

# Corporate Governance Report 2019

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## Corporate Governance Report of Emirates Integrated Telecommunications Company PJSC ('EITC' or the 'Company') for the financial year ended on 31 December 2019

# 1

## Statement of procedures taken to complete the corporate governance system, during the year 2019, and method of implementing thereof:

During the year 2019, EITC's Board of Directors (the 'Board') and the management of EITC took a more proactive approach in its endeavor to continuously follow high corporate governance standards by reviewing, monitoring and ensuring implementation of EITC's robust corporate governance framework with an aim to align the interests of shareholders and business sustainability for long term.

EITC's corporate governance framework is mainly based on the applicable laws and regulations prescribed by the Securities & Commodities Authority of the UAE ('SCA') including the Chairman of SCA's Board of Directors' Decision No. (7 RM) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

The Board reviewed the composition of its committees and its terms of reference in line with the international practices and the expectations of the shareholders. Assessment of Board and each of its Committee was also conducted by an independent external consultant.

The Board participated in the briefing session that was conducted in November 2019 by Hawkamah, the Institute of Corporate Governance to develop and update their knowledge and skills and update themselves with the practices followed in the region and globally.

The Board members ensured that any potential conflicts of interests in the matters brought before

the Board and its Committees was adequately disclosed and relevant provisions for dealing with the conflicts were complied with. The Board had also reviewed the process to be followed by the senior management in case of their conflicts and interests associated with other entities.

A special committee was constituted amongst the Board members to perform the selection for the new chief executive officer to lead the Company forward from the year 2020. The search criteria set by the Board focused on finding someone with deep knowledge of the changing nature of the telecommunications industry, strong leadership and change management skills, and a track record of driving business growth in competitive environments.

The Board reviewed the existing financial, human resources and other corporate policies and procedures and where required issued new policies and procedures. Dividend policy was approved by the shareholders at the annual general assembly held on 26 March 2019.

The Board ensured the efficiency of the subsidiary governance framework and reviewed the performance of all its investments/ subsidiaries on a regular basis to ensure that all investments/ subsidiaries follow the agreed governance process. A joint venture was entered in June 2019 with Bahrain Telecommunication Company BSC to create a regional infrastructure platform capable

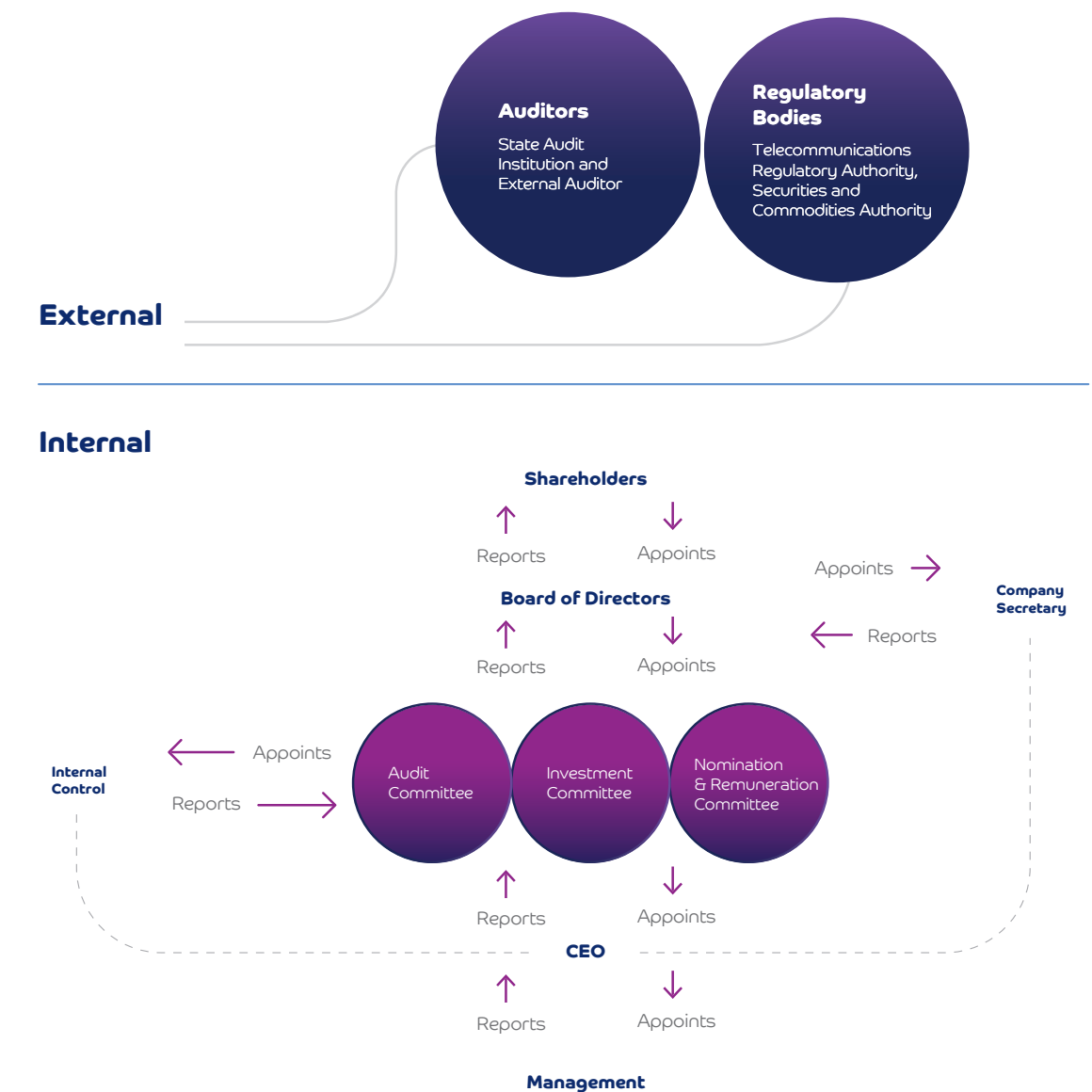
of delivering connectivity and data centre services across the region. To manage this new investment, the Board had also defined its governance framework and authority matrix.

The Board took several efforts to ensure that the Company's strategy and vision was aligned with the expectations of the shareholders and also conducted several retreats/ workshops during the year for considering strategic matters including strategic framework, industry trends, UAE telecom market dynamics, network evolution, IT strategy and road map and transformation programs. The Board also reviewed the update on the customer experience on a regular basis to ensure its alignment with the overall strategy and vision of EITC.

The Board continued monitoring the efficiency of EITC's internal control systems and risk

management to ensure that the processes in relation to control over financial affairs, operations and risk management, sound application of corporate governance rules and other applicable laws, regulations and internal procedures and policies that governs the Company's operations. Risk Management and Compliance Committee run by the management continued monitoring and reporting to the Audit Committee on a regular basis.

EITC's governance framework clearly identifies the roles and responsibilities among the shareholders, Board, Committees and management as well as confirms accountability in accordance with the following model:



## 2 Statement of ownership and transactions of Board members', their spouses and children in EITC's shares during 2019

EITC's share dealing policy requires the Board members to make necessary declarations and obtain relevant approvals in accordance with the applicable SCA regulations. The Board members are updated on a regular basis regarding their duties and obligations in relation to trading in the shares of EITC.

