and to a lesser extent in Pakistan and Morocco offset by higher mobile revenue in Egypt and the Other segment; and
- an increase of AED 363 million, or 4.9 per cent., in other revenue.

### **2019 and 2018 compared**

The Group's revenue decreased by AED 201 million, or 0.4 per cent. in 2019 compared to 2018.

On a geographic basis, the AED 201 million decline in revenue in 2019 compared to 2018 principally reflected:

- a decrease of AED 686 million, or 18.1 per cent, in revenue from Pakistan, which was driven by a devaluation of the rupee against the dirham; and
- a decrease of AED 247 million, or 3.8 per cent., in revenue from the Other segment, which was driven by more competitive environments in many African countries.

These decreases were principally offset by an increase of AED 637 million, or 23.4 per cent., in revenue from Egypt, which was driven by growth in mobile data and increased penetration in the post-paid segment.

On a product basis, the AED 210 million decline in revenue in 2019 compared to 2018 principally reflected:

- a decrease of AED 307 million, or 1.9 per cent., in fixed-line revenue, principally reflecting lower fixed-line revenue in Pakistan; and
- a decrease of AED 276 million, or 1.0 per cent, in mobile revenue, reflecting lower mobile revenue in the UAE, Pakistan and other international countries offset by higher mobile revenue in Egypt.

These decreases were offset by an increase of AED 405 million, or 5.7 per cent., in other revenue.

### **Operating expenses**

The table below shows the Group's operating expenses for each of 2020, 2019 and 2018.

|                                       | <u>2020</u>              | <u>2019</u>              | <u>2018</u>              |
|---------------------------------------|--------------------------|--------------------------|--------------------------|
|                                       | <i>(AED thousand)</i>    |                          |                          |
| Direct cost of sales .....            | 12,344,708               | 12,353,910               | 12,643,885               |
| Staff costs.....                      | 4,619,424                | 4,904,751                | 4,913,744                |
| Depreciation.....                     | 6,203,909                | 5,878,239                | 5,646,429                |
| Network and other related costs ..... | 2,569,522                | 2,536,804                | 2,593,509                |
| Amortisation .....                    | 1,695,888                | 1,586,994                | 1,543,539                |
| Regulatory expenses .....             | 1,426,910                | 1,377,920                | 1,313,947                |
| Marketing expenses.....               | 887,497                  | 1,294,675                | 939,247                  |
| Consultancy costs.....                | 649,315                  | 778,247                  | 916,476                  |
| All other operating expenses .....    | 1,442,823                | 1,513,916                | 2,227,789                |
| <b>Total operating expenses .....</b> | <b><u>31,839,996</u></b> | <b><u>32,225,456</u></b> | <b><u>32,738,565</u></b> |

The Group's total operating expenses amounted to AED 31,840 million in 2020, AED 32,225 million in 2019 and AED 32,739 million in 2018.

### ***2020 and 2019 compared***

The AED 385 million, or 1.2 per cent., decrease in the Group's total operating expenses in 2020 compared to 2019 principally reflected decreases in marketing expenses, staff costs and consultancy costs which were offset by increases in depreciation and amortisation, each as discussed below.

*Marketing expenses:* The Group's marketing expenses were AED 887 million in 2020 compared to AED 1,295 million in 2019, a decrease of AED 407 million, or 31.5 per cent. This decrease was primarily due to cost optimisation initiatives in the UAE and the postponement of the Expo 2020 in Dubai as a result of the COVID-19 pandemic.

*Staff costs:* The Group's staff costs, which include salaries, pensions and provision for end of service benefits, were AED 4,619 million in 2020 compared to AED 4,905 million in 2019, a decrease of AED 285 million, or 5.8 per cent. This decrease was primarily due to cost optimisation initiatives and the emergency plan that was implemented across the Group to mitigate COVID-19 risks.

*Consultancy costs:* The Group's consultancy costs were AED 649 million in 2020 compared to AED 778 million in 2019, a decrease of AED 129 million, or 16.6 per cent. This decrease was primarily due to lower consultancy spend in the UAE, Morocco and Pakistan.

*Depreciation:* The Group's depreciation was AED 6,204 million in 2020 compared to AED 5,878 million in 2019, an increase of AED 326 million, or 5.5 per cent. This increase was primarily due to increased investment in the Group's networks to capture growth opportunities.

*Amortisation:* The Group's amortisation was AED 1,696 million in 2020 compared to AED 1,587 million in 2019, an increase of AED 109 million, or 6.9 per cent. This increase was primarily due to higher amortisation in the UAE and Egypt.

### ***2019 and 2018 compared***

The AED 513 million, or 1.6 per cent., decrease in the Group's total operating expenses in 2019 compared to 2018 principally reflected decreases in direct cost of sales, consultancy costs and all other operating expenses which were offset by increases in marketing costs and depreciation, each as discussed below.

*Direct cost of sales:* The Group's direct cost of sales was AED 12,354 million in 2019 compared to AED 12,644 million in 2018, a decrease of AED 290 million, or 2.3 per cent. This decrease principally occurred in the UAE, Morocco and Pakistan.

*Consultancy costs:* The Group's consultancy costs were AED 778 million in 2019 compared to AED 916 million in 2018, a decrease of AED 138 million, or 15.1 per cent. This decrease was primarily due to lower consultancy spend in the UAE.

*All other operating expenses:* The Group's all other operating expenses were AED 1,514 million in 2019 compared to AED 2,288 million in 2018, a decrease of AED 774 million, or 33.8 per cent. This decrease principally reflected AED 360 million lower operating lease rentals, AED 218 million lower net foreign exchange losses and AED 191 million lower non-itemised operating expenses.

*Marketing expenses:* The Group's marketing expenses were AED 1,295 million in 2019 compared to AED 939 million in 2018, an increase of AED 355 million, or 37.8 per cent. This increase was primarily due to higher costs in the UAE.

*Depreciation:* The Group's depreciation was AED 5,878 million in 2019 compared to AED 5,646 million in 2018, an increase of AED 232 million, or 4.1 per cent. This increase was primarily due to increased investment in the Group's networks in the UAE, Morocco and Egypt.

### **Impairment losses**

The Group's impairment losses were AED 1,456 million in 2020, AED 2,301 million in 2019 and AED 1,364 million in 2018. The Group's impairment losses relate to trade receivables and contract assets and to

other assets and the principal reason for the higher impairment loss in 2019 was an impairment loss on goodwill attributable to PTCL in the amount of AED 2.6 billion net of a reduction in the provision for consideration payable by Etisalat for the acquisition of PTCL of AED 1.5 billion, as the consideration is contractually linked to the Group's interest in PTCL.

#### **Share of results of associates and joint ventures**

The Group's share of the results of its associates and joint ventures was a share of profit of AED 197 million in 2020 and a share of loss of AED 36 million in 2019 and AED 27 million in 2018. The significant improvement in 2020 was primarily due to the Group's share of the results of Mobily, which was profitable in 2020 and loss making in 2019 and 2018.

#### **Operating profit before federal royalty**

Reflecting the above factors, the Group's operating profit before federal royalty was AED 18,610 million in 2020, AED 17,624 million in 2019 and AED 18,258 million in 2018, an increase of AED 986 million, or 5.6 per cent., in 2020 compared to 2019 and a decrease of AED 634 million, or 3.5 per cent.

#### **Federal royalty**

The Group's federal royalty was AED 5,594 million in 2020, AED 5,827 million in 2019 and AED 5,587 million in 2018, a decrease of AED 232 million, or 4.0 per cent., in 2020 compared to 2019 and an increase of AED 240 million, or 4.3 per cent., in 2019 compared to 2018.

The Group pays an annual royalty to the Government, which is periodically determined by the UAE Ministry of Finance (the "MoF"). In February 2017, the MoF determined the mechanism by which royalty would be payable for the five-year period from 2017 through 2021. Under this royalty mechanism, the Group is required to pay a royalty fee equal to 15 per cent. of its TRA-regulated revenue plus 30 per cent. of its profit generated from all regulated services after deduction of the 15 per cent. royalty on the TRA-regulated services. In addition, the royalty on profit from international operations is considered only if similar fees paid in the country of origin are less than the fees that could have been imposed in the UAE. The royalty liability is accrued monthly, and the aggregate accrued amount for a fiscal year is paid to the MoF in the following year, on or before 30 April.

#### **Operating profit**

Reflecting the impact of the federal royalty, the Group's operating profit was AED 13,015 million in 2020, AED 11,798 million in 2019 and AED 12,671 million in 2018, an increase of AED 1,217 million, or 10.3 per cent., in 2020 compared to 2019 and a decrease of AED 873 million, or 6.9 per cent.

#### **Finance and other income**

The Group's finance and other income was AED 1,112 million in 2020, AED 1,363 million in 2019 and AED 946 million in 2018, a decrease of AED 251 million, or 18.4 per cent., in 2020 compared to 2019 and an increase of AED 417 million, or 44.1 per cent., in 2019 compared to 2018.

The AED 251 million decrease in 2020 principally reflected an AED 303 million change in net loss or gain on financial assets designated as FVTPL (from a gain of AED 238 million in 2019 to a loss of AED 65 million in 2020) coupled with an AED 203 million decrease in interest on bank deposits and amortised cost investments, which was offset by an increase of AED 287 million in other non-itemised income.

The AED 417 million increase in 2019 principally reflected an AED 363 million change in net loss or gain on financial assets designated as FVTPL (from a loss of AED 125 million in 2018 to a gain of AED 238 million in 2019).

#### **Finance and other costs**

The Group's finance and other costs were AED 2,361 million in 2020, AED 2,052 million in 2019 and AED 1,374 million in 2018, an increase of AED 310 million, or 15.1 per cent., in 2020 compared to 2019 and an increase of AED 678 million, or 49.3 per cent., in 2019 compared to 2018.

The AED 310 million increase in 2020 principally reflected an AED 413 million change in ineffectiveness on net investment hedge (from income of AED 163 million in 2019 to a cost of AED 250 million in 2020) coupled with an AED 92 million increase in interest on other borrowings, which was offset by a decrease of AED 285 million in other non-itemised costs.

The AED 678 million increase in 2019 principally reflected an AED 640 million increase in other non-itemised costs coupled with an AED 143 million increase in interest on other borrowings, which was offset by a decrease of AED 69 million in interest on short-term bank borrowings, loans and other financial liabilities.

### Income tax expenses

The Group's income tax expenses were AED 1,451 million in 2020, AED 1,614 million in 2019 and AED 1,500 million in 2018.

The Group's operations in the UAE are not presently subject to any tax liability in the UAE on income or assets. The Group incurs income taxes in respect of its international operations on a country-by-country basis in accordance with local tax laws.

### Profit for the year

The Group's profit for the year was AED 10,316 million in 2020, AED 9,495 million in 2019 and AED 10,442 million in 2018, an increase of AED 821 million, or 8.6 per cent., in 2020 compared to 2019 and a decrease of AED 947 million, or 9.1 per cent., in 2019 compared to 2018. In 2018, the Group's profit for the year was negatively impacted by an AED 301 million loss from discontinued operations, net of tax relating to the sale of its investments in Etisalat Lanka (Pvt.) Limited and Thuraya Telecommunications Company PJSC.

## LIQUIDITY AND CAPITAL RESOURCES

The Group's principal sources of funding for each of the years under review has been cash flow from operations and proceeds from borrowings. The Group's principal uses of funds in those years has been the purchase of property, plant and equipment and investments.

Cash from the Group's operating subsidiaries is repatriated to Etisalat after considering the following factors: (i) prevailing regulatory environment and local central bank regulations in the country where the relevant subsidiary is operating, including local tax regulations; (ii) macroeconomic factors prevailing in the country where the relevant subsidiary is operating, in terms of availability of foreign exchange for repatriation; (iii) in the case of a subsidiary where Etisalat is not a 100 per cent. shareholder, the consent of other shareholders has to be sought for repatriation; (iv) covenants imposed on the relevant subsidiary in respect of its indebtedness; and (v) availability of surplus cash of the relevant subsidiary for repatriation purposes.

### Cash flows

The table below summarises the Group's consolidated cash flow data for each of 2020, 2019 and 2018.

|   | <u>2020</u>       | <u>2019</u>           | <u>2018</u>       |
|---|-------------------|-----------------------|-------------------|
|   |                   | <i>(AED thousand)</i> |                   |
| Net cash generated from operating activities.....                 | 18,968,486        | 19,425,750            | 19,039,491        |
| Net cash generated from/(used in) investing activities .....      | 1,537,684         | (17,913,952)          | (2,094,556)       |
| Net cash used in financing activities .....                       | (9,443,479)       | (9,677,879)           | (10,121,526)      |
| <b>Net increase/(decrease) in cash and cash equivalents .....</b> | <b>11,062,691</b> | <b>(8,166,082)</b>    | <b>6,823,409</b>  |
| Cash and cash equivalents at the beginning of the year.....       | 2,827,314         | 10,819,008            | 3,863,568         |
| Effect of foreign exchange rate changes.....                      | (684,475)         | 174,388               | 132,031           |
| <b>Cash and cash equivalents at the end of the year.....</b>      | <b>13,205,530</b> | <b>2,827,314</b>      | <b>10,819,008</b> |

### Net cash generated from operating activities

The Group's operating cash flows before changes in working capital principally reflect its operating profit adjusted to reflect its depreciation and amortisation, impairment allowances and provisions and allowances.

The Group's operating cash flows before changes in working capital were AED 20,561 million in 2020, AED 20,470 million in 2019 and AED 20,447 million in 2018. The Group's principal working capital changes in 2020 were an inflow of AED 811 million in respect of trade and other receivables including contract assets and an outflow of AED 522 million in respect of trade and other payables including contract liabilities. The Group's principal working capital changes in 2019 were inflows of AED 922 million in respect of trade and other receivables including contract assets and AED 161 million in respect of trade and other payables including contract liabilities. The Group's principal working capital changes in 2018 were an inflow of AED 1,111 million in respect of trade and other receivables including contract assets and an outflow of AED 541 million in respect of trade and other payables including contract liabilities.

Taking into account adjustments for income tax and employee's end of service benefits, the Group's net cash generated from operating activities was AED 18,968 million in 2020, AED 19,426 million in 2019 and AED 19,039 million in 2018.

#### ***Net cash generated from / (used in) investing activities***

The Group's net cash generated from / (used in) investing activities was AED 1,538 million in 2020. The Group's net cash used in investing activities was AED 17,914 million in 2019 and AED 2,095 million in 2018.

In 2020, the Group's principal cash flows from investing activities were a net inflow of AED 8,667 million from short-term deposits matured and made and an inflow of AED 1,099 million from finance and other income received which were offset by a net outflow of AED 5,945 million from the purchase and sale of property, plant and equipment, a net outflow of AED 1,020 million from the purchase and sale intangible assets, an outflow of AED 658 million from the purchase of investments at amortised cost and a net outflow of AED 544 million from the purchase and sale of investments classified as fair value through profit and loss ("**FVTPL**").

In 2019, the Group's principal cash flows from investing activities were a net outflow of AED 9,311 million from short-term deposits made and matured, a net outflow of AED 7,707 million from the purchase and sale of property, plant and equipment, a net outflow of AED 979 million from the purchase and sale intangible assets and an outflow of AED 421 million from the acquisition of subsidiaries (net of cash acquired) which were offset by a cash inflow of AED 1,065 million from finance and other income received.

In 2018, the Group's principal cash flows from investing activities were a net outflow of AED 7,224 million from the purchase and sale of property, plant and equipment, a net outflow of AED 1,086 million from the purchase and sale intangible assets and a net outflow of AED 593 million from the purchase of investments at amortised cost, which were offset by a net inflow of AED 5,670 million from short-term deposits matured and made and an inflow of AED 1,063 million from finance and other income received.

#### ***Net cash used in financing activities***

The Group's net cash used in financing activities was AED 9,443 million in 2020, AED 9,678 million in 2019 and AED 10,122 million in 2018.

In 2020, the Group's principal cash flows from financing activities were an outflow of AED 8,402 million in dividends paid and an outflow of AED 1,528 million in finance and other costs paid and an outflow of AED 740 million from payment of lease liabilities, which were offset by a net inflow of AED 1,226 million from borrowings taken and repaid.

In 2019, the Group's principal cash flows from financing activities were an outflow of AED 8,531 million in dividends paid, an outflow of AED 875 million in finance and other costs paid and an outflow of AED 683 million from payment of lease liabilities, which were offset by a net inflow of AED 435 million from borrowings taken and repaid.

In 2018, the Group's principal cash flows from financing activities were an outflow of AED 8,480 million in dividends paid, an outflow of AED 1,076 million in finance and other costs paid and a net outflow of AED 367 million from borrowings repaid and taken.

#### **Indebtedness**

As at 31 December 2020, the Group had outstanding borrowings of AED 26,701 million.



The table below shows the Group's outstanding indebtedness (at carrying value) as at 31 December in each of 2020, 2019 and 2018.

|  | <b>As at 31 December</b> |                   |                   |
|--|--------------------------|-------------------|-------------------|
|  | <b>2020</b>              | <b>2019</b>       | <b>2018</b>       |
|  | <i>(AED thousand)</i>    |                   |                   |
| <b>Bank borrowings</b>                       |                          |                   |                   |
| Short-term bank borrowings.....              | 5,823,852                | 4,850,186         | 3,895,831         |
| Bank loans .....                             | 7,334,621                | 6,458,898         | 3,523,137         |
| Other borrowings .....                       |                          |                   |                   |
| Bonds issued .....                           | 12,580,935               | 11,607,130        | 15,112,449        |
| Vendor financing .....                       | 414,029                  | 424,422           | 445,137           |
| Other .....                                  | 5,307                    | 4,980             | 4,260             |
| <b>Total</b> .....                           | <b>26,158,744</b>        | <b>23,345,616</b> | <b>22,980,814</b> |
| Advance from non-controlling interests ..... | 542,276                  | 543,475           | 544,846           |
| <b>Total borrowings</b> .....                | <b>26,701,020</b>        | <b>23,889,091</b> | <b>23,525,660</b> |

The Group's bank borrowings are a mix of secured and unsecured loans at fixed and variable rates. The carrying value of the Group's bank borrowings was AED 13,158 million and the table below shows these borrowings categorised by security and interest rate as at 31 December 2020.

|  | <b>As at 31 December 2020</b> |
|--|-------------------------------|
|  | <i>(AED thousand)</i>         |
| Secured bank borrowings.....           | 3,543,862                     |
| Unsecured bank borrowings.....         | 9,592,708                     |
| Other .....                            | 21,903                        |
|  | <b>13,158,473</b>             |
| Variable interest bank borrowings..... | 4,532,456                     |
| Fixed interest bank borrowings .....   | 8,604,114                     |
| Other .....                            | 21,903                        |
|  | <b>13,158,473</b>             |

The Group's borrowings are denominated in a range of currencies, with the principal currencies being euro (accounting for 40.9 per cent. by carrying value of the Group's total borrowings as at 31 December 2020), U.S. dollars (23.3 per cent.) and MAD (17.4 per cent.) and the West African CFA franc (11.0 per cent.).

The weighted average interest rates paid in respect of the Group's borrowings were 3 per cent. (in respect of bank borrowings) and 2 per cent. (in respect of other borrowings) in 2020, 5 per cent. (in respect of bank borrowings) and 3 per cent. (in respect of other borrowings) in 2019 and 6 per cent. (in respect of bank borrowings) and 3 per cent. (in respect of other borrowings) in 2018.

As at 31 December 2020, the Group had three series of bonds outstanding with an aggregate carrying value of AED 12,581 million. One series, the €1.2 billion 1.75 per cent. notes due 2021, matures in June 2021. The remaining series mature in 2024 and 2026, respectively.

At 31 December 2020, the Group had AED 1,701 million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

The table below shows the payments due by period under the Group's contractual obligations excluding: (i) trade and other payables; (ii) derivative financial instruments; (iii) end of service benefits; (iv) capital projects and investment expenditures; and (v) guarantees, in each case as of 31 December 2020.

| <b>Payments due by period as at 31 December 2020</b> |                       |                             |                   |                              |
|--|-----------------------|-----------------------------|-------------------|------------------------------|
|  | <b>Total(1)</b>       | <b>Less than<br/>1 year</b> | <b>1-5 years</b>  | <b>More than 5<br/>Years</b> |
|  | <i>(AED thousand)</i> |                             |                   |                              |
| Borrowings .....                                     | 28,004,563            | 13,212,153                  | 8,694,835         | 6,097,575                    |
| Lease liabilities .....                              | 4,713,553             | 668,323                     | 1,933,370         | 2,111,860                    |
| Payables related to investments and licences .....   | 84,177                | 11,022                      | 73,155            | -                            |
| <b>Total .....</b>                                   | <b>32,802,293</b>     | <b>13,891,498</b>           | <b>10,701,360</b> | <b>8,209,435</b>             |

## **CAPITAL EXPENDITURE**

The table below shows the Group's capital expenditures (which include amounts used for purchases of fixed assets and intangible assets (including the acquisition of licences)) for each of 2020, 2019 and 2018.

|                     | <b>2020</b>                   |                   | <b>2019</b>                   |                   | <b>2018</b>                   |                   |
|---------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|
|                     | <i>(AED<br/>thousands)(1)</i> | <i>% of total</i> | <i>(AED<br/>thousands)(1)</i> | <i>% of total</i> | <i>(AED<br/>thousands)(1)</i> | <i>% of total</i> |
| UAE .....           | 3,486,094                     | 49.13             | 4,435,005                     | 49.86             | 3,910,146                     | 46.56             |
| International ..... | 3,609,516                     | 50.87             | 4,460,223                     | 50.14             | 4,488,623                     | 53.44             |
| <b>Total .....</b>  | <b>7,095,610</b>              | <b>100.0</b>      | <b>8,895,228</b>              | <b>100.0</b>      | <b>8,398,770</b>              | <b>100.0</b>      |

Note:

(1) Includes the Group's net expenditures on the purchase of fixed and intangible assets.

The Group's total capital expenditure was AED 7,096 million in 2020, AED 8,895 million in 2019 and AED 8,399 million in 2018.

The Group's capital expenditure in 2018 principally related to the UAE, where AED 3,910 million committed to building capabilities to support new revenue streams in digital and ICT, enhancing network capacity and network maintenance. Outside the UAE, the Group spent AED 4,489 million with a focus on deployment of the 4G network in Egypt, deployment and upgrading of optical transmission networks in Maroc Telecom's African operations to support the growth of data usage and on the fixed network transformation programme in Pakistan.

The Group's capital expenditure in 2019 principally related to the UAE, where AED 4,435 million was spent on the 5G network rollout, network modernisation and upgrades to support the increase in data traffic and new revenue streams in digital and ICT, and network maintenance. Outside the UAE, the Group spent AED 4,460 million with a focus on increasing network capacity and spectrum acquisition in Morocco, deployment and upgrading of networks to support the growth of data usage in Maroc Telecom's other African operations, continued 4G deployment in Egypt, and the completion of the fixed network transformation programme in Pakistan that started in 2018 and enhancement of the capacity of the mobile network in Pakistan.

The Group's capital expenditure in 2020 principally related to the UAE, where AED 3,486 million was spent on investment in data centres, the network's capacity and speed and continued 5G deployment. Outside the UAE, AED 3,610 million was spent with a focus on the FTTH network in Morocco, spectrum acquisition in Egypt and mobile network enhancement in Pakistan.

The Group expects to incur substantial capital expenditures in future periods for network construction, expansion and maintenance. As at 31 December 2020, the Group had approved future capital projects and investment commitments amounting to AED 5,743 million, equal to 11.1 per cent. of its total revenue in 2020.