The below table contains details of the shares held in EITC by the Board members (including their spouses and children) as on 31 December 2019:

No.	Name	Position / Kinship	Total sale during 2019	Total purchase during 2019	Owned shares as on 31 December 2019
1	Ziad Abdulla Galadari	Board member	N/A	N/A	119,350
		Spouse	N/A	N/A	94,000
2	Mohamed Hamad Al Shehi	Spouse	N/A	N/A	247
3	Ahmad Abdulkarim Julfar	Board member	N/A	N/A	467,839
		Spouse	N/A	N/A	3,000
4	Malek Sultan Al Malek	Board member	N/A	N/A	562
5	Masood M. Sharif Mahmood	Board member	N/A	N/A	562

## 3 Board of Directors

### 3.1 Board Composition:

The members have actively and dynamically contributed to the formation of a cohesive and highly efficient Board to meet the challenges of a changing economic environment. The Board continued its commitment towards developing EITC's strategy aspiring to create better shareholder value, enhance stakeholder's

confidence and maintain sustainability in EITC's business.

The Board is currently composed of all independent non-executive members as follows:



**Mohamed Hadi Al Hussaini**  
Chairman  
Independent Non-Executive

#### First Appointment

28 February 2018

#### Representing

Emirates Communications and Technologies Company LLC

Mohamed Al Hussaini was appointed Chairman of the Board of EITC on 28 February 2018.

He has a vast professional experience across the banking & finance, real estate, investments, telecommunications and retail sectors. He has contributed to numerous strategic as well as economic initiatives and plans in the UAE.

He currently holds the following positions in several other leading entities in the UAE:

Publicly listed entities:

- Chairman of Emaar Malls Group
- Board Member of Emirates NBD
- Board Member of Emirates Islamic Bank
- Board Member of Dubai Refreshments Company

Other entities:

- Board Member of Emirates Investment Authority
- Board Member of Dubai Real Estate Corporation

He has a Master's degree in International Business from Webster University in Geneva, Switzerland.







**Khaled Mohamed Balama**  
Vice Chairman  
Independent Non-Executive

**First Appointment**  
17 March 2015

**Representing**  
Emirates Investment Authority

Khaled Mohamed Balama has held various executive roles in prestigious companies and organizations during the past 30 years. He is currently the Executive Director of Real Assets Department at Abu Dhabi Investment

Council and he also holds the following positions in other leading entities in the UAE:

- Board Member of Central Bank of the UAE
- Board Member of the General Pension and Social Security Authority

He holds a Bachelor's of Science in Finance from Indiana University (USA), and is also a Chartered Financial Analyst (CFA).



**Ahmad Abdulkarim Julfar**  
Board Member  
Independent Non-Executive

**First Appointment**  
21 March 2018

**Representing**  
Public Shareholders

Ahmad Julfar has a vast experience in diverse sectors including telecommunications, economy, banking and community development taking charge of several prominent leadership positions in the UAE.

He holds the position of Director General at the Community Development Authority, which is dedicated to creating a leading social sector in the UAE to reinforce sustainable developments.

He also holds the following positions in other leading entities in the UAE:

- Chairman of Knowledge Fund, Government of Dubai
- Vice Chairman of Commercial Bank of Dubai PJSC
- Board Member of Smart Stream Technologies
- Board Member of Al Jalila Children's Specialty Hospital

He holds a Bachelor's degree in Civil Engineering and Computer Science from Gonzaga University in Washington, USA, and took part in the Leaders Program of Sheikh Mohammed Bin Rashid Al Maktoum.



**Mohamed Hamad Al Shehi**  
Board Member  
Independent Non-Executive

**First Appointment**  
21 March 2018

**Representing**  
Emirates Investment Authority

Mohamed Al Shehi has broad experience in various sectors including finance, banking, real estate and insurance, leading several executive positions within the Government of Dubai as well as the private sector. He also has vast experience in finance and information and communications technology (ICT), where he has held many executive roles throughout his professional career and served as a board member of several internationally recognized organizations.

He holds the positions of The Deputy Director General at the Department of Finance, Government of Dubai and the Secretary to the

Supreme Fiscal Committee (SFC).

He also holds the following positions in other leading entities in the UAE:

- Chairman of Emirates NBD Capital P.S.C.
- Chairman of Al Seha Holding Company
- Chairman of NAS United Healthcare Services LLC
- Board Member of Emirates NBD Bank PJSC
- Board Member of Emirates NBD Capital Ltd
- Board Member of Emirates NBD Asset Management Limited
- Board Member of Emirates Islamic Bank PJSC
- Board Member of Dubai Real Estate Corporation

He has Executive Master's degree in Business Administration from Zayed University, and a Bachelor's in Accounting from the United Arab Emirates University (UAEU).



**Mohamed Saif Al Suwaidi**  
Board Member  
Independent Non-Executive

**First Appointment**  
27 August 2012

**Representing**  
Emirates Investment Authority

Mohammed Al Suwaidi has a wealth of experience in asset management and a history in investment of varied asset portfolios within the economic sector locally, regionally and globally to achieve

sustainable financial returns.

He holds the position of Executive Director of Asset Management at Emirates Investment Authority. He is also a Board Member of Arab Insurance Group 'ARIG'.

He has a Bachelor's degree in Accounting from the United Arab Emirates University (UAEU).





**Kaj-Erik Relander**  
Board Member  
Independent Non-Executive

**First Appointment**  
21 March 2018

**Representing**  
Emirates Investment Authority

Kaj-Erik Relander has a vast experience in the finance and the information and communications technology (ICT), where he has held many executive roles throughout his professional career and served as a board member of several internationally recognized organizations.

He is a founder of SEQ Capital Partners in Zurich, Switzerland, which focuses on global liquid investments in shares and private bonds within the fields of telecommunications, mobile and internet services, as well as media and technology. He also works as an advisor at Mubadala Development Company, SANAD AD and LS Opportunities Fund S.C.A- SICAV-FIS, Spong Sub-fund.

He also holds the following positions in other leading entities:

- Chairman of Refugees United Foundation
- Chairman of Investment Committee of APIS Partners
- Board Member of Abu Dhabi Developmental Holding Company
- Founder and Board Member of Pikebay Group SFO DMCC
- Board Member of Bridge Nine Ltd
- Board Member of SES (SESG)
- Board Member of Starzplay Arabia
- Advisory Board Member of Limestone Platform
- Advisory Board Member of Mustard Seed
- Founder and Director of QuaiKap Systeme

He has a Master's degree in Science from the University of Alto in Helsinki, an MBA, and a PhD studies in Technology Strategy from Alto University and Wharton School.



**Ziad Abdulla Galadari**  
Board Member  
Independent Non-Executive

**First Appointment**  
14 March 2007

**Representing**  
Public Shareholders

Ziad Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants and he has vast experience in the field of Law and Legal consultancy. In addition to his legal and investment expertise, he has made remarkable

contributions enabling Dubai for hosting international events and global conferences.