## **COMMITMENTS AND CONTINGENT LIABILITIES**

In addition to its capital expenditure and investment commitment, as at 31 December 2020 the Group had issued letters of credit amounting to AED 306 million. In addition, it had performance bonds and guarantees

in relation to contracts of AED 1,967 million and guarantees in respect of overseas investments of AED 1,850 million as at 31 December 2020.

Certain Group companies are engaged in lawsuits in Pakistan and Saudi Arabia. These are described in note 37(b) to the 2020 Financial Statements.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Group does not have any off-balance sheet arrangements that have or are reasonably expected to have a material current or future effect on its financial condition, revenue, expenses, results of operations, liquidity, capital expenditures or capital resources.

#### **RELATED PARTY TRANSACTIONS**

Transactions between Etisalat and its subsidiaries, which are related parties, have been eliminated on consolidation in the Financial Statements. The transactions between the Group and its other related parties are described in note 19 to the 2020 Financial Statements and certain of them are summarised below.

##### **Federal government and state-controlled entities**

The Group provides telecommunications services to the Government and other entities over which the Government exerts control, joint control or significant influence. The nature of these transactions is the provision of telecommunication services and procurement of services. No other disclosure of these transactions is included in note 19 to the 2020 Financial Statements, as permitted by IAS 24 "*Related party disclosures*".

These transactions are carried out at arm's length on normal commercial terms. The credit period allowed to Government customers ranges from 90 to 120 days. As at 31 December 2020, net trade receivables included an amount of AED 1,685 million receivable from Government ministries and local bodies.

##### **Joint ventures and associates**

Sales to the Group's joint ventures and associates comprise the provision of telecommunication products and services (primarily voice traffic and leased circuits) based on agreed commercial terms. Purchases relate exclusively to the provision of telecommunication products and services by associates based on agreed commercial terms. In addition, management and other services are provided to associates and joint ventures.

The principal management and other services provided to the Group's associates and joint ventures is through its management agreement with Mobily. Amounts invoiced by Etisalat under this agreement relate to annual management fees, fees for staff secondments and other services provided under the management agreement. The term of the management agreement was for an initial period of seven years (which expired in 2011) and it has been renewed in accordance with its terms for successive periods of five years since then. In 2017, the Group signed a Technical Services and Support Agreement with Mobily. This agreement is for a period of five years.

##### **Remuneration of key management personnel**

The total compensation paid to the Board and other members of Etisalat key management was AED 85 million in 2020, AED 33 million in 2019 and AED 61 million in 2018. The remuneration for 2020 includes remuneration and end of service benefits for executives who retired during the year.

#### **DISCLOSURES ABOUT RISK**

##### **Financial Risk Management Objectives**

The Group's corporate finance function has overall responsibility for monitoring the domestic and international financial markets and managing the financial risks relating to the Group and providing recommendations for financial risk management of the Group's operating companies. Any significant decisions about whether to invest, borrow funds or purchase derivative financial instruments are approved by either the Board or the relevant authority of the relevant member of the Group. The Group's financial risks include market risk, credit risk and liquidity risk. See "*Risk factors—Fluctuations in currency*

*exchange rates could materially and adversely affect the Group's business, financial condition, results of operations and prospects" and "Risk factors—A downgrade in Etisalat's credit ratings could adversely affect the Group's ability to access the debt capital markets and may increase its borrowing costs".*

The Group takes into consideration several factors when determining its capital structure, with the aim of ensuring sustainability of the business and maximising the value to shareholders. The Group monitors its cost of capital with a goal of optimising its capital structure. In order to do this, the Group monitors the financial markets and any movement in standard industry approaches for calculating weighted average cost of capital. The Group also monitors its net financial debt ratio to obtain and maintain a strong credit rating, which enables the Group to match potential cash flow generation with the possible investments that could arise at any time. The Group also considers other variables such as country risk, volatility in cash flow generation or applicable tax rules, when determining the Group's financial structure.

See further note 35 to the 2020 Financial Statements.

## DESCRIPTION OF THE GROUP

### OVERVIEW

Etisalat was founded in 1976 and is the leading and incumbent telecommunications provider in the UAE, offering a wide range of mobile communications, fixed broadband, internet protocol television ("IPTV"), voice, carrier services, cloud and security, internet of things ("IoT"), mobile money, and other value-added services ("VAS") to business, residential and government customers. Etisalat was the sole provider of mobile and fixed-line telecommunications services in the UAE until February 2007. As at 31 December 2020, its share of the UAE mobile and fixed-line service markets was 66 per cent. and 81 per cent., respectively, in terms of revenue (*source: Etisalat and du*). Etisalat is listed on the Abu Dhabi Securities Exchange and its market capitalisation was AED 180 billion (U.S.\$49 billion) as of 16 March 2021 (*source: Bloomberg*).

In 2004, Etisalat began forming and acquiring interests in subsidiaries and associates in order to grow and carry out its international operations. The Group significantly expanded its international telecommunications operations through acquisitions of existing operators as well as by acquiring new licences and building its own operations in the period to 2014. The Group has telecommunications operations in 15 countries outside the UAE, through its subsidiaries and associates in Morocco, Egypt, Pakistan, Saudi Arabia, Afghanistan, Benin, Burkina Faso, CAR, Chad, Côte d'Ivoire, Gabon, Niger, Mali, Mauritania and Togo. A significant proportion of the Group's revenue, profit and cash flows are derived from Etisalat's operations in the UAE. In 2020, 2019 and 2018, the Group had consolidated revenue of AED 51,708 million, AED 52,186 million and AED 52,388 million, respectively, of which 59.5 per cent., 61.4 per cent. and 61.0 per cent., respectively, was contributed by the Group's UAE telecommunications operations carried out by Etisalat (based on external revenue).

Outside the UAE, Maroc Telecom in Morocco (excluding its consolidated subsidiaries operating in Benin, Burkina Faso, CAR, Chad, Côte d'Ivoire, Gabon, Niger, Mali, Mauritania and Togo), Etisalat Misr in Egypt and PTCL in Pakistan were the most significant of the Group's subsidiaries in terms of contribution to consolidated revenue in 2020. Maroc Telecom generated 14.2 per cent. of the Group's consolidated revenue in each of 2020, 2019 and 2018 (based on external revenue). Etisalat Misr generated 8.0 per cent., 6.4 per cent. and 5.2 per cent. of the Group's consolidated revenue in 2020, 2019 and 2018, respectively (based on external revenue). PTCL generated 5.5 per cent., 5.9 per cent. and 7.2 per cent. of the Group's consolidated revenue in 2020, 2019 and 2018, respectively (based on external revenue).

The total mobile and fixed-line subscriber base of the Group as at 31 December 2020 was approximately 12.2 million in the UAE and 141.8 million in the rest of the world.

Etisalat is both the operating company in the UAE as well as the ultimate holding company for the Group's subsidiaries, associates and joint ventures. As at the date of this Base Prospectus, the Government is Etisalat's controlling shareholder, holding 60 per cent. of Etisalat's ordinary shares through the Emirates Investment Authority. By law, the Government's shareholding in Etisalat may not be less than 51 per cent. Etisalat's Board comprises 11 directors, of which seven (including the Chairman of the Board) represent the Government and are appointed by Federal Decree.

Dividends in respect of each of 2018 and 2019 were an aggregate of AED 6,954,396,000 (U.S.\$1.9 billion). The core principles which guide Etisalat's dividend policy include: the protection of shareholder rights; the balancing of Etisalat's needs for available funds to ensure long-term growth; preserving the financial stability of Etisalat; obtaining the highest possible corporate credit rating; maintaining clarity in the determination of the amount of dividend payments to be declared; and improving the attractiveness of the shares of Etisalat to current and potential shareholders. After evaluating these principles, the Board of Directors recommend the specific dividend distribution amount to the shareholders. On 22 February 2021, the Board of Directors proposed a final dividend of AED 0.40 per share for the second half of 2020 bringing total dividends per share to AED 0.80 for the year. In addition, the Board of Directors proposed a one-time special dividend of AED 0.40 per share. As a result, the total dividend per share for the full year 2020 is AED 1.20, subject to shareholders' approval.

The rights of the Emirates Investment Authority as a 60 per cent. shareholder in Etisalat are contained within the Memorandum and Articles of Association of Etisalat and Etisalat will be governed in accordance with the Memorandum and Articles of Association and with the provisions of the applicable laws of the United Arab Emirates.

The table below lists Etisalat and its subsidiaries and associates involved in its telecommunications operations, the effective economic ownership interest of Etisalat in these entities as at the date of this Base Prospectus and data regarding each entity's operations as at 31 December 2020 (unless stated otherwise).

| Operating Company                      | Country of operation                            | Current ownership <sup>(1)</sup> | Population of country <sup>(16)</sup><br>(network coverage) <sup>(2)</sup> | Penetration rate <sup>(2)</sup>                            | Number of subscribers in millions <sup>(3)</sup>  | Market share <sup>(4)</sup>                                       | Licence types (expiry dates)                                      |
|--|---|----------------------------------|--|--|---|---|---|
| Middle East<br>Etisalat <sup>(5)</sup> | UAE   | N/A                              | 9.4 million (100%)   | Mobile: 186%<br>Fixed-line: 24%<br>Broadband internet: 33% | Mobile: 10.3<br>Fixed-line: 1.2<br>broadband: 1.2 | Mobile: 61%<br>Fixed-line: 82%<br>Broadband: N/A<br>Internet: N/A | Mobile (2G/3G/4G)<br>Fixed-line<br>Internet (N/A)                 |
| Mobily <sup>(6)</sup>                  | Saudi Arabia                                    | 28.0% Associate                  | 54.2 million (99%)   | Mobile: 113%   | Mobile: 11.5                                      | Mobile: 26%   | Mobile (2G/3G/4G) (2029)  |
| Etisalat Misr <sup>(7)</sup>           | Egypt   | 66.4%                            | 102 million (99%)  | Mobile: 93%  | Mobile: 26.4                                      | Mobile: N/A   | Mobile (2G/3G/4G) (2031)  |
| Africa<br>Maroc Telecom <sup>(8)</sup> | Morocco   | 48.4%                            | 66 million (99%)   | Mobile: 137%<br>Fixed-line: 7%                             | Mobile: 19.5<br>Fixed-line: 2.0                   | Mobile: 39%<br>Fixed-line: 85%                                    | Mobile (2G) (Unlimited) (3G)(2031)<br>Fixed-line (Unlimited)      |
| Mauritel <sup>(9)</sup>                | Mauritania                                      | 19.9%                            | 4 million  | Mobile: 98%  | Mobile: 2.6<br>Fixed-line: 0.1                    | Mobile: 65%<br>Fixed-line: N/A                                    | Mobile (2G)(2015) (3G) (2021)<br>Fixed-line (2021)                |
| Onatel <sup>(10)</sup>                 | Burkina Faso                                    | 24.7%                            | 21 million   | Mobile: 101%   | Mobile: 9.4<br>Fixed-line: 0.1                    | Mobile: 42%<br>Fixed-line: 100%                                   | Mobile (2G)(2020) (3G) (2023)<br>Fixed-line (2026)                |
| Gabon Telecom <sup>(11)...</sup>       | Gabon   | 24.7%                            | 2 million  | Mobile: 145%   | Mobile: 1.6<br>Fixed-line: 0                      | Mobile: 53%<br>Fixed-line: 100%                                   | Mobile (2G)(2017) (3G/4G) (2024)<br>Fixed-line (2022)             |
| Sotelma <sup>(12)</sup>                | Mali  | 24.7%                            | 19 million   | Mobile: 102%   | Mobile: 9.7<br>Fixed-line: 0.2                    | Mobile: 39%<br>Fixed-line: N/A                                    | Mobile (2G/3G) (2024)<br>Fixed-line (2024)                        |
| Various <sup>3)</sup>                  | Benin, Chad, Cote d'Ivoire, CAR, Niger and Togo | Various (see note 13 below)      | 106 million (across all markets)   | Mobile: 81% (average across all countries)                 | Mobile: 25.9                                      | Varies by market  | Mobile (2G/3G) (various) and (4G in all except Niger and CAR)     |
| Asia<br>PTCL and Ufone <sup>(14)</sup> | Pakistan  | 23.4%                            | 209 million (77%)  | Mobile: 80%<br>Fixed-line: 1%<br>Internet: 5%              | Mobile: 23.1<br>Fixed-line: 2.5                   | Mobile: 13%<br>Fixed-line: 90%<br>Internet: 80%                   | Mobile (2G)(2029) (3G)(2029)<br>Fixed-line (2020) Internet (2024) |
| Etisalat Afghanistan <sup>(15)</sup>   | Afghanistan                                     | 100%                             | 31 million (78%)   | Mobile: 53%  | Mobile: 5.4                                       | Mobile: 27.4%   | Mobile (2G)(2022) (3G)(2027)                                      |

Note:

- (1) Figures include aggregate direct and indirect holdings as at the date of this Base Prospectus calculated on an effective ownership basis. All entities are direct or indirect subsidiaries unless otherwise stated.
- (2) Population and penetration rate reflect public data as of 31 December 2020 unless otherwise indicated. Population data was sourced from the United Nations – Statistics Division – Feb 2021 for all countries except Egypt, Pakistan and Gabon where the source was the IMF – October 2020. Network coverage refers to the percentage of the population under licence that receives services from the operating company's existing telecommunications network in each jurisdiction or region in which the Group operates. Network coverage is based on public information, if available. If network coverage information is not publicly available, the information is based on management estimates.
- (3) See "Presentation of financial and other information—Industry, market and customer data—Customers" for a description of how the Group calculates subscribers. Figures are as of 31 December 2020 unless otherwise indicated.
- (4) Market share is based on publicly available information provided by regulators, if available, as of 31 December 2020 unless otherwise indicated. If such information is not available, market share is based on a number of factors, including public statements by the Group's competitors and management estimates. See "Presentation of financial and other information—Industry, market and customer data—Customers".

- (5) Figures for penetration rates are as of 31 December 2020. Figures for number of subscribers and market share are as of 31 December 2020.
- (6) Etisalat holds a direct 28.0 per cent. interest in Mobily.
- (7) Etisalat owns its interest in Etisalat Misr through its 100 per cent. ownership interest in its subsidiary Etisalat International Egypt LLC ("EIEL").
- (8) Etisalat owns its controlling interest in Maroc Telecom through its 91.33 per cent. ownership interest in its subsidiary Etisalat Investment North Africa LLC ("EINA"), which holds a 100 per cent. ownership interest in Société de Participation dans les Télécommunications ("SPT"), which in turn holds a 53 per cent. ownership interest in Maroc Telecom.
- (9) Etisalat owns its controlling interest in Mauritel through Maroc Telecom. The holding company of Mauritel, Compagnie Mauritanienne de Communications ("CMC"), in which Maroc Telecom holds an 80 per cent. equity stake, holds a 51.5 per cent. direct interest in Mauritel.
- (10) Etisalat owns its controlling interest in Onatel through Maroc Telecom, which holds a 51.0 per cent. direct shareholding in Onatel.
- (11) Etisalat owns its controlling interest in Gabon Telecom through Maroc Telecom, which holds a 51.0 per cent. direct shareholding in Gabon Telecom.
- (12) Etisalat owns its controlling interest in Sotelma through Maroc Telecom, which holds a 51.0 per cent. direct shareholding in Sotelma.
- (13) Maroc Telecom holds a 100 per cent. direct shareholding in its subsidiaries in CAR and Niger, a 100 per cent. direct shareholding in Etisalat Benin, a direct shareholding of 96 per cent. in its subsidiary in Togo, a direct shareholding of 51 per cent. in its subsidiary in Gabon, a direct shareholding of 85 per cent. in its subsidiary in Côte d'Ivoire and a direct shareholding of 100 per cent. in its subsidiary in Chad.
- (14) Etisalat holds its interest in PTCL through Etisalat International Pakistan LLC ("EIPL"), which is 90 per cent. owned by Etisalat. EIPL holds a 26.0 per cent. interest in PTCL, giving Etisalat a 23.4 per cent. economic interest in PTCL. PTCL has a 100 per cent. interest in Ufone. Etisalat controls 58 per cent. of the voting rights in PTCL and has the power to appoint the majority of the members of the Board. Figures for number of fixed-line subscribers includes internet subscribers. Figures for number of subscribers include mobile broadband subscribers.
- (15) Etisalat owns its interest in Etisalat Afghanistan through its 100 per cent. interest in its subsidiary Etisalat International Afghanistan Limited ("EIAL"). The market share figure presented for Etisalat Afghanistan is as of 31 December 2014. Figures for number of subscribers and market share are as of 31 December 2014.

## **STRENGTHS**

The Group believes that it benefits from the following competitive strengths that position it to achieve its strategic objectives:

### **Leading and incumbent position in UAE; investment for future growth**

Etisalat is the market leader in telecommunications services in the UAE with market shares of 61 per cent. in mobile and 82 per cent. in fixed-line services, in each case measured by numbers of subscribers as at 31 December 2020. The Group believes that the UAE is a relatively mature telecommunications market that provides a stable foundation for both shareholder remuneration and the Group's cash flow generation needs to support its operations. Despite the high penetration of telecommunications services in the UAE, the country still has growth opportunities for the Group's UAE operations. Some of the key growth drivers are the relatively young and affluent population in the country, as well as increasing population and growth in tourism. Additionally, the UAE population has demonstrated a large propensity for ICT solutions in both the consumer and business segments (for example, increasing demand for broadband services, value-added services and digital services) and the Government is undertaking various initiatives to provide online and mobile access to all of its services. To support its leading position, growth potential and cash flow generation in the UAE, Etisalat has invested heavily in new technologies in order to be able to offer higher-quality, data-intensive ICT services, with capital expenditures of AED 3.41 billion in 2020. Etisalat's fibre-optic network and advanced mobile infrastructure (2G, 3G, 4G LTE and 5G) allow it to offer multiple ICT services, including voice, high-speed data access and media services. Etisalat's strong investment and customer-centric approach has helped to attract new customers and retain existing ones in an increasingly competitive environment.

### **Diversified and balanced international portfolio; proven track record of establishing new telecommunications operations in emerging markets with significant growth potential**

In addition to its leading position in its home market of the UAE, the Group has established a diversified and balanced international portfolio of telecommunications assets. The Group has telecommunications operations in 15 countries outside the UAE, through its subsidiaries in Morocco, Egypt, Pakistan, Afghanistan, Benin, Burkina Faso, CAR, Chad, Côte d'Ivoire, Gabon, Niger, Mali, Mauritania and Togo

and its associate in Saudi Arabia. Accordingly, the Group has significant experience in all facets of building, managing and operating successful telecommunications businesses in high-growth and emerging markets in Africa, the Middle East and Asia. The Group's successful international operations in some of the most populous countries in these regions, including its key markets of Morocco, Egypt, Pakistan and Saudi Arabia, are testament to its strong management capabilities.

The Group believes that its strong cash flow generated by its more mature operations in the UAE position it well to optimise its international portfolio through consolidation and the acquisition of licences and spectrum in its existing international markets as well opportunistic expansion in new geographies which meet the Group's investment criteria.

### **Strong and conservative financial profile; low leverage; prudent financial policy**

The Group has maintained a conservative financial profile and low indebtedness levels. The conservative approach has enabled the Group to maintain its domestic and international investment strategy and take advantage of opportunities to grow its business through challenging global financial market and economic conditions. The Group generated cash flow from operating activities of AED 18,968 million in 2020, AED 19,426 million in 2019 and AED 19,039 million in 2018. The Group's total consolidated borrowings amounted to AED 26,701 million as at 31 December 2020, AED 23,889 million as at 31 December 2019 and AED 23,526 million as at 31 December 2018. The Group had AED 31,345 million in cash and bank balances as at 31 December 2020.

### **Experienced international leadership team**

The Group's leadership team of has significant experience in the information, communications and technology ("ICT") sector and has a proven track record in driving and executing their strategic objectives in order to grow the business. This includes both making and subsequently integrating acquisitions, and implementing initiatives resulting in organic growth. In order to deliver its strategy, the Group continues to promote key employees to better position its business for its next growth phase and has strengthened key leadership positions in line with its corporate structure. In 2020, for example, it appointed a new Group chief executive officer, Group chief financial officer and Group chief human relations officer. The Group believes that the composition of its leadership team puts it in a strong position to successfully implement its strategy, and to improve its operating performance as the Group encounters opportunities to benefit from its significant investments in infrastructure to date. Senior executives of the Group sit on the board of directors of most of the Group's subsidiaries, ensuring consistency, governance and compliance with the Group's overall strategy and mission.

### **High performance culture and employee engagement**

One of Group's key priorities is to support and maintain a performance-driven culture within the organisation. Etisalat continuously aims to attract and retain top talent through robust assessment and selection methods and by promoting a diverse and inclusive high performing culture throughout the Group. For this reason, continuous feedback channels have been introduced to foster a positive employee experience to attract and retain top talent from all over the world.

The Group believes that engaged and energised employees will lead in the era of digital disruption. Etisalat continues to record year on year employee engagement growth. 'Employee engagement' refers to the commitment that employees have to the organisation due to their perceptions of the Group. Their perceptions, in turn, have a positive effect on their emotions and behaviour, resulting in satisfaction, commitment and pride in their work, loyalty, a strong sense of personal responsibility and a willingness to be advocates for the Group. This has in turn, resulted in a highly driven and productive workforce dedicated to ensuring Etisalat's success.

### **Economies of scale and synergies across its operations**

As the Group has expanded internationally, it has pursued economies of scale and synergies from operating and standardising telecommunications networks in numerous markets. In particular, the Group is able to leverage its scale and expertise across all functional areas to support its operating companies. The Group's support has created significant value in several areas, including procurement optimisation (for example, network, device and media purchasing), commercial offers (for example, preferential roaming offers and



new digital services), financial capabilities (for example, capital restructuring and enhancement of financing terms) and regulatory and technology support, amongst others.

### **Strong relationship with the Government**

The Government currently owns 60 per cent. of Etisalat's share capital as well as the Special Share and the Government's shareholding may not be less than 51 per cent. In addition, seven out of the 11 board members, including the Chairman and Vice Chairman, are appointed by the EIA and represent the Government Shareholder. This working relationship with the Government has helped support the Group in its international expansion by, among other things, helping it address and mitigate political risk in the emerging markets in which it operates. Management believes that Etisalat is an integral part of the UAE's economy and growth strategy. Etisalat continues to support the forward-looking ICT strategy of the Government through various initiatives, including the deployment of the latest telecommunications infrastructure in the country (for example, FTTH and 5G). Additionally, Etisalat is a significant contributor to the Government's finances, with a federal royalty charge of AED 5,594 million for 2020 representing approximately 9 per cent. of the Government's budget for that year (*source: Etisalat*).

### **STRATEGY**

The Group's digitally inspired vision is "Drive the Digital Future to Empower Societies". This vision continues to guide the Group in its transition from a traditional telecom operator to a world class digital operator, which in turn is enabling Group to strengthen its industry-leading position by working towards the following goals:

- reshaping the lives of consumers;
- accelerating the economic growth of businesses; and
- enhancing the competitiveness of the countries in which the Group operates.

Etisalat believes that current major market forces, such as next generation networks through the roll out of fibre and 5G, platform and ecosystem revolution, the acceleration of digital business initiatives in the corporate world, new software adoption such as cloud, virtualisation and artificial intelligence (AI) and the growth of intelligent edge both provide it with opportunities and presents it with threats. Reflecting these factors, the Group's business strategy focuses on the following four overarching strategic imperatives.

### **Maximise the value of its core business**

The Group aims to maximise the value of its core business by:

- capturing data growth through providing innovative pricing and packages for its broadband products;
- accelerating the adoption of bundles by consumers thus providing more value and better experiences with a view to mitigating the negative impact of VOIP on its business;
- using AI-driven customer value management techniques for both up-selling and cross-selling;
- protecting and increasing the share of its most profitable segments, such as high-value postpaid consumers, small and medium businesses ("**SMB**") and high value corporates ("**HVC**"), by offering propositions tailored to their needs;
- rolling out fibre in the fixed-line sector and increasing value-added propositions, such as high-speed, bundled packages of telecoms services, digital services and content; and
- migrating B2B to next generation services through the progressive migration of connectivity services to managed solutions.

### **To grow its digital and adjacent services**

The Group aims to grow Etisalat Digital to enhance its services to its government, enterprise and SMB customers with a view to positioning itself as a regional leader in the internet of things, cloud, security, edge computing and AI spheres by:

- continuing the organic development of unique skills and platforms and partnerships with hyperscalers;
- continuing its international expansion following the establishment in Saudi Arabia of the Etisalat Digital unit in 2020;
- undertaking selective digital merger and acquisition activity to acquire competencies and platforms and accelerate market entry; and
- supporting the Group's operations through the sharing of capabilities (for example, knowledge transfer and sharing of experiences and training on various topics and processes), platforms (for example, sharing of common group technology platforms around services such as Video OTT) and go to market (for example, sharing of market launch approaches with the Group's ecosystem of partners to create advantages around the launch of similar products across the Group's portfolio).

The Group also aims to grow its digital agencies to enhance its services to consumers and position the Group as a key digital lifestyle player in the MENA and Pakistan region by:

- accelerating the growth of mobile financial services in all major markets across its geographic footprint; and
- blending core services, digital services and devices in innovative entertainment and smart bundles.
- For example, in 2018 Etisalat partnered with Noor Bank (now, Dubai Islamic Bank) to establish a mobile application for electronic payments in the UAE, under the brand 'e-Wallet'. The e-Wallet application allows users (who need not be customers of Etisalat or Dubai Islamic Bank) to transfer funds to other users, pay for goods and services at certain accepted merchants and effect international money transfers. Etisalat intends to continue to invest in the e-Wallet application to grow the user base in the UAE, and potentially may consider extending the concept to other jurisdictions in which the Group operates.

### **To become an agile, digital and efficient Group**

The Group aims to become an agile, digital and efficient Group through focusing on four areas:

- **network and IT**, where the Group intends to modernise and/or share networks and reset its capital expenditure by aligning with demand; leverage long-term evolution ("LTE") networks and, in more mature markets, including the UAE and Saudi Arabia, accelerating its 5G roll out; making further advances in network virtualisation and the adoption of cloud; and continuing its IT transformation journey and deploying digital platforms;
- **customer journeys**, where the Group intends to digitise and re-imagine customer journeys to offer a "no touch " experience; enhance digital channels such as its App, website and social media; and innovate and optimise customers' contacts through the introduction of virtual agents and digital stores;
- **operating model**, where the Group intends to focus on agile ways of working such as a systematic scale up of agile frameworks (for example, dual agile working, scrum, DevOps and design thinking); governance for synergy capture through optimising governance to fully leverage economies of scale potential; and efficiency measures including implementing a range of broad cost optimisation measures (such as digitisation of cross functional processes, optimisation of organisational structures, smart capital expenditure planning and passive/active network sharing); and

- **talent and culture**, where the Group intends to modernise its human resources function by focusing on organisational health, delayering and increasing talent renewal and development across key areas.

### To expand and optimise its international portfolio

The Group aims to expand and optimise its international portfolio in both the telecommunications and digital areas.

In telecommunications, the Group expects to continue optimising its footprint through in-market consolidation and the acquisition of licenses and spectrum while continuing to assess opportunistic expansion in new geographies meeting the Group's investment criteria.

In digital, the Group expects to undertake selected mergers and acquisitions to acquire competencies and/or platforms and accelerate market entry in new geographies and to explore new ventures and strategic partnerships in selected adjacencies.

## BUSINESS OPERATIONS

### Overview

The Group is engaged in a single line of business, being the supply of telecommunications services and related products. The majority of the Group's revenue, profit and assets relate to its operations in the UAE. Outside the UAE, the Group operates through its subsidiaries and associates in 16 countries which are divided into four operating and reporting segments: Morocco, Egypt, Pakistan and Others (which comprises Afghanistan and Maroc Telecom's operations in African countries outside Morocco).

|                             | 2020                   |                  |                  |                  |                  |                  |                   |
|-----------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|                             | UAE                    | Morocco          | Egypt            | Pakistan         | Others           | Eliminations     | Consolidated      |
|                             | <i>(AED thousands)</i> |                  |                  |                  |                  |                  |                   |
| External revenue.....       | 30,751,960             | 7,366,733        | 4,113,156        | 2,852,043        | 6,624,319        | —                | 51,708,211        |
| Inter-segment revenue ..... | 261,281                | 442,070          | 57,294           | 87,953           | 71,378           | (919,976)        | —                 |
| <b>Total revenue .....</b>  | <b>31,013,241</b>      | <b>7,808,803</b> | <b>4,170,450</b> | <b>2,939,996</b> | <b>6,695,697</b> | <b>(919,976)</b> | <b>51,708,211</b> |
| Segment result .....        | 13,497,238             | 2,923,808        | 885,008          | (225,282)        | 1,528,782        | —                | 18,609,554        |

### UAE operations

The Group's UAE operations are carried out by Etisalat and these operations accounted for 59.5 per cent. of the Group's external revenue and 72.5 per cent. of its segment result in 2020.

The Group believes that the UAE is a mature market that provides a stable foundation for the Group's cash flow generation needs to support its business operations. Etisalat's customer base in the UAE comprises consumers, SMBs, enterprise customers, carrier customers and government entities. Etisalat delineates its customer base by reference to the nature of the services provided: mobile (prepaid and post-paid), fixed-line, internet and mobile data services.

As a full-service telecommunications operator in the UAE, Etisalat seeks to maximise its competitive advantage by bundling services within different product lines and offering multiple devices with different value-added services. It focuses on providing high-quality telecommunications and ICT services and expertise and building on its historical high-value client relationships, while simultaneously addressing the SMB segment with competitive propositions.

Within the UAE, Etisalat provides a full range of telecommunications services and its revenue is principally derived from two principal telecommunications sources, mobile and fixed-line, as well as from its UAE subsidiaries operating in other areas.

## ***Mobile business***

### *Overview*

Etisalat's share of the mobile services market in the UAE as at 31 December 2020 was 61 per cent. per cent. based on numbers of subscribers (*source: Etisalat and du*). As at 31 December 2020, Etisalat had 7.99 million prepaid subscribers and 2.37 million post-paid subscribers in the UAE.

Mobile services in the UAE generated 35.1 per cent. of the Group's UAE revenue in 2020.

Etisalat's mobile services include SIM rental and voice services (including local, national and IDD calling, as well as revenue attributable to roaming); data communications services, including SMS, MMS, GPRS, 3G, 4G LTE and 5G mobile services, VoIP services (such as internet calling plan) and other value-added digital services and SMB and enterprise services.

The UAE mobile market is characterised by a high percentage of prepaid mobile subscribers and high IDD usage. The total number of IDD minutes used by Etisalat customers has remained stable over the past three years at around 11 billion (noting that the above figures relate to UAE subscriber IDD traffic only and not overall IDD traffic, which is greater as a result of inbound roaming calls)].

### *Customers, products and services*

Etisalat offers prepaid mobile services which require the payment of a non-refundable subscription fee (that includes connection charges and a charge for a SIM card). Prepaid customers then pay in advance for a fixed amount of airtime and services and need to recharge their account every time they run out of credit in order to keep using the service.

Etisalat offers post-paid services to UAE nationals, GCC nationals and UAE residents (including expatriates). The customer is required to pay an initial one-time non-refundable subscription fee and then is billed on a monthly basis (including a monthly rental charge which is dependent upon the plan to which the customer subscribes). Etisalat offers a number of different plans, depending on the individual needs of the customer. Etisalat also offers specially designed post-paid tariff plans to its business customers under the brand name "Business First", through which it offers different bundled offerings depending on the needs of the organisation as well as "Business Xtreme" that include unlimited voice plans. Etisalat also offers bespoke plans tailored to the needs of larger customers or add-on services, including tariffs to cater to the data and calling needs of the customers. The business packages can also be bundled with smartphones.

Etisalat actively encourages prepaid customers to migrate to post-paid plans and those who migrate are eligible for a number of benefits that prepaid users do not have access to, including more attractive mobile voice and data rates.

Etisalat's mobile data services offerings in the UAE focus on mobile broadband offerings over its 3G, 4G LTE and 5G networks. The customer can use mobile broadband either on a prepaid basis or under a mobile data post-paid subscription package. Etisalat also provides a range of WiFi product offerings, on either a prepaid basis or a post-paid subscription basis, including hotspots which use the Etisalat WiFi network.

Demand for mobile services is mainly driven by price, network quality and customer service, although recently customers have increasingly focused on purchasing devices that will enable them to access an increasing number of value-added data services. Etisalat offers the latest devices such as the Apple iPhone, Samsung Galaxy, Huawei and others. In addition, Etisalat services the low income segments of the UAE population (which includes a significant number of expatriate labourers and others) through various initiatives, including prepaid mobile services and VoIP calling cards.

The table below shows information about the number of Etisalat's active mobile subscribers in the UAE as at 31 December 2020, 2019 and 2018 (*source: Etisalat*).

|                            | As at 31 December |                  |              |
|----------------------------|-------------------|------------------|--------------|
|                            | 2020              | 2019             | 2018         |
|                            |                   | <i>(million)</i> |              |
| Prepaid subscribers .....  | 7.99              | 8.54             | 8.62         |
| Post-paid subscribers..... | 2.37              | 2.27             | 2.11         |
| <b>Total</b> .....         | <b>10.36</b>      | <b>10.81</b>     | <b>10.73</b> |

See "*Financial review—Significant factors affecting financial condition and results of operations—Mobile and fixed-line ARPU among customer base*" for a description of Etisalat's mobile ARPU.

#### *Churn among UAE mobile customers*

"**Churn**" refers to how the Group measures mobile customer disconnections over a given period of time. Customer disconnections can occur on a voluntary basis when customers either leave the country, switch to competing telecommunications operators (which can be caused by a number of factors, such as pricing, service offerings and the quality of service) or when a customer decides that it no longer requires that mobile telecommunications service, including when a customer migrates from a prepaid to a post-paid plan (or vice versa). Customer disconnections can also occur on an involuntary basis, through termination for non-payment.

Etisalat does not consider a mobile subscriber as part of its base in the event that: (1) the customer terminates the subscription; (2) Etisalat terminates the subscription; or (3) in the case of prepaid customers, if the subscriber has not made any outgoing activity (voice, text or multimedia) or received any incoming calls within a 90-day period.

Etisalat calculates churn by dividing the number of disconnections in a given period by the average number of customers for the same period. As a result, a certain proportion of churn occurs with a lag, as a decision by a customer to cease using Etisalat's services in the UAE may only be reflected in the following year after the prepaid annual subscription has expired.

The table below shows the churn rate among the Group's UAE mobile subscribers in each of 2020, 2019 and 2018 (*source: Etisalat*).

|                               | 2020  | 2019  | 2018  |
|-------------------------------|-------|-------|-------|
| Prepaid churn rate (%) .....  | -3.4% | -4.3% | -4.8% |
| Post-paid churn rate (%)..... | -2.2% | -2.1% | -2.5% |
| <b>Blended</b> (%) .....      | -3.1% | -3.9% | -4.3% |

The Group experienced negative churn rates in each year indicating that its customers increased spend has offset the decline driven by churn. The Group's blended negative churn fell by 9.3 per cent. in 2019 compared to 2018 and by 20.5 per cent. in 2020 compared to 2019, principally reflecting.

Etisalat is actively engaged in developing new initiatives to retain its existing customers. These incentives include targeted promotions such as a reduction in international rates to countries a subscriber typically calls and iPhone offers to a limited number of Etisalat's highest customer-value subscribers to incentivise them to switch from prepaid to postpaid calling plans.

#### **Fixed-line and ICT business**

The Group's fixed-line services in the UAE generated 36.4 per cent. of the Group's UAE revenue in 2020.

Etisalat's fixed-line business encompasses traditional fixed-line services for residential and business customers and internet services through leased lines and its fibre optic network, which enables Etisalat to offer a wider range of products such as television services, since digital television services can be delivered through the same network infrastructure as that used for internet access. In addition to increasing penetration rates, Etisalat believes that the offering of television services increases revenue generated per subscriber and reduces churn in its fixed-line and internet subscriber base. Etisalat currently offers various bandwidth options as part of its fibre optic technology, with speeds of up to 1 Gbps for consumers.

Etisalat's fixed-line services are offered under three distinct packages, which depend on the services the customer requires, eLife Triple Play, under which Etisalat provides the customer with television services, broadband services and a fixed-line telephone service, 2Play, pursuant to which Etisalat provides only broadband and a fixed-line telephone service and 1Play, pursuant to which the customer can select either television service, broadband service or a fixed-line telephone service on a stand-alone basis. Etisalat's television offering is marketed under the "eLife TV" brand and provides a number of basic channels, as well as allowing users to select a range of TV packages depending on the channels they would like to access, with access to over 480 channels, including over 200 high definition channels.

The table below shows information about the number of Etisalat's fixed-line voice and broadband internet subscribers in the UAE by package type as at 31 December 2020, 2019 and 2018 (*source: Etisalat*).

|                   | As of 31 December |             |             |
|-------------------|-------------------|-------------|-------------|
|                   | 2020              | 2019        | 2018        |
|                   |                   | (millions)  |             |
| Triple play.....  | 0.82              | 0.79        | 0.76        |
| Two play.....     | 0.33              | 0.33        | 0.34        |
| One play.....     | 0.04              | 0.05        | 0.06        |
| <b>Total.....</b> | <b>1.19</b>       | <b>1.17</b> | <b>1.16</b> |

Note:

- (1) Fixed-line customers are calculated by the number of active lines at the end of the period. In general, a customer is no longer counted as a fixed-line customer if: (1) the customer has voluntarily terminated the contract; or (2) the customer has not made a payment on an outstanding balance within approximately 60 days, and their account therefore having been deactivated.

Fixed-line services are offered on the basis of a retail or business contract. The service is typically provided on a monthly basis and can be cancelled at any time by the customer. The customer pays an installation fee as well as a monthly rental.

For business customers, different billing periods are available depending on the services provided, but most services are billed monthly. The minimum term for a business fixed-line service is one month with no obligation period but with a two-week notice period if the service is to be cancelled. Business customers also have the option to receive discounts on their services if they commit to maintaining the services for a specific period of time.

Etisalat also provides ICT services to SMB, enterprise and government customers. ICT services involve the combination of network, hardware, software and service solutions together with support functions to achieve a customer's business objectives or provide a particular business solution. These services include hosting, managed security, cloud services, managed LAN and various IT and network managed services, all of which are charged by Etisalat at a daily rate or on a project basis. Etisalat does not undertake software development or hardware manufacture but it works with various partners to fulfil customers' requirements in these areas.

Etisalat aims to become a business partner to its enterprise customers by developing solutions tailored to customers' specific needs rather than acting as a commodity services provider. Etisalat has a dedicated business solutions unit in the UAE that works closely with enterprise customers to provide complete end-to-end telecommunications solutions, including on-site and on-going evaluation and consultations regarding customers' needs and requirements, implementation and roll-out of solutions and ongoing post-installation servicing (for example, connecting UAE public schools for e-learning through the deployment of WiFi technology).

Etisalat has created a product platform called Business Edge specifically tailored to the needs of SMBs that bundles internet, unified communications and collaboration as well as mobile and fixed security services. Business Edge also offers a wide range of digital services that include productivity applications such as Microsoft Office 365 and other software such as service products, video surveillance, devices or online marketing solutions, among others.

### **Digital services**

Launched in 2016, Etisalat Digital is the business unit of Etisalat driving digital transformation by enabling enterprises and governments to become smarter through the use of the latest technologies like cloud, cyber

security, IoT and AI. Etisalat Digital brings together industry digital experts, assets and platforms with a unique service and operating model.

From its offices in UAE and Saudi Arabia, Etisalat Digital provides end-to-end digital vertical propositions to enable smarter developments, education, healthcare, transportation and a smarter economy. It has a successful track-record in delivering large digital projects and solutions by providing comprehensive services in consultancy, business modelling, solutions design, programme management, execution, delivery and post-implementation support and operation services.

Since it was launched, Etisalat Digital has significantly contributed to the digital transformation of the UAE by delivering strategic projects across private and government sectors.

In Expo 2020, Etisalat Digital is delivering the fastest, smartest and best-connected site on earth. As such, EXPO has become the first major commercial customer in the Middle East, Africa and South Asia ("MEASA") region to access 5G services enabled by Etisalat.

In addition, Etisalat Digital partnered with the UAE Ministry of Interior to deliver the first Smart Fire Alarm solution in the region that will cover more than 400,000 villas across the seven emirates. This advanced fire alarm system has already detected several fire incidents proactively in real time, mitigating risk and saving lives by following rigorous procedures agreed with Ministry of Interior and Civil Defence units.

### ***Other services***

The Group sells equipment, principally handsets and related accessories, to end customers through retailers in the UAE, which generated 5.6 per cent. of the Group's UAE revenue in 2020, and also provides a number of other services through UAE subsidiaries, including the principal ones described below, which together generated 22.9 per cent. of the Group's UAE revenue in 2020.

*Etisalat Services Holding LLC ("Etisalat Services")*: Etisalat Services is wholly-owned by the Group. The key businesses under Etisalat Services are: Emirates Data Clearing House FZE, which provides roaming settlement services to 77 GSM operators in 44 countries; Ebtikar Card Systems LLC, which manufactures SIM cards and recharge (scratch) cards for the Group and third parties; Etisalat Facilities Management LLC; Etisalat Academy LLC; and Etisalat Directory Services LLC.

*Emirates Telecommunications and Marine Services PJSC ("E-Marine")*: E-Marine, which is wholly-owned by the Group, operates a submarine cable installation, maintenance and repair business, offering services in marine project management, consultancy, marine route survey, cable freight management and storage and chartering, as well as solutions to the offshore oil and gas industry.

*Emirates Cable TV and Multimedia LLC ("E-Vision")*: E-Vision, which is wholly-owned by the Group, was created to meet demand in the UAE for high-quality television and multimedia technology and services. E-Vision launched the first cable TV network in the UAE and offers entertainment, information, education and interactive multimedia services which are transmitted digitally throughout the UAE. E-Vision has entered into strategic alliances with television networks such as OSN, ART, TFC, and Pinoy.

### ***Marketing and distribution in the UAE***

In the UAE, Etisalat's direct sales channels consist of physical service centres and retail stores together with a "virtual" customer care centre on Etisalat's website. Etisalat's indirect sales channels consist of key retailers (which are business partners with wide coverage across the UAE, such as Carrefour and Jumbo Electronics, that offer Etisalat's products and services at their premises), mass distributors or dealers (which are commercial providers of mobile services with distribution networks across the UAE) and mass resellers (which are registered agents that purchase Etisalat's products such as SIM cards and payphone cards in bulk and distribute them across a geographic area to small businesses, such as grocery and convenience stores).

Etisalat has created a Business Solutions Unit in the UAE, which has its own direct sales channel segmented by industry, such as government and education, energy and oil, airline and logistics.

### ***Competition in the UAE***

The sole licensed competitor for Etisalat's core products in the UAE is EITC. Etisalat does not anticipate that there will be further licensees which will compete with its core products in the UAE

telecommunications market in the near term. Both Etisalat and EITC are majority owned by Government-related entities. Competition in the UAE market is based on product offering and is driven primarily by price and network quality. Other variables considered by customers are network coverage and customer service. In the business segment, customers consider technical feasibility and quality of service as important factors to assess before subscribing to a service, rather than only relying on price.

In the UAE, the provision and use of VoIP services are illegal unless conducted by a licensed operator or the subject of an exemption. Under a VoIP policy issued in December 2009, the TDRA allows businesses under common ownership to utilise VoIP technology for their internal calls within the UAE, and allows certain academic institutions and government entities to use the technology to communicate internationally, but also only within a closed network, which does not connect to any public telecommunications network. Individuals and businesses alike can also use VoIP if it is a service provided by a licensed operator, which includes Etisalat and EITC. However, as a result of the COVID-19 pandemic, the TDRA temporarily exempted several VoIP applications from the VoIP regulations..

There are currently no cable operators other than Etisalat and EITC, and no mobile virtual network operators (i.e., a mobile service provider that does not own its own spectrum or have its own network infrastructure) in the UAE. EITC operates its mobile services under two main brands, du and Virgin.

### *Network infrastructure*

#### *Mobile networks*

Etisalat's mobile network is designed using 2G, 3G and 4G LTE technologies. Etisalat implements the latest LTE technology, with speeds of up to 150Mbps on its 4G network. Etisalat also deploys high-performance mobile data technologies including HSUPA, HSDPA and HSPA+ with speeds of up to 84Mbps on its 3G network. In addition, Etisalat deploys GPRS, EDGE and EDGE Evolution, with speeds of up to 1Mbps on its 2G network.

Etisalat has designed a cost-efficient radio access network which aims to minimise the impact of network infrastructure on the environment by utilising extended cell features that require fewer base stations per cell, as well as technologies that conserve energy by shutting down hardware during periods of low mobile traffic. Etisalat uses a common technology platform to deploy over 20,000 radio base stations, all of which are capable of supporting mixed configurations of 2G, 3G, 4G, 2G/3G or 2G/3G/4G.

The common technology platform is designed to help ensure that 2G-only sites can easily be upgraded to include 3G when required. Sharing radio base stations between the 2G and 3G networks reduces capital expenditure and operating expenditure, as well as power consumption and the physical impact on the environment.

Etisalat's radio resource control features enable its 2G and 3G networks to operate as a common resource, allowing traffic to be switched between networks to provide greater network availability and higher data transmission rates to Etisalat's subscribers. In the event that users find themselves outside 3G coverage, the network automatically switches users to the 2G network.

As part of its network expansion initiative, Etisalat has invested heavily in fibre optic networks connecting Etisalat's 4G LTE base stations. Etisalat is currently in the process of introducing additional stations allocated to cover main roads, buildings, airports and shopping centres. In 2014, Etisalat's 4G LTE coverage increased to 90 per cent. of populated areas across the UAE. Etisalat also commenced a phased upgrade to deploy its 350 Mbps "LTE Advanced" technology, having partnered with Alcatel Lucent, Ericsson and Huawei to use the technology globally on 1800 MHz and 800 MHz bands. LTE Advanced technology allows operators to make the most of their existing spectrum assets by combining multiple spectrum bands to enable higher mobile broadband download speeds.

#### *Fixed-line and internet networks*

Etisalat has upgraded the majority of its fixed-line network in the UAE to fibre optic technology, with an advanced fibre optic network linked to the majority of homes and businesses in the UAE, with over 2.8 million kilometres of cable. Etisalat has also developed additional advanced fixed-line technologies, including all IP networks to provide enhanced and interactive content and VPN secure internet networks for enterprise customers.