He is the Chairman of Galadari Investments Group and he also holds the following positions in other leading entities in the UAE:

- Board Member of Dubai World Trade Centre
- Board Member of Dana Gas PJSC

He has a Bachelor's degree in Law (LLB) from the United Arab Emirates University (UAEU).



**Khaled Abdulla Al Qubaisi**  
Board Member  
Independent Non-Executive

**First Appointment**  
19 April 2018

**Representing**  
Mamoura Diversified Global Holding  
PJSC (Mubadala Development  
Company PJSC)

Khaled Al Qubaisi has extensive leadership experience in various fields including investment policy development, the aerospace and defence industries, ICT and telecommunications as well as the renewable energy industry.

He holds the position of Chief Executive Officer, Aerospace, Renewables & ICT platform at Mubadala Investment Company PJSC. Khaled is also a member of the Mubadala Investment Committee.

He also holds the following positions in other leading entities in the UAE:

- Chairman of Al Yah Satellite Communications Company PJSC
- Chairman of National Central Cooling Company PJSC (Tabreed)
- Chairman of Injazat Data Systems LLC

- Vice Chairman of Abu Dhabi Motor Sports Management LLC
- Vice Chairman of Abu Dhabi Future Energy Company PJSC (Masdar)
- Vice Chairman of Global Foundries Inc
- Vice Chairman of Finance House PJSC
- Board Member of Insurance House PJSC
- Board Member of Mubadala Petroleum LLC

He holds a Master's degree in Project Management (MSPM) from George Washington University, and a Bachelor's degree in Finance and Operations Management from Boston University.





**Malek Sultan Al Malek**  
Board Member  
Independent Non-Executive

**First Appointment**  
21 March 2018

**Representing**  
Emirates Communications and  
Technologies Company LLC

Malek Al Malek is one of the leading business figures in the UAE. He has reputable experience in various arenas, including technology, information and education.

He is currently the Group Chief Executive Officer of TECOM, one of Dubai's leading holding companies, strategic partner and contributor to achieving the ambitious visions of Dubai economy. He is also the

Director General of Dubai Development Authority.

He also holds the following positions in other leading entities in the UAE:

- Chairman of Dubai Institute of Design and Innovation
- Board Member of National Media Council
- Board Member of DXB Entertainments PJSC
- Board Member of Mohammed Bin Rashid Library
- Board Member of Higher Colleges of Technology
- Board Member of Dubai Creek Harbour LLC
- Board Member of Dubai Freezone Council

He holds a Bachelor's degree in Business Management from the UAE's Higher Colleges of Technology.



**Masood M. Sharif Mahmood**  
Board Member  
Independent Non-Executive

**First Appointment**  
18 December 2013

**Representing**  
Mamoura Diversified Global Holding  
PJSC (Mubadala Development  
Company PJSC)

Masood Mahmood brings along a wealth of experience in establishing and leading diverse workforces in IT and telecommunications companies. He has extensive experience in management and mergers & acquisitions in numerous fields including the finance and industry sectors, in addition to satellite communications.

He is currently the Chief Executive Officer of Al Yah Satellite Communications Company – Yahsat, managing its full operational capabilities, on both the commercial and governmental levels.

He also holds the following positions in other leading entities in the UAE:

- Board Member of Shuaa Capital P.S.C
- Board Member of UAE Space Agency
- Board Member of Abu Dhabi Financial Group
- Board Member of Yahlive

He has a Bachelor's degree in Computer Engineering from Boston University in the USA, and an MBA in Finance from McGill University in Canada.

### 3.2 Female Representation on the Board:

Currently, there is no female representation on the Board.

### 3.3 Statement for non-appointment of any females to membership on the Board:

The Board believes that gender equality and diversity of expertise contribute to a balanced and effective functioning of the boardroom as well as adding varied and constructive perspectives in the decision making process of the Board. During the last election of the Board members conducted in 2018, three (3) female nominations with solid background were received however none secured sufficient votes from the shareholders present at the General Assembly.





### 3.4 Remuneration and Allowances of the Board Members:

#### 1. Total remuneration paid to the Board for 2018

In 2019, the General Assembly approved the remuneration of the Board for 2018 for the aggregate amount of AED 9,403,322. This sum was distributed to all members of the Board as remuneration for services rendered by them in the year 2018.

#### 2. Proposed total remuneration to be paid to the Board for 2019

The Nomination and Remuneration Committee reviews attendance and performance of Directors and Committee members in applicable meetings, and submits its recommendations to the Board. The final recommendation for aggregate Board remuneration is submitted for approval by the shareholders at the General Assembly.

At the General Assembly to be held in 2020, the Board will propose an amount of AED 9,603,000 to be distributed to all members of the Board as remuneration for 2019 and which also includes the attendance fees to be paid to the Board members for attending Committee meetings as detailed in paragraph below.

#### 3. Proposed attendance fees to be paid to the members of the Board's Committees for the year 2019

Name	Attendance Fees for the members of the Committees meetings			
	Committee Name	Number of meetings attended	Attendance fee @ AED 21,000 per meeting	Total Attendance Fee for the year 2019 (AED)
Mohamed Hadi Al Hussaini	Investment Committee (Chairman)	12	252,000	252,000
Khaled Mohamed Balama	Nomination & Remuneration Committee (Chairman)	4	84,000	84,000
Ziad Abdulla Galadari	Audit Committee (Chairman)	8	168,000	168,000
Mohamed Hamad Al Shehi	Audit Committee	8	168,000	252,000
	Nomination & Remuneration Committee	4	84,000	
Kaj-Erik Relander	Audit Committee	8	168,000	294,000
	Nomination & Remuneration Committee (until 3 September 2019)*	2	42,000	
	Investment Committee (from 3 September 2019)*	4	84,000	
Mohamed Saif Al Suwaidi	Investment Committee (until 3 September 2019)*	7	147,000	189,000
	Nomination & Remuneration Committee (from 3 September 2019)*	2	42,000	
Khaled Abdulla Al Qubaisi	Investment Committee	10	210,000	210,000
Ahmad Abdulkarim Julfar	Investment Committee	12	252,000	252,000
Malek Sultan Al Malek	Nomination & Remuneration Committee	4	84,000	84,000
Masood M. Sharif Mahmood	Audit Committee	8	168,000	168,000

\* With effect from 3rd September 2019, the membership of Investment Committee and the Nomination and Remuneration Committee was changed.

### 3.5 Additional allowances, salaries or fees received by the Board members other than the allowances for attending the committees meetings:

The only allowance being paid to the Board members in addition to the above remuneration and meeting attendance fees for attending Committee meetings is the payment of travel and hotel accommodation costs to the directors in accordance with the Board Travel Policy approved by the Board.

Accordingly, Mr. Kaj-Erik Relander was paid AED 165,760 for 2019 as travel and hotel accommodation costs for attending Board and Committee meetings.

### 3.6 Board meetings held in the year 2019:

During the year 2019, a total of eight (8) Board meetings were held.