Etisalat has also deployed a state-of-the-art NGN to replace the legacy public switched telephone network. The NGN supports dual homing functionality to enhance the reliability of the service and is at the core of Etisalat's new fibre network in the UAE.

## Morocco

### Overview

The Group's Moroccan telecommunications operations are provided by Maroc Telecom in Morocco and these operations accounted for 14.2 per cent. of the Group's external revenue and 15.7 per cent. of its segment result in 2020.

The Group holds an effective shareholding of 48.4 per cent. in Maroc Telecom, although it controls 53 per cent. of the shareholder votes of Maroc Telecom.

Maroc Telecom was incorporated in 1998 following the break-up of the Office National des Postes et Télécommunications (the "ONPT"). As the incumbent telecommunications operator in Morocco, Maroc Telecom operates in fixed-line, mobile and internet business segments. As at 31 December 2020, its shares, in terms of numbers of subscribers, of the Moroccan mobile and fixed-line markets were 39.4 per cent. and 85 per cent., respectively (including restricted mobility). Maroc Telecom's shares have been listed on the Casablanca Stock Exchange and Euronext Paris since 2004.

### Mobile operations in Morocco

Maroc Telecom offers prepaid and post-paid services for consumers, professionals and business customers. Maroc Telecom's share of the mobile services market in Morocco as of 31 December 2020 was 39.4 per cent. based on numbers of subscribers. Mobile services in Morocco contributed 35.2 per cent. of Maroc Telecom's consolidated revenue in 2020. As at 31 December 2020, Maroc Telecom had 17.18 million prepaid subscribers and 2.31 million post-paid subscribers in Morocco.

The table below shows information about the number of Maroc Telecom's active mobile subscribers in Morocco as at 31 December in each of 2020, 2019 and 2018.

|  | As at 31 December |              |              |
|--|-------------------|--------------|--------------|
|  | 2020              | 2019         | 2018         |
|  | <i>(millions)</i> |              |              |
| Prepaid subscribers .....                                  | 17.18             | 17.75        | 17.07        |
| Post-paid subscribers.....                                 | 2.32              | 2.30         | 2.00         |
| <b>Total active mobile subscribers<sup>(1)</sup></b> ..... | <b>19.50</b>      | <b>20.05</b> | <b>19.06</b> |
| Of which, 3G/4G+ internet .....                            | 11.06             | 11.79        | 10.83        |

Note:

- (1) The active customer base consists of prepaid customers who have made or received a voice call (excluding ERPT or Call-Centre calls) or received an SMS/MMS or used data services (excluding ERPT services) during the past three months, and post-paid customers who have not terminated their agreements.

Maroc Telecom provides prepaid services under the "Jawal" brand. Prepaid services are aimed primarily at the consumer market, which demands affordable SIM-only and handset offers with frequent promotions on top-ups and calls. Maroc Telecom's prepaid plans are marketed as packages (handset and SIM card) and SIM-only offers. Prepaid formulas are valid initially for six months, corresponding to the duration of the card's account balance, followed by a second six-month period during which the customer may continue to receive calls and purchase top-ups.

Maroc Telecom offers a wide range of post-paid rate plans, with optional rate caps and digressive tariffs on the basis of the duration of the rate plan. Depending on the plan sought, the plans may be enhanced with free add-ons, including free minutes, promotional offers for handsets and plan upgrades. Maroc Telecom offers three types of plans to consumers: standard subscription (a monthly subscription with peak and off-peak billing rates for calls); individual rate plans (a range of rate plans based on call time, with a flat rate for calls, regardless of domestic destination and time of call); and capped rate plans (controlled version of

individual rate plans which allow consumers to block outgoing calls once their monthly allotment has been exceeded with customers recharging their accounts with Jawal top-up cards).

Maroc Telecom offers mobile broadband services to both prepaid and post-paid customers, utilising HSDPA 3G+ technology and providing internet access via a 3G-compatible mobile, PDA or smartphone, or a laptop fitted with a USB 3G+ modem. In areas not covered by the 3G+ network, Maroc Telecom's GPRS network provides access to the internet. The post-paid service is available in two options (voice and data or data only) and in three bandwidths, while the prepaid plan is available on a pay-as-you-go basis with no monthly bill through the use of Jawal top-up cards.

#### *Fixed-line in Morocco*

As at 31 December 2020, Maroc Telecom had 2.0 million fixed-line subscribers in Morocco. Fixed-line services in Morocco contributed 19.3 per cent. of Maroc Telecom's consolidated revenue in 2020.

The table shows information about the number of Maroc Telecom's fixed-line subscribers in Morocco as at 31 December in each of 2020, 2019 and 2018.

|                              | <b>As at 31 December</b> |             |             |
|------------------------------|--------------------------|-------------|-------------|
|                              | <b>2020</b>              | <b>2019</b> | <b>2018</b> |
|                              | <i>(millions)</i>        |             |             |
| Fixed-line subscribers ..... | 2.01                     | 1.88        | 1.82        |
| Broadband subscribers .....  | 1.74                     | 1.57        | 1.48        |

The main fixed-line telecommunications services provided by Maroc Telecom in Morocco are voice services, connectivity services with domestic and international operators, data-transmission services for businesses, ADSL and FTTH internet services, including internet access provisions, such as hosting, IPTV services and video on demand.

The COVID-19 pandemic has boosted the success of ADSL and FTTH offers, explained by the adoption of widespread working from home practices as well as education programs from remote places.

Maroc Telecom has developed a state-of-the-art fixed-line network enabling it to deliver a wide range of services for its residential and business customers. This network uses copper and fiber optics, and comprises a transmission backbone, switching centres and service platforms. Maroc Telecom's transmission network incorporates NG SDH and WDM technologies, mainly comprising optical fibre, connecting the transmission network to all Moroccan cities. These very high-speed connections are highly secured through meshed configurations and ASON technology (Automatically Switched Optical Network).

Through approximately 670 agreements with foreign operators as at 31 December 2020, Maroc Telecom ensures Morocco's connections to all countries worldwide via two international transit centres in Casablanca and Rabat, five optical-fibre submarine cables and satellite connections via Intelsat and Arabsat that link Morocco's most remote regions to the Maroc Telecom backbone.

While Maroc Telecom is the leading provider in Morocco of services for fixed-line telephony, internet and data transmission, and is the only provider of ADSL TV, Maroc Telecom faces competition in all segments: residential, public telephony and business in respect of the fixed-line and mobile services market. Maroc Telecom's main competitors are Méditel, which has had a mobile license since August 1999 and is partially owned by Orange Group, and Inwi.

#### *Marketing and distribution in Morocco*

Maroc Telecom has the largest telecommunications distribution network in Morocco, with a direct sales channel and an indirect sales channel. The scale and organisation of Maroc Telecom's distribution network are a key competitive advantage for Maroc Telecom.

As at 31 December 2020, Maroc Telecom's direct distribution channel comprised 429 branches in Morocco, structured and organised to best meet local needs and to ensure the widest possible coverage of customer

segments. These branches comprise 403 retail branches and 27 branches for business customers. This channel also includes four dedicated branches (with nationwide coverage) for key accounts.

Maroc Telecom's indirect sales channels consists of more than 75,000 resellers licensed by Maroc Telecom to retail prepaid phone cards. The reseller sales channel consists mainly of tobacconists, convenience stores, newsagents and other distributors of telecommunications and electronics products that have entered into agreements for the distribution of Maroc Telecom's products and services. The overall performance of the reseller sales channel has been significantly boosted by the introduction of the "Full Image" network, who sell all Maroc Telecom products, composed of 422 points of sale in 2020, and who are remunerated through commissions for sales and services.

As one of the largest advertisers in Morocco, Maroc Telecom spends a significant part of its advertising budget on its mobile, fixed-line and internet products, targeting the consumer and business segments; it also spends on institutional, financial and internal advertising. Below-the-line advertising and direct marketing, particularly text messages, are also used to carry out targeted direct-marketing initiatives on the basis of product and service promotions, thereby providing customers with a steady flow of information and to optimise costs efficiency. Web media is used to enhance traditional media with media campaigns on websites that generate significant traffic.

This year, in light of the pandemic, Maroc Telecom strengthened its digital and social networks communication to better interact with its customers and promote its activities.

#### *Competition in Morocco*

At 31 December 2020, a total of 25 telecommunications licences had been awarded in Morocco. Maroc Telecom, Méditel and Inwi are each licensed to operate public fixed-line telecommunications networks and have 2G, 3G and 4G mobile licenses. There are also four licences for operators of GMPCS-type satellite telecommunications networks, six licences for operators of VSAT satellite telecommunications networks and three licences for operators of shared-resources radio-electronic networks (3RP).

#### *Other operations in Morocco*

Casaneet is a wholly-owned subsidiary of Maroc Telecom and is one of the leading internet service providers in Morocco, providing internet access for business customers and portal administration services. Casaneet has two main operating segments (i) the IT services segment, comprising integration and commercialisation of IT infrastructure, storing, hosting, networks, telecommunications and web development and (ii) the media segment, comprising production of digital content and online services and support of growing Moroccan businesses through e-marketing.

Maroc Telecom Cash is another wholly owned subsidiary created in 2020, which was granted a payment licence and which launched its Mobile Money solution in June 2020, available to all telecom customers whatever their telecom operator is.

#### *African operations*

Maroc Telecom actively supports its international operations, which, since 1 January 2021, operate under the "Moov Africa" brand. Maroc Telecom supports its international operations by participating throughout the development phases of their activities, especially in service offerings for roaming, traffic management, development of new services, billing, payment collection for international services and anti-fraud measures. This unified brand allows for central management of the brand strategy, awareness campaigns and global marketing.

A brief summary of each of the Sub-Saharan operations in the "Others segment" is provided below.

- *Benin.* Maroc Telecom wholly owns its Beninese subsidiary, which has mobile operations in Benin. The Group's customer base in Benin was 4.7 million people as at 31 December 2020 and 4.4 million as at 31 December 2019.

- *Burkina Faso.* Maroc Telecom holds a 61 per cent. interest in its subsidiary in Burkina Faso, which has fixed-line, mobile and internet operations in Burkina Faso. The Group's customer base in Burkina Faso was 9.4 million people as at 31 December 2020 and 8.5 million as at 31 December 2019.
- *Central Africa Republic.* Maroc Telecom wholly owns its subsidiary in the CAR, which has mobile operations in the country. The Group's customer base in the CAR was 0.2 million people as at 31 December in each of 2020 and 2019.
- *Chad.* Maroc Telecom wholly-owns its Chadian subsidiary, which has mobile operations in Chad and which it acquired in 2019. The Group's customer base in Chad was 4.6 million people as at 31 December 2020 and 4.0 million as at 31 December 2019.
- *Côte d'Ivoire.* Maroc Telecom holds an 85 per cent. interest in its subsidiary in the Côte d'Ivoire, which has mobile operations in the country. The Group's customer base in the Côte d'Ivoire was 10.1 million people as at 31 December 2020 and 9.0 million as at 31 December 2019.
- *Gabon.* Maroc Telecom holds a 51 per cent. interest in its Gabonese subsidiary, which has fixed-line, mobile and internet operations in Gabon. The Mobile Group's customer base in Gabon was 1.6 million people as at 31 December in each of 2020 and 2019.
- *Niger.* Maroc Telecom wholly owns its subsidiary in Niger, which has mobile operations in the country. The Group's customer base in Niger was 3.0 million people as at 31 December 2020 and 2.9 million as at 31 December 2019.
- *Mali.* Maroc Telecom holds a 51 per cent. interest in its Malian subsidiary, which has fixed-line, mobile and internet operations in Mali. The Group's customer base in Mali was 9.7 million people as at 31 December 2020 and 7.4 million as at 31 December 2019.
- *Mauritania.* Maroc Telecom indirectly holds a 41.2 per cent. interest in its Mauritanian subsidiary, which operates of a fixed-line and mobile telecommunications network in Mauritania, and controls 51.5 per cent. of the voting rights in the company. The Group's customer base in Mauritania was 2.7 million people as at 31 December 2020 and 2.5 million as at 31 December 2019.
- *Togo.* Maroc Telecom holds a 95 per cent. interest in its subsidiary in Togo, which has mobile operations in the country. The Mobile Group's customer base in Togo was 2.6 million people as at 31 December 2020 and 2.5 million as at 31 December 2019.

## **Egypt**

### *Overview*

The Group's Egyptian telecommunications operations are provided by Etisalat Misr and accounted for 8.0 per cent. of the Group's external revenue and 4.8 per cent. of its segment result in 2020.

The Group holds an effective shareholding of 66.4 per cent. in Etisalat Misr, which Etisalat acquired in August 2006 when Etisalat Misr, which provides only mobile telecommunications services, was awarded the first 3G licence in Egypt. The Group's shareholding increased to 66.4 per cent. after a capital increase in 2018.

Etisalat and Etisalat Misr have signed a technical assistance agreement which renews automatically every five years subject to certain conditions and was most recently renewed in July 2018. Etisalat may terminate the agreement if it no longer holds shares in Etisalat Misr or by six months' notice prior to the end of any contract year.

Etisalat Misr commenced commercial operations in May 2007 and had 26.45 million active subscribers as at 31 December 2020, representing a market share of approximately 31.4 per cent. on the basis of numbers of subscribers in Egypt as at 31 December 2020.



As at 31 December 2020, the Group has a 23.4 per cent. effective economic interest in PTCL. However, the Group's shares are of a separate class from those of the other shareholders and entitle their holder, on account of quadruple voting rights, to appoint the majority of the board of directors of PTCL. PTCL owns a 100 per cent. stake in Ufone (Pakistan Telecom Mobile Limited), the Group's mobile operator in Pakistan. Ufone was incorporated on 18 July 1998 and started commercial operations in Pakistan on 29 January 2001. PTCL also owns 100 per cent. of Ubank (a microfinance bank) since August 2020.

The Group also has the right to nominate certain key positions appointed by the PTCL Board under the terms of a shareholders' agreement relating to PTCL.

Pursuant to the shareholders' agreement, Etisalat entered into an agreement for the provision of technical services and know-how with PTCL (the "**PTCL Services Agreement**"). Under the terms of the PTCL Services Agreement, consideration for the provision of the services is to be paid to Etisalat at an annual service fee of 3.5 per cent. of the gross consolidated revenue of PTCL subject to a cap of U.S.\$50 million (AED 184 million) per year.

PTCL is the only converged telecom operator offering both fixed and mobile operations in Pakistan. PTCL is the second largest telecom operator in the country in terms of revenue and is a pioneer of telecommunication services in Pakistan. PTCL has the largest fibre-optic footprint in Pakistan.

### ***Customers, products and services***

PTCL's business strategy focuses on achieving high levels of customer satisfaction by deploying innovative products and services based on the latest technologies. PTCL's fixed-line operations are its core business and PTCL had 2.14 million fixed-line customers as of 31 December 2020. PTCL is focusing its fixed-line growth by offering bundles to customers that include voice, data and IPTV. PTCL has invested significantly in its network and technologies which has started to yield results in the form of an increase in the broadband subscriber base in 2020 and growth in CWS and digital services revenues.

Ufone's mobile telecommunications network covers more than 85 per cent. of Pakistan's population as at 31 December 2020, and provides both prepaid and post-paid mobile services, including 3G and LTE mobile broadband.

Broadband services are a growing part of PTCL's business and since the launch of its broadband services, PTCL has acquired approximately 77 per cent. of the fixed broadband customers in Pakistan with 1.5 million subscribers across the country. PTCL also operates a fixed wireless broadband network, covering thousands of urban, suburban and rural villages. In addition to broadband services, PTCL offers TV services nationwide with more than 100 channels.

The table shows information about PTCL's fixed-line subscribers and Ufone's mobile subscribers in Pakistan as at 31 December in each of 2020, 2019 and 2018.

|   | <b>As at 31 December</b> |              |              |
|---|--------------------------|--------------|--------------|
|   | <b>2018</b>              | <b>2019</b>  | <b>2020</b>  |
|   | <i>(millions)</i>        |              |              |
| Fixed-line subscribers <sup>(1)</sup> ..... | 2.30                     | 2.19         | 2.14         |
| Mobile subscribers.....                     | 21.56                    | 23.42        | 23.07        |
| Prepaid subscribers.....                    | 21.04                    | 22.86        | 22.48        |
| Post-paid subscribers.....                  | 0.52                     | 0.56         | 0.59         |
| <b>Total</b> .....                          | <b>23.86</b>             | <b>25.61</b> | <b>25.21</b> |

Note:

(1) Includes internet subscribers.

### ***Business solutions***

PTCL's Business Solutions unit provides a wide variety of service offerings to its business customers, both local and international, covering digitalisation, cloud, data centre hosting, managed services in order to enable their connectivity needs.

Digital services provide data centre hosting, cloud services, managed surveillance and data services to various corporate customers across multiple industry segments including education, healthcare, finance and fast moving consumer goods making PTCL the preferred ICT service solution provider for corporate customers.

PTCL, being the national carrier of Pakistan, is well positioned to act as a catalyst to support the vision of "Digital Pakistan". As a connectivity enabler, PTCL has played a major role in ensuring the data uptake and digitalisation efforts of telecommunications companies in Pakistan by fulfilling the high speed connectivity and data needs of mobile broadband service providers. The availability of PTCL's infrastructure, including its IP services, fibre/managed capacity, managed colocations, data centres and VSAT infrastructure, has provided the telecommunications companies with an immediate plug and play option, under a single umbrella.

PTCL continues to provide its customers with excellent quality international voice and IP bandwidth and IP transit services. PTCL monitors all its international routes while focusing on service quality to ensure the availability of data and voice services. PTCL, in collaboration with SCO, has successfully established a strategic partnership to monetise CPEC cross border connectivity. Through connectivity corridors, being established with Afghanistan, China and Iran, PTCL aspires to be a regional transit hub for data and voice connectivity. PTCL is also investing in submarine cable upgrades and the Africa-1 submarine networks to cater for growing internal and external customers' bandwidth requirements.

### ***Marketing and distribution***

PTCL's current marketing strategy focuses on promoting PTCL's services, products and initiatives, generating awareness about PTCL's transformation from a basic voice service provider to a multi-faceted telecommunications operator offering a strong brand presence and innovation in pricing and products, and developing a widespread sales and distribution network.

Ufone has developed a pricing strategy that offers tariffs that it believes are attractive to a broad range of customers, including prepaid and post-paid price plans targeted at corporate, youth and mass market segments. Ufone seeks to provide value to its subscribers through the bundling of voice and data. In addition, Ufone also offers value-added services such as digital content and mobile financial services.

PTCL and Ufone serve their customers through multiple touchpoints both physical as well as digital including contact centres, franchises, thousands of retail outlets, websites, social media and digital apps.

### ***Competition***

Both fixed-line and mobile services markets in Pakistan are highly competitive. Mobile operators are investing in network upgrades to offer higher data speeds to maintain ARPU and acquire more subscribers. Despite intense competition and lower ARPUs, a large market remains untapped with 43.5 per cent. 3G/4G penetration as at 31 December 2020 according to Pakistan Telecommunication Authority (PTA).

In the fixed line segment most of the operators are rapidly rolling out FTTH network. Total FTTH subscribers in Pakistan as at 31 December 2020 according to Pakistan Telecommunication Authority (PTA) has reached 438,000 out of 1.9 million wireline broadband subscribers Pakistan's fixed line broadband market is under penetrated with only approximately 6 per cent. of total households connected as at 31 December 2020 according to PTA and therefore it represents a growth opportunity to fixed line operators. As at 31 December 2020, PTCL's market share in the fixed-line broadband segment including FTTH was approximately 77 per cent as at 31 December 2021 based on numbers of subscribers according to PTA.

Pakistan has four mobile operators, Jazz, Zong, Ufone and Telenor, which provide mobile services to 175.6 million customers. Pakistan' mobile penetration was 83 per cent. as at 31 December 2020 according to PTA. As at 31 December 2020, the PTA reported that Jazz had an estimated 38 per cent. share in the Pakistani mobile market, Telenor an estimated 27 per cent., Ufone an estimated 13 per cent., and Zong an estimated 22 per cent. based on the numbers of subscribers.

## Others segment

### *Overview*

The Group's Others reporting segment accounted for 12.9 per cent. of the Group's external revenue and 8.2 per cent. of its segment result in 2020.

The Others reporting segment principally comprises operations in 10 African countries outside Morocco, namely: Benin, Burkina Faso, the CAR, Chad, Côte d'Ivoire, Gabon, Niger, Mali, Mauritania and Togo, all of which are consolidated by Maroc Telecom. The total mobile, fixed-line and broadband subscriber base of these operations as at 31 December 2020 was 49.7 million (*source: Maroc Telecom 2020 Annual Results*). In addition, the Others reporting segment comprises the Group's operations in Afghanistan, the activities of its Saudi Arabian associate, Mobily, and its Sri Lankan associate, Hutch.

### *Afghanistan*

Etisalat wholly owns Etisalat Afghanistan, which was awarded the fourth GSM licence in Afghanistan in May 2006 and commenced commercial 2G operations in August 2007 and 3G operations in 2012. Etisalat Afghanistan provides prepaid and post-paid mobile services through both 2G and 3G networks and is one of five mobile operators presently active in Afghanistan, with an approximately 25.9 per cent. market share as at 31 December 2020, based on numbers of mobile subscribers.

### *Saudi Arabia*

The Group conducts its operations in Saudi Arabia through its associate, Mobily, in which it has a 28 per cent. shareholding and is the largest single shareholder. As an equity accounted associate, Mobily does not contribute to the Group's revenue (save in respect of the management fee described below) and the Group records its share of the profit or loss of Mobily in its income statement under the Share of results of associates and joint ventures line item. The Group's share of Mobily's profit/(loss) was AED 215 million, AED (19) million and AED (34) million in each of 2020, 2019 and 2018.

Mobily acquired the second GSM licence in Saudi Arabia and commenced commercial operations in May 2005. Mobily operates 3G, 3.5G, 4G LTE and 5G mobile networks in Saudi Arabia.

Mobily and the Group are parties to a Technical Services and Support Agreement (TSSA) which is automatically renewable for five-year terms and is due for renewal on 31 December 2021. The Group may terminate the TSSA by giving notice at least 12 months prior to the end of any contract period which it has not served in relation to the coming renewal. Mobily can terminate the TSSA by serving a six-month notice of termination. Pursuant to the TSSA, the Group receives an annual management fee from Mobily of U.S.\$7.5 million (AED 27.5 million) plus a variable performance fee of up to 1.25 per cent. per year of net revenue.

The Mobily board of directors is appointed by the General Assembly of Shareholders for a three-year term, with the current term expiring at the end of 2021.

### *Sri Lanka*

## INSURANCE

The Group's operations are subject to a wide variety of operational and other risks, including accidents, fire and weather-related hazards. The Group maintains various types of insurance policies customary in the industry in which it operates to protect against the financial impact arising from unexpected events when the amount of the potential loss would be significant enough to prevent normal business operations. The Group cannot, however, give any assurance that this insurance will be adequate to protect it from all expenses related to potential future claims for personal injury and property damage or that these levels of insurance will be available in the future at commercially reasonable prices. The Group does not fully insure against certain risks to the extent that such risks may not be fully insurable or related coverage is unavailable at what it considers to be appropriate price levels.

The Group has not historically experienced difficulty renewing its insurance policies and it believes that its insurance is sufficient in light of its risks and consistent with industry standards based upon its regions and



scope of operations. In general, the Group's operating subsidiaries have independently taken out insurance policies covering their individual businesses.

## **INTELLECTUAL PROPERTY**

In general, each of the Group's operations has sought to legally protect its trademarks and copyrights for its name, logos and services in each individual market. Etisalat currently uses the "Etisalat" brand name in three jurisdictions (the "UAE", "Egypt" and "Afghanistan"). The Group, to the extent possible, is moving towards a policy of central ownership and registration of trademarks with Etisalat for those trademarks which are Group-relevant (i.e., those which are used in more than one country), and then licensing such trademarks to its subsidiaries and associates. Such an approach was not previously in place, with certain key trademarks (such as Mobily) owned by the relevant subsidiary or associate.

From time to time, the Group deals with challenges to its registration or ownership of the Etisalat brand. The Group defends its brands in these disputes, but cannot be certain that it will always be successful in defending its ownership and use of its brands in all locations. See *"Risk factors—Factors that may affect Etisalat's ability to fulfil its obligations under Notes issued under the Programme—Risks relating to Etisalat and the Group—The Group may not be able to adequately protect its intellectual property, which could harm the value of the Group's brand and branded products"*.

## **INTERNAL CONTROL AND AUDIT**

Through its Internal Control and Audit Charters, the Board has committed the Group to adopting a framework for effectively managing its significant risks in such a way that the impact of these risks are controlled.

The Group's processes require the identification, measurement, aggregation and effective management of risk. The Group manages its risks through a comprehensive risk management framework which assists the Group in achieving its operating and financial objectives, complying with its regulatory and legal obligations, managing risk and delivering reliable reporting.

The Group's internal control and audit frameworks include:

- system and operational controls to manage the day-to-day operations and decision making within the business with controls in place to ensure compliance;
- Group Enterprise Risk Management Committees to provide senior executive management with a structured view of the key risks facing the business and the status of any actions to mitigate such risks;
- compliance and enterprise risk management functions at both the Group level and, for the majority of the subsidiaries, at an operating company level which report to their individual audit committees and where appropriate to the Group Audit Committee; and
- an independent internal audit team to assist with verifying, at a transactional level, that policies and procedures are being adhered to and management controls are operating in an effective and efficient manner. The internal audit teams function at both the Group level and, for the majority of the subsidiaries, at an operating company level and report directly to the Group Audit Committee on the collective findings across the Group and with internal audit teams in the individual operating companies reporting to their respective audit committees.

Notwithstanding the risk management measures outlined above, such measures cannot completely eliminate the likelihood of the risks outlined in *"Risk factors"* from materialising or having an adverse effect on the Group's business, financial condition, results of operations or prospects.

## **LITIGATION, ARBITRATION AND DISPUTES**

The Group is, from time to time, party to various legal actions arising in the ordinary course of its business. The Group does not believe that the resolution of these legal actions will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations, except as noted below. In addition to those matters noted below, the Group is disputing certain charges from the regulatory agencies

in the UAE, Pakistan and certain other jurisdictions, but does not expect any material adverse effect on the Group's financial position resulting from the resolution of these.

### **Relating to PTCL**

In 2010, the Pakistan Telecommunication Employees Trust ("**PTET**") board, which is responsible for administering the pension funds of PTCL employees, approved a pension increase which was less than the increase mandated by the Government of Pakistan ("**GoP**"). As a result, PTCL petitioners filed a number of writ petitions. After a series of hearings, on 12 June 2015 the Supreme Court of Pakistan decided the case in favour of the petitioners.

On 13 July 2015, review petitions were filed in the Supreme Court of Pakistan by PTCL, the PTET and the GoP (together, the "**Review Petitioners**") against the Supreme Court judgment. The Supreme Court disposed the review petitions and directed the Review Petitioners to seek remedy under section 12(2) of the Civil Procedure Code (the "**CPC**") and to pursue all grounds of law and fact in other cases pending before the High Courts. The Review Petitioners have filed applications under section 12(2) CPC before the respective High Courts.

The decision of the Appeals bench of the Supreme Court on 10 May 2018 clarified that voluntary separation scheme ("**VSS**") pensioners are excluded from any obligation on PTCL to pay them any additional increase in pension. Notwithstanding this development, many retirees, including VSS pensioners, have continued to submit petitions before the Supreme Court. The Chief Justice of Pakistan has decided to bring the matter for a rehearing by the Supreme Court.

Separately, the Islamabad High Court issued a decision on 3 March 2020 in which it upheld the rights of retirees to benefit from periodic government increases in pensions and additional benefits, although it also held that the same did not apply to the VSS pensioners.

PTCL and PTET did raise an Intra Court Appeal against the exemption granted to retirees before the Divisional Bench at the Islamabad High Court. On 24 September 2020, the Intra Court appeals were adjourned for consolidation of all Intra Court appeals before one bench. On 16 December 2020, the Islamabad High Court granted a stay of execution in favour of PTCL and PTET. The case has been further postponed on several occasions since that date.

The management of PTCL, on the advice of their lawyers, believe that PTCL's obligations are restricted to the extent of pension increases as determined solely by the PTET in accordance with the Pakistan Telecommunications (Re-Organization) Act, 1996 and the Pension Trust rules of 2012 and, accordingly, no provision has been recognised in the 2020 Financial Statements in respect of these proceedings.

### **Relating to Mobily**

The Group's associate, Mobily, has received several penalty resolutions from the Communication Information Technology Commission's (the "**CITC**") Violation Committee which Mobily has objected to in accordance with the Telecom Regulations in Saudi Arabia. The penalty resolutions relate to issuing prepaid SIM cards and providing promotions that were allegedly not approved by CITC and other allegations.

Pursuant to the restatement of Mobily's financial statements for 2014, aggrieved shareholders filed 188 lawsuits against Mobily before the Committee for the Resolutions of Security Disputes (the "**CRSD**"), some of which are still being adjudicated. As at 31 December 2020, Mobily had received 159 final favourable verdicts. Of the remaining cases, 11 have been dismissed, four are suspended, two have been abandoned and 12 remain ongoing.

In addition, 89 shareholder claims totalling SAR 1.9 billion (AED 1.86 billion) have been made against the 2013/2014 members of the Mobily Board (the "**Defendants**") and Mobily executives (the "**Executives**"), and these have been filed with the CRSD. The proceedings are currently at various stages of the hearings and it is not possible at this stage to estimate the financial exposure, if any, flowing from the proceedings of the hearings.

Whilst more than 15 claims have so far been dismissed on procedural grounds, the first substantial decision in relation to such claims was issued by the CRSD in November 2020, and subsequently upheld on appeal

in a final and binding decision issued in late December 2020. The decision exonerated the Defendants and found former Executives to have violated article 49a of the Capital Market Law.

Notwithstanding this new development, the CRSD confirmed, on 28 December 2020, the launch of a class action claim against both (i) former members of the Mobily Board who were previously defendants in a previous CMA claim against the Defendants and (ii) former members of the Mobily executives who were also named in a previous and separate CMA claim against the Executives. Claimants who purchased shares in Mobily after the release of its financial statements for the second quarter of 2013 and still owned those shares on 29 October 2014 are eligible to join in the class action claim. At this stage, no information is available on the number of claimants who have joined into this new class action claim or on the quantum of claims made.

Two of the named Defendants were nominated, by Etisalat, to the 2013/14 Mobily Board. Pursuant to such nomination, these individuals are entitled to be indemnified by Etisalat for any loss or damages due to third parties made against them.

Six shareholder claims against the Defendants have been reviewed and dismissed in the first quarter of 2021, including one claim that has been upheld as a final and binding decision by an appeals committee. The quantum of the dismissed claims is around SAR 650 million which represents about a third of the total claims made against the Defendants. The dismissal claims can be appealed but will be final and binding once the original decisions are upheld.

### ***Relating to Zantel***

In 2015, the Group sold its 85 per cent. holding in Zantel to Millicom. The sale and purchase agreement contained a reverse earn out obligation under which Etisalat would be required to pay US\$15 million (the "**Reverse Earn Out Amount**") to Millicom in the event that (i) the required level of EBIDTA was not achieved in each of the 12 financial quarters from 1 January 2017 to 31 December 2019 and (ii) certain other conditions relating to the management and operation of the Zantel business by Millicom were not satisfied.

On 1 February 2021, Millicom commenced arbitration proceedings under the sale and purchase agreement by filing a request for arbitration under the DIFC LCIA rules, in which Millicom made a claim for the Reverse Earn Out Amount. On 17 March 2021 Etisalat submitted its response to the Request for Arbitration, in which it alleged that Millicom has breached the sale and purchase agreement and is not entitled to payment of the Reverse Earn Out Amount. The next step in the proceedings is to constitute the arbitral tribunal.

## **ENVIRONMENTAL MATTERS**

The Group is subject to a broad range of environmental laws and regulations. These laws and regulations impose increasingly stringent environmental obligations in relation to, among other things, radiation emissions, zoning, the protection of employees' health and safety, noise, and historic and artistic preservation. The Group could therefore be exposed to costs and liabilities, including liabilities associated with past activities.

The Group's operations are subject to obligations to obtain environmental permits, licences and/or authorisations, or to provide prior notification to the appropriate authorities. The Group's objective is to comply in all material respects with applicable environmental and health control laws and all related permit requirements. The Group believes that the principal environmental risks arising from its current operations relate to the potential for electromagnetic pollution and for damage to cultural and environmental assets. In the UAE, the regulations for use of radio frequencies in Etisalat's mobile telecommunications business follow the guidelines of the International Commission on Non- Ionizing Radiation Protection, which is one of the most commonly-accepted standards for radio frequency emissions. The Group deploys various network infrastructure strategies in order to achieve radiation emission ranges lower than the maximum levels required by applicable regulations.

## CORPORATE SOCIAL RESPONSIBILITY

The Group is involved in a number of corporate social responsibility initiatives in relation to local economic development, education, environment, health and personal finance in developing countries. Examples include:

- In the UAE, the "Go Green" initiative converted over 99 per cent. of post-paid customers to e- Bill. Additionally, Etisalat has contributed the net proceeds from 21 auctioning campaigns that support charitable activities, including the H.H Sheikh Mohammed bin Rashid Ramadan Yearly Charity Campaign to provide clean drinking water to 5 million people. Etisalat's CSR activities support the UAE's vision to be "the world's capital for humanitarian relief work".
- Etisalat's 'mobile for development' programme, "Weena", expanded rapidly in 2014 and is now available in Togo, Benin, Cote d'Ivoire, Nigeria, Afghanistan and Pakistan. Throughout 2014, Weena positively impacted the lives of over 93,000 women employed as selling agents. The largest impact Weena has had is on the lives of resource-poor women, organised in associations, who own and use mobile phones and are rewarded for that usage through a unique, community-focused programme based on Etisalat's mobile money platform. Since the service launch, over 1.3 million women have been reached through Weena.
- In 2014, as part of its continuing efforts to develop ICT knowledge among school children, Etisalat Lanka successfully completed two additional "knowledge centres" in Angulana and Welimada, bringing the total number of knowledge centres to six. ICT education has been an integral part of Etisalat Lanka's corporate social responsibility initiatives over the years, encapsulating its vision of giving students access to knowledge through various platforms, including the donation of a fully-equipped library and other educational materials.
- In an effort to combat maternal and infant mortality while sustaining an innovative edge, Etisalat Nigeria has introduced the use of mobile technology in the provision of health services. The "mHealth" service provides a solution where midwives and healthcare providers use technology to capture, analyse, diagnose and ultimately prevent clinical conditions that lead to maternal and infant mortality.
- In an effort to assist in a quick response to the Ebola crisis, Etisalat Nigeria teamed up with Samsung Electronics in September 2014 in a bid to curb the spread of the deadly virus by providing healthcare crews devices with Etisalat SIM cards equipped with data and airtime bundles. These measures are to assist in the collection of data on individuals who have been potentially exposed to the virus. In addition, seven Group companies in Benin, Côte d'Ivoire, Gabon, Niger, CAR, Togo and Nigeria partnered with the African Union and other telecommunications operators in a drive to support the fight against Ebola in West Africa. The drive is envisaged to combat the virus by using an SMS-dedicated platform to raise funds for the deployment of African health workers to affected countries.
- Maroc Telecom has focused on reaching the remote areas of Morocco to ensure accessibility to low-income communities. By the end of October 2014, Maroc Telecom provided coverage to over 7,000 isolated areas within the framework of the Program for Universal Telecom Access ("PACTE") and over 20,000 areas beyond the PACTE programme in Morocco. This initiative is in addition to other corporate social responsibility programmes Maroc Telecom has conducted including internship programmes, environmental initiatives, and community support throughout its footprint.
- In Pakistan, Ufone and PTCL have also made a valuable contribution to the Group's corporate social responsibility mission, with efforts focused on healthcare initiatives, humanitarian responses to the flood crisis in Sindh and Tharparker relief operations. Ufone and PTCL have been involved in a number of educational initiatives for underprivileged communities in Pakistan, in addition to introducing innovative power management and green management programmes.

## REGULATION

### REGULATION IN THE UAE

Etisalat's core business in the UAE, including most of the services it provides and most of the activities it conducts, is regulated by statute and subject to the supervision of a regulatory authority, as is the case for Etisalat's businesses in other countries.

#### The 1976 Law which established Etisalat

Emirates Telecommunication Corporation (Etisalat) was incorporated in the UAE in 1976 by Federal Decree No. 78 of 1976, with a share capital of AED 200,000,000.

#### The 1991 Etisalat Law

Federal Decree No. 78 of 1976 was repealed and replaced by the Etisalat Law, which established Etisalat as a corporation under law. The Etisalat Law gave Etisalat an exclusive right to provide fixed and wireless telecommunications services in the UAE and to provide such services between the UAE and other countries. The Etisalat Law also gave Etisalat the right to issue licences for manufacturing, owning, importing, using, fixing or operating telecommunications equipment (i.e., a regulatory function). Etisalat's authorised share capital as of the date of the Etisalat Law was set at AED 3,000,000,000 and the paid up capital of AED 1,500,000,000. The Etisalat Law allows the capital to be reduced or recapitalised in accordance with the procedures stipulated in the Articles of Association. Under the Articles of Association, these changes to Etisalat's capital require ministerial approval. The Etisalat Law provided that the UAE Government is required to hold at least 60 per cent. of the share capital of Etisalat and shares may otherwise only be owned by UAE national individuals. The Etisalat Law exempted Etisalat from taxes and customs duties on machinery, equipment, raw materials, parts and accessories and all that it requires in order to carry out its operations, and from duties and taxes on rights of way on land which it requires for the extension of service lines or the construction of buildings or installations necessary for the management or supervision of these lines.

#### The Telecom Law of 2003 and its amendments

The Etisalat Law was amended by the Federal Law Decree No.3 of 2003 (the "**Telecom Law**") in 2003, 2005, 2008 and 2015. The Telecom Law is also the law on which regulation of Etisalat's telecommunications networks and services in the UAE is based. Under the Telecom Law, Etisalat lost its monopoly on delivering fixed and wireless communications and operating, maintaining and developing the public telecommunications system in the UAE and providing communication services between the UAE and other countries, which it had originally been granted by the Etisalat Law.

The Telecom Law specifies that a number of activities are to be considered regulated activities ("**Regulated Activities**"), and therefore require a licence issued under the Telecom Law. The Telecom Law also provides for the establishment of the regulator for the telecommunications industry, being the Telecommunications and Digital Government Regulatory Authority (the "**TDRA**"). The Telecom Law gives very broad authority to the TDRA to establish regulatory policy, issue directives, instructions and regulations, to make decisions relating to regulated activities, licence fees, the services to be offered by licensees and the prices at which they may be offered, and to issue and revoke licences.

Under the Telecom Law, the Regulated Activities that require a licence include the operation of a public telecommunications network and the supply of telecommunications services to subscribers. The definition of "telecommunications services" under the Telecom Law is very broad, extending to transmitting, switching, broadcasting and receiving telecommunications, audio and visual signals, signals used in radio and TV broadcasting, and signals used to operate or control apparatus, and also extends to installation, maintenance and repair of network equipment, and construction, maintenance and operation of networks. The basic licensing requirement under the Telecom Law states that no one is permitted to conduct any Regulated Activity unless authorised by a licence or exempted in accordance with the Telecom Law. As of the date of this Base Prospectus, there are two principal licensees under the Telecom Law: Etisalat and EITC.

In 2008, the TDRA published a new framework for the issue of "individual licences" and "class licences", suggesting that the TDRA may further liberalise the telecommunications sector in the UAE by issuing

additional licences. According to the TDRA, it has issued seven further licences under this new framework, a public access mobile radio licence to Nedaa Corporation (in 2009 and 2019), a satellite services licence to Al Yah Satellite Communications Company (in 2010 and 2020), a satellite services licence to Alyah Advanced Satellite Communications Services (in 2010 and 2020), a satellite services licence to Star Satellite Communications Company (in 2010 and 2020), a broadcasting satellite transmission services licence to Al Maisan Communications Company (in 2011), a broadcasting satellite transmission services licence to Media Zone Intaj FZ LLC (in 2011), a global mobile personal communications by satellite licence to Thuraya (in 2013) and satellite services licence to Immarsat (in 2016).

### **The TDRA**

The TDRA is established as an independent legal personality (so that it is not part of a UAE Government ministry), with financial and administrative independence. The principal organ of the TDRA is the board of directors, which is appointed by a Federal Decree for four years and has the authority to carry out the functions and powers of the TDRA.

The Telecom Law, the Executive Order made under the Telecom Law, and Etisalat's licence dated 9 May 2006 issued under the Telecom Law (the "**Licence**") all provide for the TDRA to make specific rules relating to: the quality of the services which Etisalat provides; the prices and other terms and conditions on which Etisalat provides its services; obligations in respect of universal service; reporting of financial accounts to the TDRA; the provision of interconnection with other operators on fair and non-discriminatory terms (including a Reference Interconnection Offer, a standardised contract for use by UAE licensed operators); anti-competitive conduct in the telecommunications industry; the management of content accessible via the internet in the UAE; the provision of co-location, sharing of sites, infrastructure and facilities; the provision of national roaming to other licensed operators; technical specifications for interoperability between telecommunications networks; allocation of numbers/spectrum; number portability (both fixed and mobile); procedures for type approval of apparatus to be provided to Etisalat's customers; and technical matters relating to the use of radio frequency spectrum. The Telecom Law, from which these specific rules are derived, is technology-neutral, so these rules and their application are adapted by the TDRA as new technologies are implemented in the telecommunications industry in the UAE.

### **Etisalat's Licence**

The Licence held by Etisalat is a broad licence, permitting Etisalat to provide, inter alia, a wide range of telecommunications services (specifically including fixed, international, mobile and mobile services including also 3G, 4G LTE and 5G services) and to operate a public telecommunications network. The Licence is technology neutral, although Etisalat is required to obtain UAE Government security approval through the TDRA for the introduction of new products, which reflects an obligation in its Licence to obtain TDRA approval before using a new technology in its network or for the provision of a service. In addition to the matters stated in the Licence that are subject to regulation by the TDRA, Etisalat's Licence also contains prohibitions on anti-competitive conduct and obliges Etisalat to prepare and publish a code of practice for customers (which requires approval by the TDRA).

The terms of the Licence also require Etisalat to pay an annual licence fee in the UAE (currently AED 1 million), a number of allocation fees, fees for the use of radio frequency spectrum and regulatory expenses such as the ICT Fund contributions required to be paid to the TDRA at 1 per cent. of its net regulated revenues annually.

Etisalat is also required to pay royalty fees of 15 per cent. on the UAE regulated revenue and 30 per cent. on profit generated from regulated services after deduction of the 15 per cent. royalty fees on the UAE regulated revenue to the UAE Government.

Etisalat may provide any of its licensed services through its wholly-owned affiliated companies upon providing notification of the arrangement to the TDRA, and may subcontract to third parties upon obtaining the prior written consent of the TDRA. The Licence may only be transferred, sold, assigned or pledged as a security with the TDRA's prior approval, and any change in control of Etisalat also requires the prior written approval of the TDRA. As is usual with telecommunications licences, the Licence may be suspended or revoked if Etisalat does not comply with its terms.

The Licence is valid for a period of 20 years from the date of its issuance on 9 May 2006, and is subject to automatic renewal for an additional term to be determined, if Etisalat complies with certain of its key terms,

including payment of fees in a full and timely manner, compliance with competition and other regulatory requirements and provision of telecommunications services according to the Licence.

### **Executive order**

The Telecom Law also provides for an executive order to be made by the Board of the TDRA, after approval of the UAE Cabinet. The current executive order (the "**Executive Order**") was put into effect by the Supreme Committee, an entity that was established under the Telecom Law but was abolished by subsequent amendment to the Telecom Law in 2008. The current Executive Order was issued in 2004, has been subject to a few amendments, and is largely concerned with specific matters relating to the operations of the TDRA, including the composition and proceedings of the TDRA. The Executive Order provides specific powers to the TDRA to: issue instructions or directives to licensed operators; specify regulatory and licensing fees to be paid; specify the circumstances in which a licence can be revoked or suspended; require the licensee to do (or not to do) specific things which are provided for in the regulatory framework; deal with the settlement of disputes arising from a licence; limit the shareholdings in a licensee; and require the provision of information to the TDRA. The Executive Order also extends the investigatory powers of the TDRA by providing specific obligations on licensees to cooperate with information requests. It also contains detailed technical procedures for type approval, numbering, radio frequency spectrum management and the conduct by licensees of civil works.

### **Regulation of Etisalat's conduct**

One of the most significant aspects of the UAE telecommunications regulatory regime that affects the conduct of Etisalat's business relates to the regulation of the tariffs that licencees may charge their customers, including requirements for prior approval of promotions offered by licencees. The regulation of procedures and pricing for interconnection of Etisalat's network with other UAE- licensed operators, sharing of Etisalat's sites, infrastructure and facilities and provision of wholesale services also has the potential to impact on Etisalat's network operations and pricing. However, Etisalat already has agreed interconnection arrangements with EITC.

Mobile number portability was launched in the UAE in December 2013. This allows a mobile subscriber to retain its mobile number when switching provider, between Etisalat and EITC, and *vice-versa*. Since its launch, management believes that mobile number portability has not had a material impact on Etisalat's business. Fixed number portability was launched in the UAE in January 2021.

Among other key regulations belong:

- Registration Requirements for Mobile Consumers (RRMC);
- Directive on bitstream, Directive on passive infrastructure sharing in brownfield areas, various other wholesale regulations;
- Consumer protection regulations, Price Control Policy and Procedures, Unsolicited Electronic Communications Policy and mobile spam regulations;
- Cost accounting regulations, GGC roaming regulations;
- Competition related regulations;
- Numbering, spectrum, access to public and private land regulations;
- Various security related regulations, including mobile registration obligations;
- Internet of things regulations, VoIP regulations, internet access management regulations;
- Universal service policy; and
- Various operational regulations, for example relating to quality of service and apparatus registration.

## Regulatory costs

In relation to its UAE operations, the Group incurred an aggregate of AED 306 million of regulatory costs in the financial year ended 31 December 2018, AED 308 million in the financial year ended 2019 and AED 282 million in the financial year ended 2020. The Group's regulatory costs in the UAE comprise the items set out below:

- **Licence Fee** is an annual fee of AED 1,000,000 for the Licence.
- **ICT Fund Contribution** is an annual fee of 1 per cent. of total revenues earned from licensed services in the UAE for the purpose of supporting research and development of the UAE telecommunications sector, payable in accordance with payment procedures determined by the TRA.
- **Numbering Fee** is a fee for the utilisation of numbering resources such as prefixes, ranges, blocks of numbers or individual numbers.
- **Spectrum Fee** is a fee imposed on the issue or renewal by the TDRA of a radio frequency spectrum authorisation. This authorisation allows the authorised user to use assigned frequency and wireless equipment in accordance with its terms.
- **Share of Costs of Number Portability System** while the initial costs of the implementation have been funded over the last few years, Etisalat will continue to pay its share of the cost to support the number portability system and associated annual on-going expenses, as agreed and billed by the TRA.
- **Domain Name Registration Fee** is a fee imposed for registration of ".ae" domain names.