The invitation and the agenda are sent to the members at least a week ahead of the meeting date, and details of issues and decisions made during the meeting are recorded as minutes, taking into account any member's opinions or dissenting views that are expressed during the meeting. Any related party transactions or conflicts of interest are declared at the beginning of each meeting, recorded in the minutes of the meeting and approved by the members present, thus ensuring that the respective member connected to that resolution abstains from voting.

No.	Date of meeting	Number of attendees	Attendance by proxy	Absentees
1	20 February 2019	10	None	None
2	23 April 2019	10	None	None
3	22 May 2019	10	None	None
4	23 July 2019	10	None	None
5	3 September 2019	10	None	None
6	24 September 2019	10	None	None
7	29 October 2019	8	Masood M. Sharif Mahmood had given his proxy to Khaled Abdulla Al Qubaisi	Ahmad Abdulkarim Julfar
8	10 December 2019	10	None	None

**Note:** The Board meetings held on 20 February 2019, 23 April 2019, 23 July 2019 and 29 October 2019 were for approving financial statements of the Company. The remaining Board meetings were held to consider ongoing operational matters.



3.7 Number of the Board resolutions passed during 2019 along with the dates of passing these resolutions:

In accordance with the Chairman of SCA’s Board of Directors’ Decision No. (7 RM) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, eight (8) resolutions were passed by circulation by the Board and these resolutions were recorded in the minutes of the subsequent meeting of the Board.

Resolution No.	Date of passing the resolutions by the Board by circulation
Board Resolution No. 1/2019 passed by circulation	11 February 2019
Board Resolution No. 2/2019 passed by circulation	6 March 2019
Board Resolution No. 3/2019 passed by circulation	11 May 2019
Board Resolution No. 4/2019 passed by circulation	27 June 2019
Board Resolution No. 5/2019 passed by circulation	7 November 2019
Board Resolution No. 6/2019 passed by circulation	27 November 2019
Board Resolution No. 7/2019 passed by circulation	12 December 2019
Board Resolution No. 8/2019 passed by circulation	22 December 2019

3.8 Delegation of authorization by the Board during the year 2019:

In line with the Chairman of Authority’s Board of Directors’ Resolution No. (7 R.M) of 2016 Concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies, our Board is responsible for carrying out these duties but may delegate them to the relevant Committee or to management, in writing. In the case of delegation, they have clear instructions on how the delegation can be authorized and the relevant limitations. The Board has agreed matters reserved for the Board and its Committees within the Board Charter. During 2019, the Board did not delegate any of its reserved matters to the management.

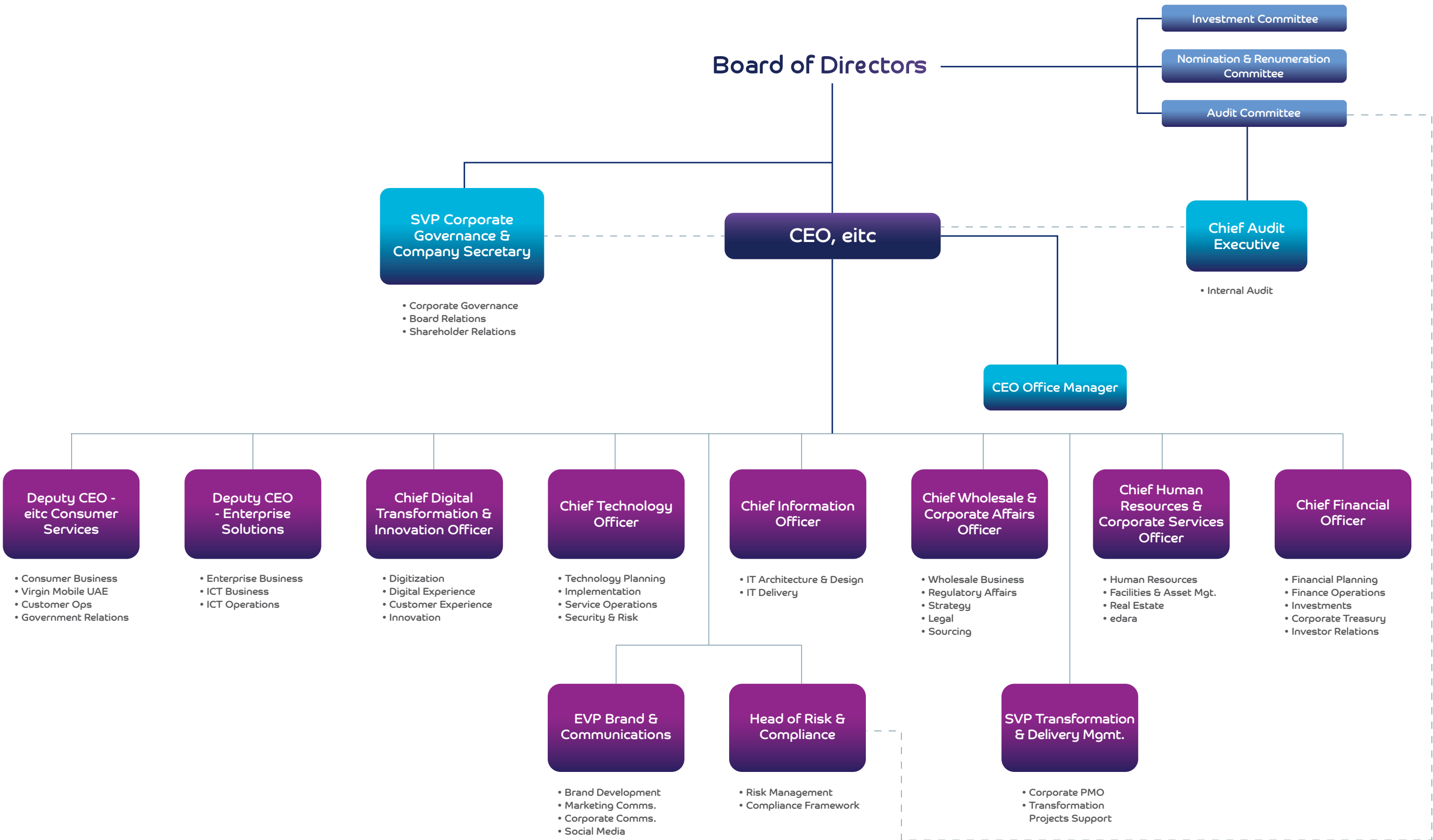
3.9 Transactions with Related Parties:

There are specific cases where transactions conducted with a related party can be considered in the best interest of the Company and its shareholders, and hence the Company’s related party transactions policy provides a sound framework for the review and approval of these transactions. The Company allows specific consideration for related party transactions that do not reach 5% of the share capital of the Company. However, for any related party transactions that exceed 5% of the share capital of the Company, it is important that the related party is not provided with voting rights pertaining to decisions of both the Board (if s/he is a member) and the General Assembly (if s/he is a shareholder). When a transaction with related parties concludes, the Chairman of the Board will notify the SCA with the content of the data and information related to the transaction. This sets the conditions for the transaction to ensure it is fair, reasonable and in favour of the Company’s shareholders. During the year, EITC did not enter into any related party transaction.

3.10 Organizational Structure:

The organizational structure of the Company is derived from EITC’s Governance Model and reflects the relationship between the Board and its Committees on one hand and the Chief Executive Officer and the other chief officers on the other hand.

Below is the organizational structure of EITC as on 31 December 2019:



3.11 Statement of Management’s Remuneration:

The following table lists the joining dates of the members of EITC’s Management, the positions they hold, and their remuneration for 2019.

Position	Date of Joining	Total Salaries and Allowances paid in 2019 (AED)	Any Other Cash/in-kind benefits for 2019* (AED)	LTI (2017-2019) (AED)	Total Bonus paid for 2019 (AED)
Chief Executive Officer	1 January 2006	4,752,312	232,672	3,654,000	4,768,002
Deputy CEO-Enterprise Solutions	1 January 2006	2,432, 424	307,730	1,044,000	914,401
Deputy CEO-Consumer Services	23 April 2006	2,613,600	470,266	1,044,000	1,114,655
Chief Human Resources and Corporate Services Officer	13 May 2018	1,843,200	53,420	N/A	976,684
Chief Financial Officer	14 July 2019	1,116,129	543,397	N/A	630,591
Chief Wholesale and Corporate Affairs Officer	1 January 2006	1,969,512	11,766	1,044,000	939,666
Chief Technology Officer	7 September 2008	1,843,200	177,732	435,335	875,136
Chief Digital Transformation and Innovation Officer	4 March 2018	1,999,200	170,512	N/A	1,203,920
Chief Information Officer	1 April 2019	1,350,000	735,977	N/A	711,022
Managing Director – Virgin Mobile UAE	1 August 2016	1,459,200	174,490	313,200	792,900
Executive Vice President Brand & Communications	16 April 2017	1,492,800	355,730	223,102	629,184
Head of Risk & Compliance	14 January 2018	1,129,200	158,220	N/A	445,556

\*Benefits relate to children education allowance and family air ticket allowance only

4External Auditor

4.1 Overview of the Company’s auditor:

Deloitte & Touche (M.E) was appointed as the Company’s external auditor for the fiscal year 2019. Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte’s approximately 286,200 professionals are committed to becoming the standard of excellence.

4.2 Statement of fees and costs for the audit or services provided by the external auditors:

Name of the audit office and partner auditor	Deloitte & Touche (M.E.) Mr. Rama Padmanabha Acharya
Number of years he served as the Company’s external auditor	1 year
Total audit fees for 2019 in (AED)	AED 1,533,000
Fees and costs of other services other than auditing the financial statements for 2019 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	Refer to paragraph 4.3 below.
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	Refer to paragraph 4.3 below.
Statement of other services that an external auditor other than the company accounts auditor provided during 2019 (if any). In the absence of another external auditor, this matter is explicitly stated.	Refer to paragraph 4.3 below.

4.3 Statement of fees, costs and services provided by external auditor firms in 2019:

Audit/Consulting Firm	Details of service	Amount (AED)
Deloitte & Touche (M.E.)	Professional and advisory services – feasibility study and consulting services.	2,078,294
Ernst and Young (EGY)	Professional and advisory services – Strategic transformation projects and consulting services.	6,743,082
KPMG	Professional and advisory services – accounting services, due diligence and consulting/support services.	1,167,237
PricewaterhouseCoopers (Dubai Branch)	Professional and advisory services - due diligence and consulting/support services.	2,158,152
Total		12,146,765

4.4 There are no qualified opinions made by EITC’s External Auditor in the interim or annual financial statements for the year 2019.

5Audit Committee

5.1 Ziad Abdulla Galadari, Chairman of the Audit Committee acknowledges his responsibility for the Audit Committee’s system in the Company, review of its work mechanism and ensures its effectiveness.

5.2 The Audit Committee is a permanent committee formed by EITC’s Board to monitor the Company’s financial position, review and recommend changes to the Company’s financial and control systems and maintain appropriate relationship with the Company’s external auditors.

5.3 The members of the Audit Committee have sufficient knowledge and understanding of financial and accounting matters as well as sufficient experience in the field of accounting, financial, legal affairs, compliance and regulatory matters. The current members of the Audit Committee are:

- Ziad Abdulla Galadari (Chairman)
- Mohamed Hamad Al Shehi
- Kaj-Erik Relander
- Masood M. Sharif Mahmood

5.4 The Audit Committee is provided with sufficient resources to enable it to perform its duties and is assigned to perform the following:

- Review and make recommendations on the Company’s overall corporate governance arrangements
- Recommendation for selection and appointment of external auditors including review of terms of engagement, mission and action plan and the scope of external audit plan
- Monitor the performance, independence and objectivity of the external auditor including discussing with the external auditor regarding the nature, scope and efficiency of the audit in accordance with the applicable accounting standards
- Ensure the integrity of financial and non-financial operations in line with financial and accounting policies and procedures as well as monitor the integrity of the annual and interim financial statements of EITC
- Consider any significant and unusual matters that are or shall be mentioned in auditors’ reports and accounts, and give due consideration to any issues raised by the management including ensuring timely response of the Board to inquiries for illustration and substantial matters
- Develop and review of the policies/ procedures including financial, accounting and risk and compliance
- Review and assess the internal control and risk management systems in the Company including the external auditor’s assessment of the internal control system and procedures
- Review the observations/ reports received from State Audit (including the response prepared by the management) and monitor the actions taken by the management to resolve issues/ observations arising from these reports



- Monitor overall effectiveness of the Internal control department including ensuring availability of resources required, review of internal control reports and review and approve of internal audit plan, budget and internal control charter
- Monitor overall effectiveness of the Risk and Compliance function by reviewing risk appetite, maintenance of a sound risk and compliance management culture, review and approve the management risk and compliance committee charter, review of the quality of risk mitigation and implementation of effective controls within the Company
- Review the changes made since the last review on the nature and extent of the key risks and EITC's ability to adapt to the changes in its operations and external environment
- Implement procedures that are sufficient for conducting independent and fair investigations concerning violations/ issues related to whistle-blowing and fraud
- Setting rules that enables the Company's employees to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations
- Review related party transactions with the Company, ensuring that no conflicts of interest exist, and submit recommendations on such transaction to the Board before concluding the relevant contracts
- Review and recommend changes to the Corporate Governance Manual (including terms of reference for the Board and its committees) and the Company's code of conduct
- Monitor the tasks performed by the Insiders Committee
- Ensure the Company's compliance with all applicable laws and regulations

**5.5 The Audit Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for their approval. On an annual basis, the Audit Committee also reviews its terms of reference and submits its recommendations to the Board.**

**5.6 During the year 2019, eight (8) meetings of the Audit Committee were held at which all the members were present, the details of which are as follows:**