## Anticipated development of UAE regulation

Although the regulatory measures imposed by the TDRA are implemented by a variety of regulatory instruments, their subject matter is generally consistent with telecommunications regulatory regimes in other developed telecommunications markets.

The scope of the powers given to the TDRA under the Telecom Law and the Executive Order is very broad, as is its discretion to make regulatory orders. The regulatory environment in the UAE is evolving. With only two principal licensed commercial operators providing telecommunications services, it is less liberalised than many other markets in the GCC region. The TDRA has the power under the current regulatory orders to issue further licences, and to introduce new policies and procedures for regulating the conduct of Etisalat's business. In 2008, the TDRA issued a new licensing framework providing for "individual" and "class" licences. The TDRA utilised this new framework when issuing a telecommunications licence to Nedaa Corporation, Al Yah Satellite Communications Company, Alyah Advanced Satellite Communications Services, Star Satellite Communications Company, Al Maisan Satellite Communications Company, Media Zone Intaj FZ LLC, Thuraya AND Immarsat. The TDRA may also make changes to the regulatory environment, including by replacing the existing variety of regulatory order with consolidated regulatory orders, which may follow international standards more closely.

The TDRA also has extensive powers to impose structural solutions on the telecommunications market in the UAE. Etisalat and EITC currently provide services to a certain extent largely non-overlapping networks. However, in 2014, Etisalat and EITC entered into a fixed cooperation agreement (Fixed Taawun) to jointly develop fixed passive telecoms infrastructure in greenfield areas. Subsequently, regulated wholesale access (bitstream) was launched between the two networks for consumer customers in 2015. This allows Etisalat and EITC to access each other's fixed networks to enable the provisioning of retail voice and internet services to consumer customers.. As of 2016, Etisalat and EITC also have a commercial-wholesale agreement for sharing ducts in 'brownfield' areas. In 2018 Etisalat and EITC entered into a mobile cooperation agreement (Mobile Taawun) to jointly develop mobile passive telecoms infrastructure in greenfield areas. Etisalat and EITC have also been negotiating other infrastructure sharing arrangements, such as a mobile site sharing agreement (for brownfield mobile sites).



## REGULATION IN MOROCCO

Since the adoption of Act 24-96, dated 7 August 1997, abolishing the ONPT, Morocco has acquired a modern regulatory framework, laying down the conditions for liberalisation of the telecommunications sector. The dissolution of the ONPT led to the creation of three separate legal entities: Maroc Telecom; Barid Al Maghrib (the post office), a public agency organised as a financially independent legal entity; and the ANRT, another public, financially independent legal entity.

### *ANRT role and power*

The role of the ANRT is to define the legal and regulatory environment of the telecommunications sector, draft decrees and ministerial decisions concerning telecommunications, provide specifications for the operators, monitor and ensure compliance with the competition laws applying to telecommunications operators and resolve disputes, including over interconnection and infrastructure sharing.

The general guidance note covering the period 2004-2008 had framed the liberalization of the telecommunications sector in Morocco, which materialized through the award of 2 licenses for fixed telephony, 3 3G network licenses (UMTS) and a third 2G Mobile License. The latest orientation note covering until 2023 was adopted by the Board of Directors of the ANRT and notified to Maroc Telecom in August 2020.

The Law 104-12 relating to freedom of prices and competition, and several subsequent decrees attributed new powers to the ANRT (including sanctioning powers) to control anti-competitive practices and concentration in the telecommunications sector. The promulgation of law n ° 121-12 on January 25, 2019, endorsed these powers, which main provisions are:

- the empowerment of ANRT (previously granted by decree in 2016) to implement the competition law and including penalties (up to 10 per cent. of turnover, double in the event recidivism);
- the establishment of an "offense committee" chaired by the CEO of the ANRT;
- the introduction of the general obligation to share infrastructure; and
- the increase in penalties for non-supply information: (100,000 DH to 500,000 DH);

### *Tariffs regulation*

The retail prices of telecommunications operators are free, subject to compliance with competition rules and principle of uniformity of national tariffs. Maroc Telecom, designated by the ANRT as having an influence significant in the relevant markets, has an obligation to justification of its tariffs with regard to its costs. Promotions are also regulated and subject to full cost-based replicability test, with a premium margin of 20 per cent. for Mobile voice tariffs for Maroc Telecom.

Wholesale tariff framework : Interconnection tariffs, leased lines, unbundling of the local loop and access to civil engineering are integrated into the technical offers and tariffs of Maroc Telecom, which are approved by the ANRT.

Interconnection and access : any operator of a public telecommunications network is required to meet the interconnection requests from any other public network of telecommunications operator. In February 2017, the ANRT reintroduced the asymmetry of Mobile call termination, maintained in June 2018 by applying three different call terminations modified in November 2020, with the ANRT adopted a mobile call termination rates framework evolving until 2023.

### *Maroc Telecom*

Pursuant to Act 24-96, the telecommunications networks and services previously operated by the ONPT were transferred to Maroc Telecom. As the incumbent operator, Maroc Telecom is subject to contract specifications approved by Decree which define the conditions to establish and operate, for an unlimited duration: local and nationwide fixed landline telecommunications services (including data-transmission services, leased lines and the integrated-services digital network); telegraph service; telex service; maritime radio-communications services; mobile telecommunications on the GSM standard; and international telecommunications services.

## REGULATION IN EGYPT

Law 10, issued in February 2003 (the "**Egyptian Telecommunications Law**"), regulates the telecommunications sector in Egypt. The law established the National Telecom Regulatory Authority (the "**NTRA**"), the entity charged with regulating all aspects of the telecommunications industry, including spectrum management, interconnection, numbers, national roaming and mobile number portability. Among other things, the Egyptian Telecommunications Law stipulates that a licence is needed in order to provide telecommunications services or operate a telecommunications network and sets out the terms that each licence must contain. It also establishes general rules relating to the management, licensing and use of the frequency spectrum. Under the Egyptian Telecommunications Law, all telecommunications tariffs must be approved by the NTRA. The NTRA validates the tariffs for various telecommunications services proposed by the licensee and may elect to subsidise tariffs through a telecommunications service fund.

Licenses in Egypt are required to provide interconnection between their networks by adopting the general framework required by the interconnection rules and regulations and either entering into an interconnection agreement ratified by the NTRA or acceding to an existing interconnection agreement. The Egyptian Telecommunications Law stipulates the basics of interconnection and provides a dispute resolution process. In the case of a dispute, the NTRA is authorised to determine the terms of the interconnection agreement and to arbitrate between service providers.

Etisalat Misr had previously entered into a national roaming agreement with Vodafone and the Egyptian Company for Mobile Services S.A.E. ("**Mobinil which is now owned by Orange**") to ensure network coverage in areas not covered by Etisalat Misr's network under rules and regulations imposed by the NTRA. As of June 2010, Etisalat Misr's network had sufficiently expanded to no longer require a national roaming agreement with Vodafone and Orange. Mobile number portability exists between the mobile operators for the benefit of individual customers. In October 2016, Etisalat Misr acquired the license to operate mobile 4G and expanded its services portfolio by acquiring the virtual fixed voice license. It also acquired a license in February 2019 to build, operate and lease fixed access infrastructure in closed compounds (residential/administrative/commercial). These acquisitions expanded Etisalat Misr's licensing capabilities and gave it the ability to offer an integrated services portfolio (mobile, fixed voice, fixed broadband - via its owned ISP company - and infrastructure wholesale services). Etisalat Misr entered the first spectrum auction in the Egyptian market in 2020 and was awarded 20 MHz TDD in the 2600MHz band. Etisalat Misr is also hosting the market's most recent mobile entrant (WE, owned by Telecom Egypt) via national roaming nationwide.

## MANAGEMENT AND EMPLOYEES

### Management

#### *Senior Executive Management*

The Group Chief Executive Officer is authorised to represent Etisalat Group in all matters relating to the proper management, supervision and direction of Etisalat Group's business and affairs.

The Group Chief Executive Officer of Etisalat Group provides direction and leadership toward the achievement of Etisalat Group's mission, vision, strategy, goals and objectives. He defines and guides the implementation of the strategy for development, marketing, sales and the provision of Etisalat Group's services and the required network and IT infrastructure. He acts as the representative of Etisalat Group, ensuring that the mission, programmes, products and services of Etisalat Group are consistently presented in a strong and positive way to relevant stakeholders. He is also accountable to the Board for running Etisalat Group's affairs in accordance with the policies determined by the Board.

The business address of each of the members of senior executive management named below is P.O. Box 3838, Corporate Secretariat, Etisalat Group, Abu Dhabi, UAE.

The members of the Group's senior executive management comprise:

| <b>Name</b>                   | <b>Title</b>  | <b>Date of Birth</b> |
|-------------------------------|---|----------------------|
| Eng. Hatem Dowidar            | Group Chief Executive Officer Group   | 06 December 1969     |
| Mr. Karim Bennis              | Group Chief Financial Officer   | 05 December 1971     |
| Mr. Khalifa Al Shamsi         | Chief Strategy and Corporate Governance Officer                             | 31 October 1970      |
| Ms. Dena Al Mansoori          | Group Chief Human Resources Officer   | 29 May 1981          |
| Mr. Ahmed Al Awadi            | Group Chief Procurement Officer   | 10 January 1974      |
| Mr. Mohamed Dukandar          | Group Chief Internal Control and Audit Officer                              | 04 November 1971     |
| Mr. Ali Amiri                 | Chief Carrier and Wholesale Officer   | 10 January 1953      |
| Mr. Obaid Bokisha             | Chief Transformation Officer  | 20 October 1975      |
| Mr. Abdeslam Ahizoune         | Chief Executive Officer and Chairman of the Management Board, Maroc Telecom | -                    |
| Mr. Salman Abdulaziz AlBadran | Chief Executive Officer, Etihad Etisalat (Mobily)                           | 01 September 1970    |
| Mr. Hazem Metwally            | Chief Executive Officer, Etisalat Misr                                      | -                    |

Brief biographies of each of the members of senior executive management are set out below.

#### *Eng. Hatem Dowidar*

Eng. Hatem Dowidar joined Etisalat Group in September 2015 as Group Chief Operating Officer and was appointed as Chief Executive Officer, International in March 2016. He sits on the boards of subsidiaries in Morocco, Egypt and Pakistan. Prior to joining Etisalat Group, Eng. Dowidar was the Group Chief of Staff for Vodafone Group based in London, reporting to the Vodafone Group CEO. He has over 24 years of experience in the telecommunications industry having worked in various multinational companies. He holds a Bachelor's Degree in Communications and Electronics Engineering from Cairo University and an MBA from the American University in Cairo.

#### *Dr. Karim Bennis*

Dr. Bennis was appointed as Group Chief Financial Officer of Etisalat Group in August 2020. Prior to this role, he was Vice President Financial Control and Planning of Etisalat Group from 2013. His previous positions include Deputy Managing Director and CFO at Tractafric Motors Corporation, Financial Controller of Maroc Telecom, as a Seconded of Vivendi Group, and Financial Controller of Crown Holdings. Mr. Bennis serves on the Boards, Executive Committees and Audit Committees of Etisalat Egypt, PTCL and Ufone and is a Board Member of Atlantique Telecom Holding. He holds a PhD in Economics and Technology from Conservatoire National des Arts et Métiers, a Masters in Economics and Corporate Finance from Sciences Po Paris, a Masters in Audit and Management Accounting from SKEMA Business School and an Executive MBA from École Nationale des Ponts et Chaussées.

#### *Mr. Khalifa AlShamsi*

Khalifa AlShamsi joined Etisalat Group in 1993 and is the Chief Strategy and Governance Officer at Etisalat Group. He has over 27 years of experience in telecommunications, media and ICT and has held various key senior positions at Etisalat Group including Vice President and Senior Vice President of Marketing of Etisalat UAE as well as Senior Vice President of Technology. Mr. AlShamsi is a Member of the Board of Directors at Etihad Etisalat 'Mobily' in the Kingdom of Saudi Arabia and at PTCL/Ufone in Pakistan and Afghanistan. He is also the Chairman of both E-Vision, the UAE based TV content and multimedia company, and Etisalat ICT, and the digital arm 'ETS', in the UAE. Mr. AlShamsi holds a Bachelor's degree in Electrical Engineering from the University of Kentucky, USA.

*Dena Al Mansoori*

Ms. Dena Al Mansoori was appointed as Group Chief Human Resources Officer of Etisalat Group in November 2020. Prior to this role, she was the Chief Human Resources Officer of the Central Bank of the UAE. Ms. Al Mansoori has over 17 years of experience during which she has worked at international companies in various industries such as retail, oil and gas, banking and finance. In 2020, she established WhiteBox HR, a technology company that uses machine learning, people science, and organisation network analysis to help companies with recruitment and HR management. Ms. Al Mansoori holds an MBA from the University of Strathclyde in Scotland and a Bachelor of Science in Management Information Systems and Finance from Boston University in USA.

*Ahmed Al Awadi*

Mr. Al Awadi was appointed as Group Chief Procurement Officer of Etisalat Group in October 2017. He was the Chief Financial Officer of Etisalat UAE operations in 2011 and again in 2017. He started his career with Etisalat Group in the Finance department in 1999 and was later seconded to Mobily KSA for two years. Subsequently, he joined Etisalat Group's International Investments division where he handled Mergers and Acquisitions and held various positions including Vice President International Investment MENA. Mr. Al Awadi serves on the Boards of Etisalat Software Solutions (Private) Limited, Ubiquitous Telecommunications Technology LLC and Smart World. He holds an MBA in Finance from the American University of Dubai and a Bachelor's Degree in Business Administration majoring in Finance and Management from Georgia State University, USA.

*Mohamed Dukandar*

Mr. Dukandar was appointed as Group Chief Internal Control and Audit Officer in September 2016. Mr. Dukandar is a Chartered Accountant (SA), Certified Internal Auditor (CIA) and Certified Control Self Assessor (CCSA) with over 20 years of experience in governance, risk management, insurance and internal and external audit and forensics. Prior to joining Etisalat Group, he was the Group Executive of Telkom Audit Services at Telkom South Africa SOC Limited. Mr. Dukandar started his career as an auditor with KPMG in 1996 and subsequently worked with the National Treasury of South Africa and the City of Johannesburg. Mr. Dukandar serves as a Member of the Audit Committee of Maroc Telecom Group and PTCL. He holds a Bachelor of Commerce from the University of Witwatersrand, South Africa and Honors in Accounting from the University of South Africa.

*Ali Amiri*

Mr. Amiri was appointed as Group Chief Carrier and Wholesale Officer of Etisalat Group in March 2016. Mr. Amiri started his career with Etisalat Group in the engineering department and held various key positions including Executive Vice President of Operations and Chief Carrier and Wholesale Officer of Etisalat UAE operations. Mr. Amiri served as Chairman of the GSM Arab World and as a Member of the GSM Association Executive Committee. He is currently Chairman of two international cable consortiums, IMEWE and RCN. Mr. Amiri also serves as the Chairman of the Board of e-Marine PJSC and the Chairman of Etisalat Services Holding. Mr. Amiri holds a Bachelor of Science Degree in Electronic and Electrical Engineering from King's College London.

*Mr. Obaid Bokisha*

Obaid Bokisha was appointed as Chief Transformation Officer in October 2020. Prior to this role, he

served as Chief Business Continuity and Corporate Quality Officer and Chief Procurement Officer of Etisalat Group. Since joining Etisalat Group in 1998, he has been involved in network planning, optimisation, design and implementation of mobile systems covering the Global System for Mobile Communications and Universal Mobile Telecommunications System. Other positions he has held include Vice President of Mobile Networks Planning and International Support of Etisalat UAE and Senior Vice President of Mobile Networks Optimisation of Etisalat Group. Mr. Bokisha currently serves on the Board and Audit Committee of eVision and has previously served as a Board and Committee Member of international operating companies of Etisalat Group such as Etisalat Misr, Etisalat Nigeria, CanarTel and Zantel. Mr. Bokisha holds a Degree in Communications Engineering from the Etisalat College of Engineering in Sharjah, UAE.

#### *Abdeslam Ahizoune*

Mr. Ahizoune has been Chairman of the Maroc Telecom Management Board since February 2001 and served as CEO from 1998 to 2001. He previously served as Minister of Telecommunications in four different governments. Mr. Ahizoune has been Chairman of the Moroccan Royal Athletics Federation since 2006, and also serves as a Board Member of several foundations including King Mohammed V Foundation for Solidarity, King Mohammed VI Foundation for Environmental Protection, and Lalla Salma Foundation against Cancer. Furthermore, he is the Vice President of La Confédération Générale des Entreprises du Maroc (CGEM) and the President of its Moroccan Emirati Economic Commission. He holds a Degree in Engineering from Télécom ParisTech.

#### *Salman Abdulaziz AlBadran*

Eng. Salman AlBadran was appointed as the CEO of Mobily in April 2019. Prior to this appointment, he was the CEO of VIVA Kuwait. Mr. AlBadran started his career with SABIC in 1996 and then made his foray into the telecommunications sector in 2001 with Saudi Telecom Company. Mr. AlBadran holds a Bachelor's Degree in Applied Electrical Engineering with a specialisation in the field of Communication and Energy from King Fahad University of Petroleum and Minerals in the Kingdom of Saudi Arabia.

#### *Hazem Metwally*

Mr. Metwally was appointed Chief Executive Officer of Etisalat Misr in October 2015. He joined Etisalat Misr in 2007 as Chief Commercial Officer managing sales, marketing, and customer care functions. He was subsequently promoted to Chief Operating Officer expanding his responsibilities to include Carriers Relations and Wholesale Operations. Prior to joining Etisalat Group, he was the Head of Consumer Marketing at Vodafone Egypt where he played an important role in launching several innovative commercial initiatives. Prior to that, he was the Head of Distribution at Mobinil Egypt. He started his telecommunications career in 1999 in sales distribution and operations focusing on both consumer and corporate segments. Mr. Metwally holds a Bachelor's Degree in Electronics and Communications Engineering from Cairo University.

## **Employees**

### *Employee training, development and leadership*

#### *Leadership development framework*

Leadership development is an important element of the Group's strategy. The Group aims to ensure that all levels of its leadership are trained and developed in the context of the Group's key strategic objectives and corporate culture, in order to promote the Group's service offerings, customer experience and operational excellence. The Group has established a number of programmes with this purpose in mind, in each case with a focus relevant to the level of leadership and an emphasis on the expectations, responsibilities and the impact their role has as it applies to the Group's vision and strategy. The Group has conducted extensive research and discussions with various business schools and consulting firms to determine the most relevant contents for each programme, in the context of the Group's strategy and challenges faced at each different level of leadership. Programmes that the Group currently has in place include:

- Board Director Development;
- Leading the Enterprise for Profitable Growth;
- Advanced Global Strategic Leadership;
- Telecom Strategic Leadership;
- Advanced Leadership: Leading Your Organisation;
- Etisalat Core Leadership Programme; and
- MIT Sloan School of Management – Executive Certificate in Management and Leadership.

Each of the above programmes is targeted at the appropriate level of management within the Group.

#### *Succession management*

Succession management is in place for all executive positions across the Group, including the Group's international subsidiaries. The Group has established certain criteria for succession, and has created and updated initial succession plans and generated development plans for those identified as potential successors to prepare them for a future leadership role. The Group aims to ensure a robust and consistent approach and timeline to succession management activities, including the population of an in-house developed talent management system, external assessment to validate suitability, regular talent reviews and verification of the succession plans by operating companies and Group senior executives and progress monitoring against development plan implementation.

#### *Leadership development*

The Group's High-Potential Leaders Programme aims to develop the Group's most valuable talent for the future and strengthen the pipeline of leaders to meet the Group's growth ambitions. This programme plays a major role in the Group's talent management policy, including succession management and development across the Group. The selection process is rigorous as the Group utilises a comprehensive assessment process to drive selection. In addition, the Group's Top 100 Talent is a strategic initiative driven by the Group Chief Executive Officer with the purpose of strategically identifying and managing the top talent across the Group by developing, engaging and retaining those individuals.

#### *Global mobility*

The Group talent management strategy includes the deployment of talented employees to and from operating companies across the countries in which the Group operates, in recognition of the fact that significant numbers of the members of executive management in multinational companies have been on foreign assignment at least once during their careers. The aim of this mobility strategy is to match the right talent with the right role in order to meet the Group's business needs whilst developing and engaging those individuals. The mobility programme has been designed to cover all aspects of global mobility, from strategic leadership and provision of core skills to targeted development assignments, for example, short-term and long-term assignments and global talent exchange programmes.

#### *UAE employees*

In the UAE, Etisalat Group has a performance-linked bonus programme for employees which depends on corporate, department and individual performance, set against targets. There is also a long-term incentive programme aimed at retaining key and critical talent and this programme is also linked to corporate performance indicators.

All employees are subject to employment contracts in compliance with UAE labour law requirements.

Etisalat Group is committed to increasing the proportion of staff who are UAE nationals and developing their training and expertise. Hence, the Emiratisation percentage has exhibited an upward trend during the past three years. The rate of national staff reached 47.6 per cent., 47.8 per cent., and 49.5 per cent. of the group's total workforce during the years 2018, 2019 and 2020, respectively. Although the UAE Government does not impose a mandatory quota on the number of UAE nationals Etisalat Group must employ, the company has taken the initiative to involve more UAE nationals in its business. For example, Etisalat Group has developed training programmes for graduates at different levels which last from one to two years and equip the trainees with the skills required for a fulfilling career at Etisalat Group.

In accordance with the laws of the UAE, Etisalat Group provides end of service benefits to non-UAE

national employees. Under UAE law, the entitlement to these benefits is based upon the employee's length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to UAE national employees, Etisalat Group contributes to the UAE Federal Pension Scheme an amount calculated as a percentage of the UAE national employees' salaries. These obligations are limited to these contributions, which are expensed when due.

#### *Board of Directors*

Etisalat Group's Board of Directors comprises 11 members, seven of whom, including the Chairman and Vice Chairman, are appointed by the UAE Government as a shareholder. The remaining four members are elected by Etisalat's remaining (non-UAE Government) shareholders. The term of office of both groups of directors is three years from the date of their appointment or election, as the case may be, renewable for one or more terms. Etisalat Group's Articles of Association provide that the Board carries out Etisalat Group's business and, for that purpose, exercises all of Etisalat Group's powers except those reserved by law or the Articles of Association for the General Assembly of Etisalat Group.