Meeting Number	Date of Meeting	Main Purpose of the Meeting
Audit Committee Meeting No. 1/ 2019	19 February 2019	Review of annual financials for the year 2018, audit, internal control and governance related matters
Audit Committee Meeting No. 2/ 2019	25 March 2019	Review audit, internal control and governance related matters
Audit Committee Meeting No. 3/ 2019	23 April 2019	Review Q1 2019 financials and governance matters
Audit Committee Meeting No. 4/ 2019	21 May 2019	Review audit, internal control and governance related matters
Audit Committee Meeting No. 5/ 2019	23 July 2019	Review Q2 2019 financials, audit, internal control and governance related matters
Audit Committee Meeting No. 6/ 2019	24 September 2019	Review Audit, internal control and governance related matters
Audit Committee Meeting No. 7/ 2019	29 October 2019	Review Q3 2019 financials, audit, internal control and governance related matters
Audit Committee Meeting No. 8/ 2019	9 December 2019	Review audit, internal control and governance related matters

## 6

### Nomination and Remuneration Committee

**6.1 Khaled Mohamed Balama, Chairman of the Nomination and Remuneration Committee acknowledges his responsibility for the Nomination and Remuneration Committee's system in the Company, review of its work mechanism and ensures its effectiveness.**

**6.2 The Nomination and Remuneration Committee is a permanent committee formed by EITC's Board with the responsibilities to set and review policies related to appointment, remuneration, benefits, incentives, bonus and remuneration of the Board members and the employees of the Company in accordance with the applicable laws and regulations.**

**6.3 The current members of the Nomination and Remuneration Committee are:**

- Khaled Mohamed Balama (Chairman)
- Mohamed Hamad Al Shehi
- Mohamed Saif Al Suwaidi
- Malek Sultan Al Malek





6.4 The Nomination and Remuneration Committee is assigned to perform the following:

- Regularly review and make recommendations to the Board on the structure, size and composition (including the skills, knowledge and experience) required for the Board members compared to its current position and ensuring following of the procedures of nomination for Board membership in accordance with applicable laws and regulations
- Determine and agree with the Board the framework or broad policy for the remuneration of the Board members and other employees of the Company and review the ongoing appropriateness and relevance of the remuneration framework in light of market and economic conditions
- Constantly verify the independence of the independent members throughout their term
- Oversee the succession plans for the senior leaders and other critical roles and identifying the Company’s needs for these positions and determine their selection criteria
- Review and make recommendations to the Board on the other business interests or positions held by the Board or the Senior Leaders
- Develop and review annually the Company’s human resources and training policies, and monitor the implementation of such policies
- Emiratization matters

6.5 The Nomination and Remuneration Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for their approval. On an annual basis, the Nomination and Remuneration Committee also reviews its terms of reference and submits its recommendations to the Board.

6.6 During the year 2019, four (4) meetings of the Nomination and Remuneration Committee were held as mentioned below at which all the members were present:

Meeting Number	Date of Meeting
Nomination and Remuneration Committee Meeting No. 1/ 2019	19 February 2019
Nomination and Remuneration Committee Meeting No. 2/ 2019	30 April 2019
Nomination and Remuneration Committee Meeting No. 3/ 2019	23 September 2019
Nomination and Remuneration Committee Meeting No. 4/ 2019	9 December 2019

Note – As Kaj-Erik Relander was replaced by Mohamed Al Suwaidi on 3rd September 2019 as a member of the Nomination and Remuneration Committee, Kaj-Erik Relander had attended meeting numbers 1 and 2 and Mohamed Al Suwaidi had attended meeting numbers 3 and 4.

7 Investment  
Committee

7.1 Mohamed Hadi Al Hussaini, Chairman of the Investment Committee acknowledges his responsibility for the Investment Committee’s system in the Company, review of its work mechanism and ensures its effectiveness.

7.2 The Investment Committee reviews and recommends to the Board the Company’s investment strategy in relation to its core and non-core business including:

- Evaluation of investment projects and related capital and operational expenditure
- Large scale capital investments and operational expenditure
- EITC’s business plan and budget
- Strategic plans and transactions including equity investments
- Treasury and dividend policies
- EITC’s capital structure





7.3 The current members of the Investment Committee are:

- Mohamed Hadi Al Hussaini (Chairman)
- Kaj-Erik Relander
- Khaled Al Qubaisi
- Ahmad Abdulkarim Julfar

7.4 The Investment Committee updates the Board on its activities as it deems appropriate and recommends relevant matters for their approval. On an annual basis, the Investment Committee also reviews its terms of reference and submits its recommendations to the Board.

7.5 During the year 2019, twelve (12) meetings of the Investment Committee were held, the details of which are mentioned below:

Meeting Number	Date of Meeting	Absentees
Investment Committee Meeting No.1/ 2019	6 February 2019	Mohamed Saif Al Suwaidi
Investment Committee Meeting No.2/ 2019	21 March 2019	None
Investment Committee Meeting No.3/ 2019	17 April 2019	None
Investment Committee Meeting No.4/ 2019	7 May 2019	None
Investment Committee Meeting No.5/ 2019	22 May 2019	None
Investment Committee Meeting No.6/ 2019	27 June 2019	None
Investment Committee Meeting No.7/ 2019	9 July 2019	Khaled Abdulla Al Qubaisi
Investment Committee Meeting No.8/ 2019	3 September 2019	None
Investment Committee Meeting No.9/ 2019	23 September 2019	None
Investment Committee Meeting No.10/ 2019	22 October 2019	Khaled Abdulla Al Qubaisi
Investment Committee Meeting No.11/ 2019	27 November 2019	None
Investment Committee Meeting No.12/ 2019	10 December 2019	None

Note – As Mohamed Al Suwaidi was replaced by Kaj-Erik Relander on 3rd September 2019 as a member of the Investment Committee, Mohamed Al Suwaidi had not attended any meetings of Investment Committee from 23rd September 2019 onwards and Kaj-Erik Relander had attended all the Investment Committee meetings from 23rd September 2019 onwards.

8

Insiders  
Committee

8.1 Hanan Ahmad, Chairperson of the Insiders Committee acknowledges her responsibility for the Insiders Committee’s system in the Company, review of its work mechanism and ensures its effectiveness.

8.2 The Insiders Committee constituted by the Board in 2017 in accordance with Article 12-C of Chairman of SCA’s Board of Directors’ Decision No. (7 RM) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies monitors issues relating to insiders and their dealings in EITC’s shares and ensures that all insiders are familiar with the legal and administrative requirements regarding their holdings and dealings in EITC’s shares.

8.3 The Insiders Committee’s composition is approved by the Board and contains representatives from Finance, Human Resources and Legal departments. The Committee is chaired by the Company Secretary. The current members of the Insiders Committee are:

- Hanan Ahmad, SVP Corporate Governance and Company Secretary, Chairperson
- Ali Al Mansoori, SVP Business Human Resources, Member
- Mia Buckthought, Director Legal Counsel, Member
- Mohammad AlMehrezi, Manager Financial Reporting and Compliance, Member



8.4 The Insiders Committee is assigned to perform the following:

- Manage implementation of policies and procedures that relate to the trading in EITC’s shares and the possession of internal data/information of the Company by its Board members and employees
- Maintain up to date register of Insiders including both permanent and temporary Insiders
- Submit periodic statements and reports to the DFM
- Manage share dealing requests and declarations
- Keep records of all share dealing consent forms, share dealing completion forms and Insider declarations
- Initiate disciplinary action against non-compliant employees, with support from HR
- Report to the Audit Committee on a quarterly basis on the work done by the Insiders Committee

8.5 The key activities undertaken by the Insiders Committee in the year 2019 were:

- Automation of share dealing notifications/ requests
- Updated the Insiders Register and submitted the register to the DFM on a quarterly basis
- Considered the confidentiality provisions reflected in EITC’s standard contracts
- Communication to all employees and Board members before commencement and after completion of the closed periods informing them about prohibition of trading in closed periods
- Research conducted on the share dealing policy adopted by other local and international companies and provided recommendations to the Board on updating EITC’s share dealing policy
- Provided recommendations the Board to revise the terms of reference of the Insiders Committee

8.6 The Insiders Committee met seven (7) times during the year 2019 as follows:

Meeting Number	Date of Meeting
Insiders Committee Meeting No. 1/ 2019	16 January 2019
Insiders Committee Meeting No. 2/ 2019	12 March 2019
Insiders Committee Meeting No. 3/ 2019	9 May 2019
Insiders Committee Meeting No. 4/ 2019	2 July 2019
Insiders Committee Meeting No. 5/ 2019	5 August 2019
Insiders Committee Meeting No. 6/ 2019	5 September 2019
Insiders Committee Meeting No. 7/ 2019	13 October 2019

9 Internal Control System

9.1 Role of the Board in Internal Control:

The Board has overall responsibility for ensuring effectiveness of the Internal Control system. The Board is responsible for setting a clear framework to ensure an effective Internal Control system. This allows effective and efficient operations, accurate financial reporting, and compliance with laws and regulations.

Internal control system process

Internal Control is broadly defined as a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- **Effectiveness and efficiency of operations:** Addresses EITC’s basic business objectives, including adherence to performance standards and the safeguarding of resources.
- **Reliability of financial reports:** Ensures that reliable financial statements and other financial information are presented to the shareholders, Board and Management.
- **Compliance with applicable laws and regulations:** oversight over Regulatory Compliance with applicable laws and regulation. This element covers laws and regulations which EITC is subject to in order to avoid any damage to reputation or fines/penalties.

Internal control within EITC is established via the implementation of “3 Lines of Defense” (see Diagram 1 below).

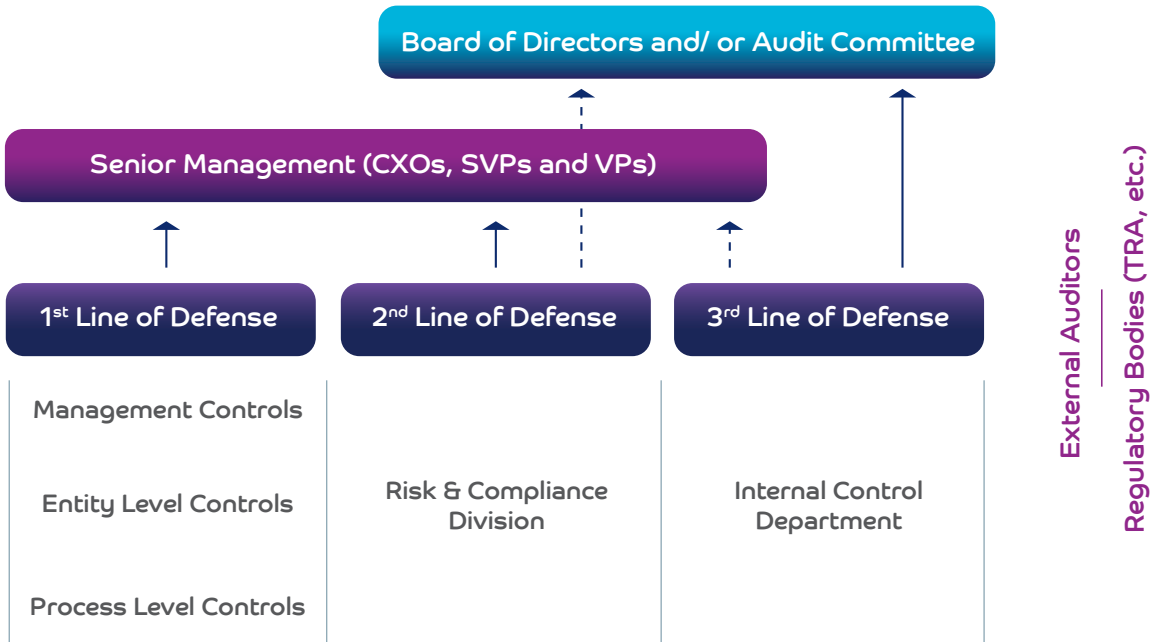


Diagram 1: The “3 Lines of Defense”.



- **The First Line of Defense:** Includes business and process owners whose activities create and / or manage risks. The first line owns the risks, and the design & execution of the Company wide controls to respond to those risks.
- **The Second Line of Defense:** Includes the functions which supports the management by bringing expertise, process excellence for monitoring of risks and associated controls. The second line of defense functions are separate from the first line of defense but are still under the control & direction of senior management.
- **The Third Line of Defense:** Includes Internal Control / Internal Audit function of the Company which is an independent function and does not perform management functions. The third line of defense provides reasonable assurance to senior management & the Board for the activities performed by the first & second line of defense.

The internal control system aims to establish, document, maintain and act consistently with the principles of the internal auditing policy.

The system applies across all departments and all activities related to corporate governance and risk management.

EITC's control management process ensures that the procedures are appropriately designed and effectively applied in accordance with the Company's annual strategic plan. This process is reviewed by the Audit Committee and approved by the Board.

The Internal Control Department (3rd Line of Defense) produces reports related to efficiency of the applicable internal control systems that are submitted to executive management and the Audit Committee. The reports include relevant suggestions and recommendations for improving the control system.

The department is not responsible for the development or maintenance of internal control systems, which are owned by the 1st and 2nd Lines of Defense.

With regards to ensuring consistency with UAE law and all other internal and external regulations, oversight is provided by the 2nd Line of Defense – Compliance Department.



### EITC Risk Management Framework

The EITC Risk Management framework is aligned with global standards and industry best practices and enables us to identify, measure, manage, monitor and report EITC's key risk exposures. Development & continuous monitoring of the consolidated EITC risk profile allows senior management and the Board to exercise transparent and effective oversight of the key risks & supports informed decision making. EITC risk profile is dynamically updated in line with changes in the business and the wider, rapidly changing operating environment. Strong collaboration amongst business, support and control layers (our "3 Lines of Defense") ensures the risks are managed effectively through the implementation of a strong internal control environment.