The Board currently comprises the directors listed below:

| <b>Name</b>                                 | <b>Title</b>  | <b>Date of Birth</b> | <b>Term Expires</b> |
|---|---------------|----------------------|---------------------|
| H.E. Jassem Mohamed Obaid Bu Ataba Alzaabi  | Chairman      | 28 January 1974      | 20 March 2024       |
| Mr. Essa Abdulfattah Kazim Al Mulla         | Vice Chairman | 1 January 1959       | 20 March 2024       |
| Mr. Hesham Abdulla Qassim Al Qassim         | Director      | 18 August 1973       | 20 March 2024       |
| Ms. Mariam Saeed Ahmed Ghobash              | Director      | 16 November 1983     | 20 March 2024       |
| Mr. Saleh Abdulla Ahmed Saeed Alabdooli     | Director      | 12 December 1964     | 20 March 2024       |
| Mr. Mansoor Ibrahim Ahmed Saeed Almansoori  | Director      | 30 March 1982        | 20 March 2024       |
| Mr. Michel Combes                           | Director      | 29 March 1962        | 20 March 2024       |
| Sheikh Ahmed Moahmed Sultan Al Dhahiri      | Director      | 3 May 1971           | 20 March 2024       |
| Mr. Khalid Abdulwahid Hassan Alrustamani    | Director      | 15 March 1967        | 20 March 2024       |
| Mr. Abdelmonem Bin Eisa Bin Nasser Alserkal | Director      | 19 April 1969        | 20 March 2024       |
| Mr. Otaiba Khalaf Ahmed Khalaf Al Otaiba    | Director      | 21 June 1974         | 20 March 2024       |

Etisalat Group's Articles of Association require that at least four Board meetings should be held in each year. The quorum at each meeting is six directors.

The business address of each of the members of the Board is P.O. Box 3838, Corporate Secretariat, Etisalat Group, Abu Dhabi, UAE.

The Board guides the strategic direction of Etisalat Group and regularly reviews Etisalat Group's operating and financial position. The Board is responsible for ensuring that the necessary resources are in place to enable Etisalat Group to meet its strategic objectives. The Board also monitors the performance of management and aims to ensure that the strategy, policies and procedures adopted by Etisalat Group are in accordance with UAE law as well as Etisalat Group's long-term corporate vision.

Brief biographies of each of the members of the Board are set out below.

#### *H.E. Jassem Mohammed Bu Ataba Al Zaabi*

H.E. Jassem Al Zaabi has been Chairman of the Board since March 2021. H.E. Jassem Al Zaabi is Chairman of Department of Finance of Abu Dhabi, Secretary General of the Supreme Council for Financial and Economic Affairs and Member of the Executive Council of Abu Dhabi. Previously, H.E. Al Zaabi held several important positions, including serving as Chairman of the Abu Dhabi Executive Office, Director General of the National Cybersecurity Authority, Chairman of the Board of Directors of Al Yah Satellite Communications Company (Yahsat) and Chairman of the Board of Directors of Injazat Data Systems. Additionally, he was part of the senior leadership at Mubadala Investment Company PJSC's Information and Communications Technology (ICT) Unit. H.E. Al Zaabi is also Chairman of the Board of Directors of the Abu Dhabi Pension Fund and Vice Chairman of the Board of Directors of Abu Dhabi Holding Company, as well as a member of the Advisory Board of the Mohammed Bin Zayed University for Artificial Intelligence. He is also a board member of First Abu Dhabi Bank and Tawazun Economic Council. H.E. Al Zaabi holds a Master's Degree in Business Administration from the London Business School and Bachelor's Degree in Business Administration from Ajman University of Science and Technology.

*Mr. Essa Abdulfattah Kazim Al Mulla*

Mr. Essa Abdulfattah Kazim Al Mulla has been a Board Member since June 2012 and has been Vice Chairman of the Board since March 2018. Mr. Essa Kazim is the Governor of the Dubai International Financial Center (DIFC), Chairman of Borse Dubai, Chairman of the Dubai Financial Market, Member of the Higher Board of Directors of the DIFC, Member of the Supreme Fiscal Committee in Dubai, Deputy Chairman of the Supreme Legislation Committee in Dubai, Chairman of the DIFC Authority Board of Directors, Chairman of the DIFC Investments Board of Directors, Board Member of the Free Zones Council, Board Member of NASDAQ Dubai, Board Member of the Rochester Institute of Technology, Member of the Board of Governors of Hamdan Bin Mohammed E-University, Member of the Council of UAE University, Board Member of NASDAQ Inc. and Board Member and Secretary General of Dubai Islamic Economy Development Centre. Mr. Essa Kazim holds an Honorary Doctorate from Coe College, USA, a Master's Degree in Economics from the University of Iowa, USA, a Master's Degree in Total Quality Management from the University of Wollongong and a Bachelor's Degree in Mathematics, Economics and Computer Science from Coe College, USA.

*Mr. Hesham Abdulla Qassim Al Qassim*

Mr. Hesham Al Qassim has been a Board Member since March 2015. Mr. Al Qassim is also the Vice Chairman of Dubai Real Estate Corporation, Chief Executive Officer of "wasl" Asset Management Group, Vice Chairman and Managing Director of Emirates National Bank of Dubai PJSC, Chairman of Emirates Islamic Bank PJSC, Chairman of Emirates NBD S.A.E Egypt, Chairman of DenizBank A.S. Turkey, Board Member of National General Insurance Company, Board Member of Dubai International Financial Centre Authority (DIFCA), Board Member of DIFC Investments, Board Member of Amlak Finance, Chairman of Emirates Institute for Banking and Financial Studies (EIBFS), Board Member of Pak Telecom Mobile Ltd (PTML-Ufone) Pakistan, Board Member of Pakistan Telecommunications Company Limited (PTCL), Chairman of Dubai Sports Corporation, Vice Chairman of Dubai Autism Centre, Board Member of Federal Authority for Government Human Resources, Board Member of the National Human Resources Development Committee in the Banking and Financial Sector, Board Member of the International Humanitarian City and One of the Founders of Young Arab Leaders Organization. Mr. Hesham Al Qassim holds a Bachelor's Degree in Banking and Finance and a Master's Degree in International Business Management & in Executive Leadership Development.

*Ms. Mariam Saeed Ahmed Ghobash*

Ms. Mariam Ghobash has been a Board Member since March 2018. She is also a Director in the Global Special Situations Department at the Abu Dhabi Investment Council. Prior to joining the Council, she worked as an investment professional at HSBC Middle East where she was a member of the private equity team. Ms. Ghobash currently serves as a member of the Board of Directors of ALDAR Properties, Emirates Development Bank and is Vice-Chairman of Invest AD. She has also recently been appointed to the University Council at Zayed University. Previously, she has also served on the boards of National Bank of Abu Dhabi, Al Hilal Bank and National Takaful Co. "Watania". Ms. Ghobash holds a Bachelor of Science Degree in Economics from The Wharton School, University of Pennsylvania, USA. She has also successfully completed the General Management Program at Harvard Business School.

*Mr. Saleh Abdulla Ahmed Saeed Alabdooli*

Mr. Saleh Al Abdooli is a telecom professional, an entrepreneur, and a CEO with over 28 years of experience in multiple markets in the MENA region in greenfield and legacy operations. Mr. Alabdooli has held many key positions in the telecommunications industry such as CEO of Etisalat Group, CEO of Etisalat UAE and Managing Director and Chief Executive Officer of Etisalat Misr. Further, he chaired the technical committees that negotiated and won operation licenses for Etisalat in Saudi Arabia, and Egypt. He launched Etisalat Egypt operations and successfully led the turnaround and digital transformation of Etisalat UAE by expanding the fibre and LTE networks coverage. He launched the first 5G network in the MENA region and has in his portfolio many other recognizable accolades. Mr. Saleh is currently a Board Member of Maroc Telecom Group, Board Member of Mobily and Deputy Chairman and Member of the Executive Committee of Etisalat Misr. Mr. Saleh holds a Master's Degree in Telecommunications Engineering (with Honors) and a Bachelor's Degree in Electrical Engineering (with Honors) from the University of Colorado, USA.



*Mr. Mansoor Ibrahim Ahmed Al Mansoori*

Mr. Mansoor al Mansoori has been a Board Member since March 2021. He also has a diverse range of professional experiences in senior leadership positions across sectors including telecommunications, energy, and government with a proven track record of setting up strategies, building institutional structures and capabilities, and performance-based management systems. Mr. Al Mansoori has previously served as Director General of the UAE National Media Council and was responsible for transforming the Council's offerings across regulatory services, media policies, UAE's national media wire services and strategic communications. Mr. Mansoori has held several board positions including Abu Dhabi Tourism and Culture Authority and Emirates Palace Company. He is currently the Chairman of Injazat and serves as a board member of UAE Telecommunication Regulatory Authority (TRA), Bayanat, AIQ and Adalytyx. Mr. Al Mansoori holds a Master's degree in Strategic Security Studies and National Resources Management from the National Defense College, UAE. As a University of Toledo graduate in Computer Science, he holds several specialized certificates including a Leadership Certificate from London Business School, Innovation Strategy Leadership from Massachusetts Institute of Technology and International Institute for Management Development.

*Mr. Michel Combes*

Mr. Combes has been Board Member since March 2021. Mr. Michel Combes joined SoftBank Group International as President in April 2020. He serves on several boards of SoftBank portfolio companies, as well as the board of Philip Morris International. Prior to joining SoftBank, Michel was President and CEO of Sprint. He also served on the Sprint Board of Directors. Michel serves on the board of CTIA, a national trade association representing the wireless communications industry in the United States. Michel was previously CEO and COO of Altice, as well as Chairman and CEO of SFR Group. Other leadership positions previously held by Michel include CEO of Alcatel-Lucent, CEO of Vodafone Europe and Chairman and CEO of TDF Group, and CFO and Senior Executive Vice President of France Telecom. Michel holds degrees from École Polytechnique, Télécom ParisTech and Paris Dauphine University.

*Sheikh Ahmed Mohamed Sultan Al Dhahiri*

Sheikh Ahmed Al Dhahiri has been a Board Member since April 2000. Sheikh Ahmed is also the Vice Chairman of Abu Dhabi National Hotels Company (ADNH), a Board Member of First Abu Dhabi Bank (FAB), Vice Chairman of Abu Dhabi Aviation (ADA) and a Board Member of Al Dhafra Insurance Co. Sheikh Ahmed Al Dhahiri holds a Bachelor's Degree in Civil Engineering from UAE University, Al Ain.

*Mr. Abdelmonem Bin Eisa Bin Nasser Alserkal*

Mr. Abdelmonem Alserkal has been a Board Member since March 2012. Mr. Alserkal is also the founder of Alserkal Avenue, Managing Director of Nasser Bin Abdullatif Alserkal Est, a Board Member of Al Burj Real Estate Ltd, a Board Member of USOS Holding LLC, a Board Member of Alserkal Group, Advisory Board Member of Tharawat Family Business Forum, a Patron of Art Dubai, a Member of the British Museum's Contemporary and Modern Middle Eastern Art Acquisition Group, a Member of Tate's Middle East and North Africa Acquisition Committee, a Member of Guggenheim's Middle Eastern Circle, a Member of Centre Pompidou International Circle Middle East, a Patron of the Peggy Guggenheim Collection and an Honourary Member of Thinkers and Doers Forum, Paris. Mr. Abdelmonem holds a Bachelor's Degree in Business from Point Loma Nazarene University, USA.

*Mr. Otaiba Khalaf Ahmed Khalaf Al Otaiba*

Mr. Otaiba Khalaf Al Otaiba has been a Board Member since March 2015. Mr. Otaiba is currently Partner and Chairman of Alotaiba and Hamdan Budebes Advocates & Legal Consultants. Mr. Otaiba holds a Bachelor of Laws Degree from the University of Damascus, and has a license to practice law (before the First Instance Courts, Courts of Appeal and Supreme Court) from the Ministry of Justice in the UAE.

*Mr. Khalid Abdulwahid Hassan Alrustamani*

Mr. Khalid Alrustamani has been a Board Member since March 2015. Mr. Khalid Alrustamani is also the Chairman and CEO of AW Rostamani Group, a conglomerate of companies covering Automobiles, Real Estate, Retail, Logistics, Luminaries and Travel. In addition, he is the founder and Chairman of BCD Travel and KAR (an integrated logistics company). Mr Khalid Alrustamani's work with AW Rostamani Group has involved managing the group's foreign exchange and travel companies and developing the diverse portfolio

of companies in the group. He is on the boards of Commercial Bank of Dubai and Dubai Insurance Holdings. He is a philanthropist and involved in initiatives relating to the environment, health and education. Mr. Khalid Alrustamani holds a Bachelor's Degree in Business Administration (major in Finance) from George Washington University, USA.

#### *Group Corporate Secretary*

The Group Corporate Secretary is appointed by the Board, according to Article 24 of Etisalat Group's Articles of Association. Mr. Hasan Mohamed Al Hosani has been the Corporate Secretary ("GCS") of Etisalat Group since 2012. Mr. Hasan Al Hosani has vast experience in the legal field spanning more than 20 years, during which he has held a number of positions in the public and private sectors. He worked in the oil and gas sector for nine years during which he served as a legal advisor to the National Petroleum Construction Company (NPCC). Mr. Hasan then moved to the public sector in Abu Dhabi where he assumed the position of General Counsel for the Department of Municipal Affairs as well as the Head of Regulations and Legislations Department. As GCS, he serves as an advisor to the Board in all legal and governance related matters. In doing so, he provides an independent legal opinion to the Board, ensuring compliance with the applicable rules and regulations in the UAE as well as best practices for corporate governance. The GCS also observes the Regulator's legal requirements for board and annual general meetings, elections and board directorship. The GCS, as the rapporteur of the Board, the Investment and Finance Committee, the Nominations and Remunerations Committee and the General Assembly, he ensures compliance with legal requirements for meetings and the implementation of resolutions in accordance with regulations and best practices. Mr. Hasan Al Hosani holds a Bachelor's Degree in Law from the United Arab Emirates University and is a registered lawyer with the Registry of Lawyers at the Ministry of Justice. He is also a commercial arbitrator accredited by Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC) and a Member of the Arbitration/ADR Steering Committee of ICC-UAE.

#### **Compensation of Directors**

The total compensation paid to the Board as a group for the year ended 31 December 2020 was AED 17,985,000 million, compared to AED 17,515,726 million for the year ended 31 December 2019.

#### **Conflicts**

There are no actual or potential conflicts of interest between the duties of the members of the Board and senior executive management listed above to Etisalat Group and their respective private interests or other duties.

#### **Corporate Governance**

The Board believes that the governance of the Group is best achieved through the delegation of certain elements of its authority to the senior executive management, subject to monitoring by the Board and its respective committees.

The Board's governance mandate addresses the Board's relationship with the shareholders and senior executive management, the conduct of the Boards' affairs and the duties and requirements of the Board's committees. The Board also monitors the Group's focus and commitment to activities that promote its shareholders' interests, including, in particular, the active consideration of strategy, risk management and compliance.

Etisalat Group has developed a standard set of comprehensive corporate governance and compliance principles to govern Etisalat Group and its subsidiaries and associate companies, based on applicable rules and regulations as well as best practice. As of the date of this Base Prospectus, Etisalat Group is in compliance with the UAE Corporate Governance Regulations.

#### *The General Assembly*

The General Assembly comprises all the shareholders of Etisalat Group, and it exercises all its powers in accordance with UAE law and the Articles of Association of Etisalat Group. The General Assembly is entrusted with approving the Board's Annual Report on the Group's activities and financial position during the preceding financial year. The General Assembly is also entrusted with appointing external auditors and approving their reports, discussing and approving the financial statements for the previous year, as well as appraising the Board's recommendation with regards to the distribution of dividends. In addition, the

General Assembly reviews any other matters on its agenda, including approvals of increases or decreases in share capital, amendments to the Articles of Association and voluntary contributions to serve community purposes, among other matters.

#### *The Board*

Etisalat Group takes into account best international standards and the applicable laws and regulations in the UAE in relation to its corporate governance. The Board fulfills the requirements of Securities and Commodities Authority Chairman Resolution No. (3/Chairman) on the Approval of Public Joint Stock Companies Guide, as amended. Most of the current Board members are independent and all of them are non-executive.

#### *Board Committees*

Etisalat Group has four Board committees: the Audit Committee, the Risk Committee, the Nominations and Remunerations Committee and the Investment and Finance Committee, which were established to assist the Board in discharging its responsibilities.

#### *The Audit Committee*

The Audit Committee comprises four members, three of whom are members of the Board, and one who is an external member experienced in accounting and finance. The Audit Committee meets not less than once every three months. The primary responsibility of the Audit Committee is to monitor the integrity of Etisalat Group's financial statements, the effectiveness of internal audits, and compliance functions as well as the performance and independence of the external auditors and recommendations for their appointment or termination to the Board. In fulfilling its role, the Audit Committee maintains free and open communications with the Board, the external auditors, the internal auditors, and the senior members of the finance department of Etisalat Group.

As of the date of this Base Prospectus, the members of the Audit Committee are as follows:

| <b>Name</b>                           | <b>Title</b>    |
|---------------------------------------|-----------------|
| Mr. Essa Abdulfattah Kazim Al Mulla   | Chairman        |
| Sheikh Ahmed Mohd Sultan Al Dhahiri   | Member          |
| Mr. Mansoor Ibrahim Ahmed Al Mansoori | Member          |
| Mr. Salim Sultan Al Dhaheri           | External Member |

#### *The Nomination and Remuneration Committee*

The Nomination and Remuneration Committee comprises four members of the Board. The Nomination and Remuneration Committee is required to meet at least four times per year. The primary responsibility of the Nomination and Remuneration Committee is to develop policies with respect to recruitment, remuneration and incentives at the senior executive management level, as well as to provide comprehensive direction on all compensation and benefits matters for Etisalat Group's staff. The Nomination and Remuneration Committee aims to ensure that Etisalat Group's employment packages are externally competitive and internally equitable to support Etisalat Group's strategy to attract, retain and motivate a competent and result-oriented workforce. The Nomination and Remuneration Committee also ensures that the Board complies with applicable corporate governance rules and that the minimum number of independent Board members is maintained.

As of the date of this Base Prospectus, the members of the Nomination and Remuneration Committee are as follows:

| <b>Name</b>                                | <b>Title</b> |
|--|--------------|
| Ms. Mariam Saeed Ahmed Ghobash             | Chairperson  |
| Mr. Otaiba Khalaf Ahmed Khalaf Al Otaiba   | Member       |
| Mr. Mansoor Ibrahim Ahmed Saeed Almansoori | Member       |
| Mr. Michel Combes                          | Member       |

#### *The Investment and Finance Committee*

The Investment and Finance Committee comprises five members of the Board, and is responsible for making certain decisions in connection with Etisalat Group's investments, finance and projects, whether in the UAE or abroad. The Investment and Finance Committee meets no less than six times per year.

The main duties of the Investment and Finance Committee are to develop and review the Group's investment and finance strategy, review progress on all investment projects, ensure the continuous healthy financial position of Etisalat Group, review proposed investment opportunities and submit appropriate recommendations to the Board for approval.

As of the date of this Base Prospectus, the members of the Investment and Finance Committee are as follows:

| <b>Name</b>                                 | <b>Title</b> |
|---|--------------|
| H.E Jassem Mohamed Obaid Bu Ataba Alzaabi   | Chairman     |
| Mr. Hesham Abdulla Qassim Al Qassim         | Member       |
| Ms. Mariam Saeed Ahmed Ghobash              | Member       |
| Mr. Michel Combes                           | Member       |
| Mr. Abdelmonem Bin Eisa Bin Nasser Alserkal | Member       |

#### *The Risk Committee*

The Risk Committee comprises four members of the Board, and meets at least once every three months. The Risk Committee is responsible for developing, monitoring, implementing and reviewing the risk management strategy and policies. The Risk Committee also identifies and maintains the acceptable level of risks, supervises the risk management framework and evaluates its effectiveness, provides guidance to the management on risk related matters and obtains assurance from the management and the internal audits that the risk processes and systems operate effectively with appropriate controls and in compliance with approved controls. The Committee further submits reports and recommendations to the Board on risk related matters, ensures the availability of adequate resources and systems for risk management and ensures that the risk management personnel are not involved in activities that would expose the Company to risk. It reviews the matters raised by the Audit Committee that may affect the Company's risk management.

As of the date of this Base Prospectus, the members of the Risk Committee are as follows:

| <b>Name</b>                              | <b>Title</b> |
|--|--------------|
| Mr. Hesham Abdulla Qassim Al Qassim      | Chairman     |
| Mr. Essa Abdulfattah Kazim Al Mulla      | Member       |
| Mr. Saleh Abdulla Ahmed Saeed Alabdooli  | Member       |
| Mr. Khalid Abdulwahid Hassan Alrustamani | Member       |

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### BOOK-ENTRY SYSTEMS

#### DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org), but such information is not incorporated by reference in and does not form part of this Base Prospectus.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**"), as described below, and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes are similarly required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the

actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

### **BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES**

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts will initially be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the relevant exchange agent on behalf of DTC or its nominee and the relevant exchange agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

### **TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer

such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

#### **SETTLEMENT OF PRE-ISSUE TRADES**

It is expected that delivery of Notes will be made against payment therefor on the Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise.

Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until three days prior to the Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary.

Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes between the relevant date of pricing and the Issue Date should consult their own advisers.



## TAXATION

### General

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

### United Arab Emirates

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Notes is based on the taxation law in force as at the date of this Base Prospectus, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change.

There is currently in force in the legislation of certain Emirates a general corporate taxation regime (such as the Sharjah Income Tax Act of 1968 (as amended), the Fujairah Income Tax Decree of 1966 (as amended), the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the oil industry and some related service industries. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Branches of foreign banks operating in the UAE are also taxed under specific regulations at the Emirates level. Under current legislation, there is no requirement for withholding or deduction for or on account of taxation in the UAE in respect of payments made under the Notes. In the event of the imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject to certain limited exceptions.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future, and how any future federal tax laws will interact with the ones existing in the Emirates.

The UAE has entered into double taxation arrangements with certain other countries.

### FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Arab Emirates) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions – Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the

event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

### **The proposed financial transactions tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in a programme agreement (as modified and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 27 April 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under United Kingdom laws and regulations stabilising activities may only be carried on by the Stabilising Manager(s) named in the applicable subscription agreement (or persons acting on behalf of any Stabilising Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

## TRANSFER RESTRICTIONS

**As a result of the following restrictions, purchasers of Notes who are in the United States or who are U.S. persons (as defined in Regulation S) are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.**

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is an Institutional Accredited Investor which has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person;
- (b) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers;
- (c) that it is not formed for the purposes of investing in the Issuer;
- (d) that it, and each amount for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;
- (e) that it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories;
- (f) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and the

Issuer has not registered as does not intend to register as an investment company under the Investment Company Act and, accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

- (g) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- (h) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (c) above, if then applicable;
- (i) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (j) that it understands that the Issuer has the power to compel any beneficial owner of Notes represented by a Rule 144A Global Note that is a U.S. person and is not a QIB to sell its interest in such Notes, or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honour the transfer of an interest in any Rule 144A Global Note to a U.S. person who is not a QIB. Any purported transfer of an interest in a Rule 144A Global Note to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void;
- (k) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"NEITHER THIS SECURITY HAS BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND THE ISSUER HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), AND, ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("**QIB**") PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS IN A MINIMUM PRINCIPAL AMOUNT OF U.S.\$200,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY) OR (2) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "**INSTITUTIONAL ACCREDITED INVESTOR**") IN A MINIMUM PRINCIPAL AMOUNT OF U.S.\$500,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY) THAT IS NOT, IN EACH CASE, (I) A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUES, (II) FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER AND (III) A PLAN OR TRUST FUND REFERRED TO IN PARAGRAPH (A)(1)(I)(D), (E) OR (F) OF RULE 144A IF INVESTMENT DECISIONS WITH RESPECT TO THE PLAN ARE MADE BY THE BENEFICIARIES OF THE PLAN; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND,

PRIOR TO THE EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR REALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

- (l) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to be the Issuer:

"UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED SECURITY ISSUED IN EXCHANGE FOR THIS GLOBAL SECURITY OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND."

- (m) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of each Tranche of the Notes), it will do so only (i)(A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; AND

- (n) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

- (a) that the Institutional Accredited Investor has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision;
- (b) that the Institutional Accredited Investor understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Base Prospectus and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;
- (c) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;
- (d) that the Institutional Accredited Investor is an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and regulations thereunder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;
- (e) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes,

subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

- (f) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.\$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.\$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

## **Selling Restrictions**

### *General*

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the relevant subscription agreement.

### *United States*

The Notes have not been nor will be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined by Regulation S under the Securities Act ("**Regulation S**")) except in accordance with Regulation S or pursuant to an exemption from the registration requirement of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver any Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States, or for the account or benefit of, U.S. persons, other than pursuant to Regulation S, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer who purchases Notes (or in the case of a sale of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes to be purchased by or through it, or, in the syndicated issue, the relevant lead manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of such Notes. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/lead manager of the end of the distribution compliance period with respect to such Notes.

Terms used in the paragraph above have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering)

may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

- (a) except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor U.S. Treasury Regulation section, including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentive to Restore Employment Act of 2010) (the "**D Rules**"), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor U.S. Treasury Regulation section, including, without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentive to Restore Employment Act of 2010);
- (d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf; and
- (e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor U.S. Treasury Regulation section, including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentive to Restore Employment Act of 2010) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, the relevant Dealer will be required to represent and agree that:

- (a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions in connection with the original issuance of the Bearer Notes; and



- (b) in connection with the original issuance of the Bearer Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of the Bearer Notes.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$200,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is not a reporting company under Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

#### ***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

#### ***United Kingdom***

##### ***Prohibition of sales to UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

##### ***Other regulatory provisions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding,

managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No.228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***United Arab Emirates (excluding the Dubai International Financial Centre)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

### ***Dubai International Financial Centre***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

### ***Kingdom of Saudi Arabia***

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of any Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Board of the Capital Market Authority resolution number 1-104-2019 dated 30 September 2019 (as amended, the "**KSA Regulations**"), made through an authorised person licensed to carry out arranging activities by the Capital Market Authority and following a notification to the Capital Market Authority, in each case, in accordance with the KSA Regulations.

The Notes to be issued under the Programme may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "Sophisticated Investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of, or as otherwise required by, the KSA Regulations. Each Dealer has represented and agreed that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

The offer of Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under the KSA Regulations. Any Saudi Investor who has acquired Notes pursuant to a private placement under the KSA Regulations may not offer or sell those Notes to any person unless the offer or sale is made in compliance with the restrictions on secondary market activity under the KSA Regulations.

### ***Kingdom of Bahrain***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more, excluding that person's principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

### ***State of Qatar (excluding the Qatar Financial Centre)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licenced to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Prospectus has not been filed, reviewed or approved by the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the foregoing.

### ***Hong Kong***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "**professional investors**" within the meaning of the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" within the meaning of the SFO and any rules made under the SFO.

### ***Singapore***

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the "**SFA**"). Accordingly, each Dealer has represented and agreed that, and each further Dealer appointed

under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the SFA (Chapter 289 of Singapore)) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- (c) securities or securities based derivatives contracts (each term as defined in Section 2 (1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
  - (ii) where no consideration is or will be given for the transfer;
  - (iii) where the transfer is by operation of law;
  - (iv) as specified in Section 276(7) of the SFA; or
  - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by resolutions of the Board of the Issuer dated 19 October 2009 and 18 August 2010. The update of the Programme has been duly authorised by a resolution of the Board of the Issuer dated [•] 2021. The Issuer has obtained or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Listing of Notes

This Base Prospectus has been approved by the Central Bank as competent authority under the EU Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the EU Prospectus Regulation. Such approval relates only to Notes which are to be admitted to trading on the regulated market of Euronext Dublin. Application has been made to Euronext Dublin for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to: (i) the Official List and to trading on the regulated market of Euronext Dublin; (ii) the SCA to approve the issuance of the Notes; and (iii) the ADX. The listing of the Programme in respect of Notes is expected to be granted on or around 27 April 2021. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be admitted separately, as and when issued, subject only to the issue of one or more Global Notes initially representing the Notes of the relevant Tranche.

### Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available for inspection and/or collection from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London:

- (a) the Memorandum and Articles of Association (with an English translation thereof) of the Issuer;
- (b) the 2020 Financial Statements and the 2019 Financial Statements, together with the audit reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published audited consolidated financial statements of the Issuer and the most recently published unaudited interim condensed consolidated financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith. The Issuer currently prepares unaudited interim condensed consolidated accounts on a quarterly basis;
- (d) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future Base Prospectuses, prospectuses, information memoranda and supplements including Final Terms (save that the Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the EU Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

The English language translations of the Articles of Association of the Issuer are accurate and direct translations of the original foreign language documents. In the event of a discrepancy between the English language translation and the foreign language version, the foreign language version will prevail.

This Base Prospectus and the applicable Final Terms for Notes that are listed on the Official List and admitted to trading on the Market will be published on the website of Euronext Dublin (<https://live.euronext.com/>). Electronic copies of the documents listed above will also be available for inspection at <https://live.euronext.com/en/product/bonds-detail/p45%7C7717/documents>.

## **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

## **Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **Significant or Material Change**

There has been no significant change in the financial performance or financial position of the Group, and there has been no material adverse change in the prospects of the Group, in each case, since 31 December 2020.

## **Litigation**

Save as disclosed in this Base Prospectus under "*Risk Factors – Factors that may affect the issuer's ability to fulfil its obligations under the Notes issued under the Programme – The Group is involved in disputes, litigation and/or ongoing discussions with regulators, shareholders in its subsidiaries, associates and joint ventures, competitors and other parties, the ultimate outcome of which is uncertain*" and "*Description of the Group – Litigation, Arbitration and Disputes*", neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the Issuer and/or the Group's financial position or profitability.

## **Auditors**

The auditors of the Issuer are KPMG Lower Gulf Limited, independent auditors, who have audited the Issuer's consolidated financial statements without qualification, in accordance with IFRS for each of the two financial years ended on 31 December 2020 and 31 December 2019. The auditors of the Issuer have no material interest in the Issuer.

KPMG Lower Gulf Limited is an institution authorised by the Ministry of Economy of the UAE to conduct independent audits of corporations in the UAE. KPMG Lower Gulf Limited is a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative.

## **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business for which they may receive fees. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and its affiliates routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into

transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## GLOSSARY

The following technical terms and abbreviations when used in this Base Prospectus have the definitions ascribed to them below:

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| "2G"   | refers to the second generation of mobile telecommunications standards.  |
| "3G"   | refers to the third generation of mobile telecommunications standards.   |
| "3.5G" and "3.75G"                           | refers to a grouping of mobile telecommunications technologies designed to provide better performance than 3G systems, as an interim step towards deployment of 4G technology.   |
| "4G"   | refers to the fourth generation of mobile telecommunications standards.  |
| "accessories"                                | means the additional pieces of equipment designed to enhance mobile phones, including covers, batteries, chargers, headsets, car kits and carrying cases.  |
| "ADSL"                                       | refers to asymmetric digital subscriber line, a data communications technology that enables faster data transmission over copper telephone lines than a conventional modem can provide by utilising frequencies that are not used by voice telephone calls.  |
| "airtime"                                    | refers to the time that has elapsed between the start of a call achieved by connecting to the service provider's network and the termination of a call achieved by pressing the end button. Network connection time includes signals received prior to voice transmission, such as busy signals and ringing.   |
| "analogue"                                   | refers to the first generation of mobile telecommunications technology in which radio signals are modulated proportionally by the strength and frequency of audio sounds.  |
| "ARPU"                                       | refers to average revenue per user, the measure of total service revenues for a given period, divided by the number of months in that period and divided again by that period's average total customers (calculated by dividing the aggregate number of customers at the beginning and end of the relevant period by two). The Group's calculation of mobile ARPU includes outgoing voice revenue, subscription fees and net customer roaming revenue. Interconnect revenue is not included in mobile ARPU. Fixed-line ARPU includes outgoing voice revenue and line rental charges. Both ARPU measures include residential as well as business customers. |
| "associates"                                 | refers to investments in companies where the Group exercises a significant influence.  |
| "band"                                       | in wireless communication, band refers to a frequency or contiguous range of frequencies.  |
| "base station" or "BSC"                      | refers to equipment in a mobile telecommunications network for controlling call set-up, signalling and maintenance functions and the use of radio channels or one or more base stations.   |
| "base transceiver station", "BTS" or "sites" | means the fixed transmitter/receiver equipment in each cell of a mobile telecommunications network that communicates by radio signal with mobile telephones in the cell.   |
| "bit"  | refers to the smallest unit of binary information.   |
| "broadband"                                  | refers to a connection to exchange data at higher speeds than through analogue lines. The most common broadband technologies are cable   |



modems (up to 3Mbps), DSL (up to 8Mbps), satellite (up to 10Mbps), wireless (up to 1.54Mbps) and optical fibre (up to 155Mbps).

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| <b>"carrier"</b>                      | refers to a generic term for a network operator.   |
| <b>"CDMA"</b>                         | refers to code division multiple access, also known as spread spectrum, a cellular system utilising a single frequency band for all traffic, differentiating the individual transmissions by assigning them unique codes before transmission. There are a number of variants of CDMA (for example, W-CDMA, B-CDMA and TD-SCDMA).   |
| <b>"cell"</b>                         | means the geographic area covered by a single base station in a mobile communications network.   |
| <b>"cellular"</b>                     | refers most basically to the structure of the wireless transmission networks that comprise cells or transmission sites.  |
| <b>"churn"</b>                        | refers to the rate at which mobile customers are disconnected from a network or are removed from an operating company's customer count due to inactivity. The Group calculates churn by dividing the number of voluntary and involuntary deactivations in a given period by the average number of customers for the same period.   |
| <b>"cloud services"</b>               | refer to services made available to users on-demand via the Internet from the cloud service provider's servers as opposed to being provided from one's own on-premises servers.  |
| <b>"coverage"</b>                     | means the geographical area encompassing a wireless network. This is the area in which a network service provider offers cellular service for a customer's phone.  |
| <b>"digital"</b>                      | refers to a signalling technology in which a signal is encoded into digits for transmission.   |
| <b>"DSL"</b>                          | refers to digital subscriber line, a technology enabling a local loop copper pair to transport high-speed data between a central office and the subscriber's premises.   |
| <b>"EDGE"</b>                         | refers to enhanced data rates for GSM evolution, the final stage in the evolution of the GSM standard, using a new modulation scheme to enable theoretical data speeds of up to 384kbps within the existing GSM spectrum.  |
| <b>"eNodeB"</b>                       | refers to Evolved Node B, the element of LTE that is the evolution of NodeB.   |
| <b>"EvDO"</b>                         | refers to enhanced voice-data optimised, a CDMA-based 3G technology for the wireless transmission of data through radio signals, typically for broadband Internet access.  |
| <b>"fibre optic cable"</b>            | refers to a transmission medium made from pure and consistent glass. Digital signals are transmitted across fibre optic cable as pulses of light. While signals transmitted over fibre optic cable travel at the same speed as those transmitted over traditional copper cable, fibre optic cable benefits from greater transmission capacity and lower distortion of signals transmitted. |
| <b>"fixed-line"</b>                   | refers to a physical line connecting the subscriber to the telephone exchange. In addition, fixed-line includes fixed wireless systems, in which the users are in fixed locations using a wireless connection to the telephone exchange.   |
| <b>"fixed-to-mobile substitution"</b> | refers to the use of a mobile telephone instead of a fixed-line telephone as the result of a customer (most often a young or new customer) either  |

eliminating or never entering into a subscription for fixed-line services in favour of relying solely on mobile services.

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| <b>"fixed wireless"</b> | refers to a network of wireless devices or systems that connects two fixed locations (for example, buildings) through a radio or other wireless link. Typically, fixed wireless networks are part of a wireless LAN infrastructure and utilise large directional radio antennae designed for outdoor use.  |
| <b>"frequency"</b>      | means the rate at which an electrical current alternates, usually measured in Hertz. Also the way to note a general location on the radio frequency spectrum such as 800 MHz, 900 MHz or 1900 MHz.   |
| <b>"FTTH"</b>           | refers to fibre-to-the-home, a broadband network that uses fibre optic cable to replace all or part of the usual metal local loop by extending the fibre optic cable network to the subscriber's living or working space.  |
| <b>"gateway"</b>        | refers to a facility which adapts signals and the messages of one network to the protocols and conventions of other networks or services.  |
| <b>"GMPCS"</b>          | refers to Global Mobile Personal Communications by Satellite, satellite systems that can provide a wide range of communication services such as mobile and fixed voice telephony, paging, data, messaging or broadband multimedia services on a regional or global basis, using low earth orbit, medium earth orbit or geostationary orbit satellite technologies. |
| <b>"GPRS"</b>           | refers to general packet radio service, a packet based telecommunications service designed to send and receive data at rates from 56kbps to 114kbps that allows continuous connection to the internet for mobile phone and computer users. GPRS is a specification for data transfer over GSM networks.  |
| <b>"GPS"</b>            | refers to the Global Positioning System, a space-based satellite navigation system that provides location and time information, anywhere on or near the Earth where there is an unobstructed line of sight to four or more GPS satellites.   |
| <b>"GSM"</b>            | refers to the global system for mobile communications, a comprehensive digital network for the operation of all aspects of a cellular telephone system.  |
| <b>"HSDPA"</b>          | refers to high-speed downlink packet access, a system which allows networks based on UMTS to have higher data transfer speeds and capacity. Current HSDPA systems support download speeds of 1.8, 3.6, 7.2 and 14.0Mbps.   |
| <b>"HSPA+"</b>          | refers to advanced high-speed packet access, a wireless broadband standard based on UMTS, which has higher data transfer speeds and capacity providing download speeds of up to 42Mbps. Etisalat's next-generation network in the UAE utilises this technology.  |
| <b>"HSUPA"</b>          | refers to high-speed uplink packet access, a system which allows networks based on UMTS to improve the performance of uplink dedicated transport channels. Current HSUPA systems support up-link speeds of up to 5.76Mbps.   |
| <b>"ICT"</b>            | refers to internet and communication technology, all technologies used to facilitate and enhance internet and telecommunications services.   |
| <b>"IDD"</b>            | refers to international direct dialling, calls made directly from one mobile or fixed-line customer located in a particular country to another mobile or fixed-line number located in a different country.   |

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| <b>"interconnection"</b>           | means the way in which networks are connected to each other and the charges payable for accepting traffic from or delivering traffic to another.  |
| <b>"Internet Protocol" or "IP"</b> | refers to a standard procedure whereby internet-user data is divided into packets to be sent onto the correct network pathway. In addition, IP gives each packet an assigned number so that the message completion can be verified. Before packets are delivered to their destination, the protocol carries out unifying procedures so that they are delivered in their original form.  |
| <b>"Internet Service Provider"</b> | refers to a service provider who provides access to internet services.  |
| <b>"LAN"</b>                       | refers to local area network, a telecommunications network covering a small physical area, like a home, office, or small group of buildings, such as a school, or an airport.   |
| <b>"leased line"</b>               | refers to a voice or data circuit leased to connect two or more locations for the exclusive use of the subscriber.  |
| <b>"LTE"</b>                       | refers to long-term evolution, a standard for wireless communication of high-speed data for mobile phones and data terminals, based on GSM/EDGE and UMTS/HSPA network technologies.   |
| <b>"LTE Advanced" or "LTE-A"</b>   | refers to a mobile telecommunications standard that is an enhancement of LTE, based on carrier aggregation technology.  |
| <b>"Mbps"</b>                      | refers to the data transfer rate equalling 1,000,000 bits (or one megabit) per second.  |
| <b>"MHz"</b>                       | refers to a unit of frequency of one million Hertz.   |
| <b>"MMS"</b>                       | a text messaging service offering various kinds of multimedia content, including images, audio and video clips.   |
| <b>"MPLS"</b>                      | refers to multiprotocol label switching, a mechanism in high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses.   |
| <b>"MSC"</b>                       | refers to mobile switching centre, an exchange used in a cellular network to switch incoming traffic to the required base station nearest to the user. Whereas the local exchange in a fixed network will always deliver calls to an assigned circuit denoted by the telephone number, mobile switching centres route calls for a particular number according to location information received from a network of base stations. Since a user's location may change during a call, MSCs also perform the switching function required to transfer a call from one base station to the next. |
| <b>"network"</b>                   | refers to an interconnected collection of components which would, in a telecommunications network, consist of switches connected to each other and to customer equipment by real or virtual links. Transmission links may be based on fibre optic or metallic cable or point-to-point radio connections.  |
| <b>"NGN"</b>                       | refers to Next Generation Network, in which one network transports all information and services in packets.   |
| <b>"NG SDH"</b>                    | refers to next generation synchronous optical networking, standardised protocols that transfer multiple digital bit streams over optical fibre using lasers or highly coherent light from light-emitting diodes.  |
| <b>"NodeB"</b>                     | refers to the term which is the UMTS equivalent of base transceiver stations, used in relation to GSM.  |

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| <b>"number portability"</b>              | refers to a facility provided by telecommunications operators which enables customers to keep their full telephone numbers when they change operators.  |
| <b>"operator"</b>                        | means any company building and running its own network facilities.  |
| <b>"over-the-top" or "OTT"</b>           | refers to services that enable the transmission of video, audio, images and text, via the internet, which does not require a mobile operator to distribute and control the content.   |
| <b>"penetration"</b>                     | refers to a measurement of access to telecommunications, normally calculated by dividing the number of subscribers to a particular service by the population and multiplying by 100. Also referred to as teledensity (for fixed-line networks) or mobile density (for cellular networks). |
| <b>"postpaid"</b>                        | refers to a type of service plan which is billed after the service has been provided, usually monthly.  |
| <b>"prepaid"</b>                         | refers to a service plan requiring subscribers to pay for wireless services in advance.   |
| <b>"recharge"</b>                        | means adding credit onto a prepaid account that is depleted as airtime is used.   |
| <b>"Reference Interconnection Offer"</b> | refers to certain interconnection related services to an operator supplied by another operator.   |
| <b>"roaming"</b>                         | means the ability to make and receive calls on the same mobile phone when travelling outside the area of the home network operator.   |
| <b>"RNCs"</b>                            | refers to radio network controllers, the devices that connect and control base stations within each cell site in a 3G network.  |
| <b>"scratch cards"</b>                   | refers to cards with a special opaque strip on the surface of the card and covered password, code or other type of information. It is necessary to scratch the strip to retrieve the information underneath it. Widely used in the activation of prepaid services.                        |
| <b>"service provider"</b>                | refers to a term usually employed to distinguish a company which offers telecommunications services over another company's infrastructure from one which owns and operates its own network.   |
| <b>"SIM card"</b>                        | refers to subscriber identity module cards that contain a smart chip with memory that allows for data storage and software applications.  |
| <b>"SMB"</b>                             | refers to small and medium-sized businesses. For customers of Etisalat, it specifically refers to those customers contributing AED 25,000 to AED 250,000 to Etisalat's annual revenue.  |
| <b>"SMS"</b>                             | refers to a text message service which enables users to send short messages (160 characters) to other users.  |
| <b>"software"</b>                        | means the detailed instructions to operate a computer, differentiating instructions (i.e., the program) from the hardware.  |
| <b>"spectrum"</b>                        | refers to a continuous range of frequencies, usually wide in extent within which waves have some specific common characteristics.   |
| <b>"switch"</b>                          | means communications equipment which enables calls made by one user to another user to be routed, either directly or through other switches, through a network for delivery to the intended recipient.  |
| <b>"switching centre"</b>                | refers to a system which directs radio signals (telephone calls) to telephone users or other networks. If the intended recipient is another mobile customer on the same network, the signal is directed by the message switching centre   |

to the base transceiver station serving the cell in which the recipient is located. Otherwise the signal is passed by the message switching centre to another telecommunications network through an interconnection point to that network.

- "TDM"** refers to time-division multiplexing, a method of transmitting and receiving independent signals over a common signal path by means of synchronised switches at each end of the transmission line so that each signal appears on the line only a fraction of time in an alternating pattern.
- "UMTS"** refers to the universal mobile telecommunications system, a 3G network designed to provide a wide range of voice, high-speed data and multimedia services.
- "Value-added services"** refers to a service which provides a higher level of functionality than the basic transmission services offered by a telecommunications network for the transfer of information among its terminals, as well as enhanced media content offerings.
- "VoIP"** refers to voice over internet protocol, a telephone service via internet, or via TCP/IP protocol, which can be accessed using a computer, a sound card, adequate software and a modem.
- "VPN"** refers to virtual private network, a network that is layered on top of an underlying network. The private nature of a VPN means that the data travelling over the VPN is not generally visible to, or is encapsulated from, the underlying network traffic.
- "VSAT"** refers to a very small aperture terminal, a two-way satellite ground station or a stabilised maritime antenna with a dish antenna that is smaller than three meters.
- "WDM"** refers to wavelength-division multiplexing, a technology which multiplexes a number of optical carrier signals onto a single optical fibre by using different wavelengths of laser light.
- "web"** is an abbreviation for the internet's World Wide Web.
- "WiFi"** is a technology for wireless networking that employs the IEEE 802.11 family of standards; WiFi is a common enabling technology for wireless local area networks.
- "WiMAX"** refers to Worldwide Interoperability for Microwave Access, a telecommunications technology that provides fixed and fully mobile internet access.

**ISSUER**

Emirates Telecommunications Group Company (Etisalat Group) P.J.S.C.  
P.O. Box 3838  
Abu Dhabi  
United Arab Emirates

**PRINCIPAL PAYING AGENT AND PAYING AGENT**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London, E14 5LB  
United Kingdom

**TRANSFER AGENT**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**REGISTRAR**

Citigroup Global Markets Europe AG  
Reuterweg 16  
60323 Frankfurt  
Germany

**TRUSTEE**

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**LEGAL ADVISERS**

*To the Issuer as to English law and UAE law*

**Allen & Overy LLP**  
11th Floor  
Burj Daman Building  
Al Mustaqbal Street  
Dubai International Financial Centre  
P.O. Box 506678  
Dubai  
United Arab Emirates

*To the Arrangers and Dealers as to English law and UAE law*

**Clifford Chance LLP**  
Level 15, Burj Daman  
Dubai International Financial Centre  
P.O. Box 9380  
Dubai  
United Arab Emirates

*To the Trustee as to English law*

**Clifford Chance LLP**  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

**AUDITORS**  
*To the Issuer*

**KPMG Lower Gulf Limited**  
IT Plaza Building  
Dubai Silicon Oasis  
Level 12  
P.O. Box 341145  
Dubai  
United Arab Emirates

**ARRANGERS**

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**First Abu Dhabi Bank PJSC**  
FAB Building  
Khalifa Business Park – Al Qurm District  
P.O. Box 6316  
Abu Dhabi  
United Arab Emirates

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**DEALERS**

**BNP Paribas**  
16, boulevard des Italiens  
75009 Paris  
France

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**First Abu Dhabi Bank PJSC**  
FAB Building  
Khalifa Business Park – Al Qurm District  
P.O. Box 6316  
Abu Dhabi  
United Arab Emirates

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**LISTING AGENT**

**Arthur Cox Listing Services**  
Ten Earlsfort Terrace  
Dublin 2  
D02 T380  
Ireland