### Enhancements in 2019

In 2019, EITC continued to enhance and strengthen the risk management and compliance capabilities, by:

- Implementing Divisional Risk Councils to establish and embed risk and compliance governance at the operational level within the business.
- More than doubling the number of risks monitored in our risk profile – not because of weaknesses in the internal control environment, but because we are better at identifying risks and diagnosing potential problems before they become significant.
- Developing additional toolsets for use across the business, including risk-focused vendor assessments, project risk management frameworks and incident management processes.
- Enhancing management and Board level risk and compliance reporting.
- Centralizing all Company policies in a "single source of truth", together with supporting policy management guidelines.

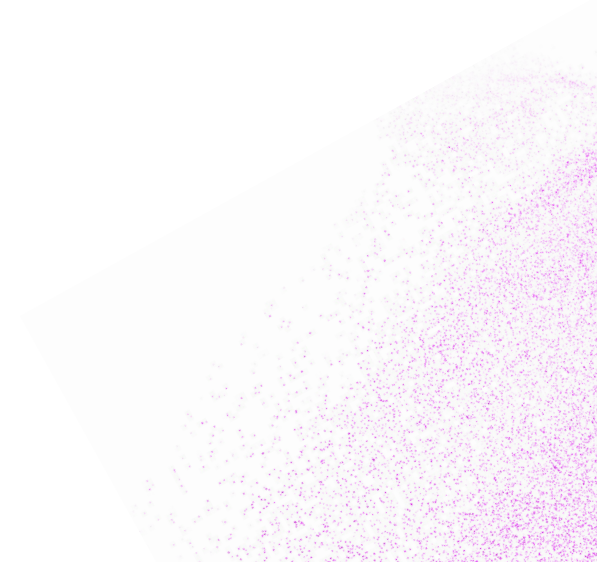
### Risk & Compliance Framework

The EITC Head of Risk & Compliance also acts in the capacity of the EITC Compliance Officer and ensures EITC has a robust compliance framework in place. The EITC Compliance framework provides effective oversight and monitoring of our key compliance requirements.

### Risk Governance

In 2018, to support and provide transparency over the implementation of our risk & compliance frameworks, we established a management level risk governance committee, which reports to the Audit Committee. In 2019, to further strengthen our internal governance, we implemented an additional level – Divisional Risk Councils. These councils allow focused management, discussion and oversight of each individual business units' risk and compliance status and provide real-time partnership and support to our 1st line.

Working synergistically, these governance committees ensure we have the correct focus, accountability, and prioritisation of treatment strategies for our key risk and compliance requirements.



## 9.2 Name and qualifications of the Internal Control Department Head:

Internal Control Department is headed by Rashid Al Sheikh, who was appointed on 14 December 2016. He has over 20 years of experience in the area of financial operations including accounting, internal audit, finance and banking. He holds a master's degree in accounting from the University of Miami in the United States.

He is a certified auditor by the Ministry of Economy and also registered in UAE's courts as an arbitrator, court-appointed receiver, expert juror, financial expert and an official liquidator. As a head of Internal Control Department, he is responsible for managing and monitoring Internal Audit. He is responsible for the completion of the annual audit plan to provide assurance on overall control governance of the Company.

## 9.3 Name and Qualifications of the Head of Risk & Compliance:

EITC's Risk & Compliance function is led by Dr Anthony Hatton who was appointed on 14 January 2018. He has worked in senior risk & compliance roles across Europe, Australia and the Middle East. Anthony holds a 1st Class Honors degree and a Doctorate in Biomechanical Engineering, from the University of Leeds, UK.

## 9.4 How internal control management addresses serious issues:

Internal control management achieves their tasks through the following five divisions:

- IT & Technology
- Finance and Wholesale
- Operational
- Forensic and Whistle Blowing
- QA & GRC

The Internal Control Department performs several audits, ad-hoc assignments and carries out investigations on serious issues through these five divisions and accordingly provides Management with effective recommendations and reporting on the follow up and resolution for each identified issues to Audit Committee. However, there are no significant issues noted during the year 2019 to be disclosed in the annual financial statements.

## 9.5 Number of reports issued by the Internal Control Department to the Board:

Internal Control Department has issued 3 reports to the Audit Committee indicating the high observations noted during 2018 and 2019. In addition, periodic audit plan update, forensic cases and State Audit reports were issued to the Audit Committee indicating the observations raised by the State Audit and the Company's responses.

# 10

## Details of violations committed during 2019

During the year 2019, EITC received 175 violations from Telecommunications Regulatory Authority (TRA) in the UAE as follows:

- 126 violations were related to regulatory policy requirements "Registration requirements of mobile subscribers". EITC has put in place a Governance Framework, with a set of policies and processes, as well as control mechanisms, with empowered employees responsible for the execution of the control mechanisms, to ensure the implementation and adherence to the RRMC Regulatory Policy and the special instructions being sent by TRA from time to time.
- 35 violations related to regulatory policy of 'Registration of Mobile SIM card Point of Sales'. EITC has committed to TRA that it has adhered to all TRA mandatory requirements. EITC is in the process of reassessing the controls around the indirect sales channels, to prevent such instances from happening in future.
- 7 violations related to "Consumer Protection Regulation" policy. The Company has incorporated periodic back end checks and validations, in addition to regular checks as preventive action to address this issue. The Compliance team, worked with various business units and identified similar issues highlighted in the violation, in regards of which certain preventive checks were suggested and implemented.
- 4 violations related to Regulatory Policy of "Request for clearance of New Service/ Price Control policy. The Compliance team, worked with various business units and identified similar issues pertaining to "Request for Clearance of

New Service (NSR)/ Price Control Regulatory Policy (PCR)" regulation and assisted in closure of the same.

- 2 violations related to regulatory policy on "Instruction Number Certificate". EITC informed and assured TRA of its commitment to comply with the regulation requirements. Compliance team has scheduled a detailed compliance review to ensure all corrective actions are implemented.
- 1 violation related to Unsolicited Electronic Communication wherein the EITC assessed that there were no other SPAM related complaints and confirmed its compliance to TRA. The compliance team assess compliance to the "Unsolicited electronic Communication" and assisted business in rectification of identified non-compliances.

Additionally, the following violations were also received by EITC during the year 2019:

- SEWA (Sharjah Electricity & Water Authority) levied a penalty on EITC of use of illegal line connections. EITC has closed all connections highlighted by SEWA and have confirmed the same to SEWA.
- FTA (Federal Tax Authority) levied a penalty for non-display of VAT inclusive prices. EITC is currently working to change all the display prices should include VAT at our retails stores as well as in all the communication channels.
- Fujairah Municipality levied a penalty related to a diesel generator of du's antenna in "Ham Dam"



11

Statement of contributions made by the Company during the year 2019 in the development of the community and the preservation of the environment

EITC continues its efforts to drive sustainability through the implementation of projects and the adoption of innovative operations. EITC's focus in 2019 is on creating a happy society by developing the concept of sustainability, taking actions to reduce environmental impact, and make positive differences in the lives of our employees as well as the community around us. During the year, EITC

contributed, AED 1,555,000, supporting many initiatives and social campaigns.

For more information on the Company's sustainability achievements, please visit the website for the full 2019 sustainability report: <http://www.du.ae/about-us/sustainability>



12

General Information

12.1

Statement of the Company's share price in the market during the year 2019:

Month	Highest Price	Lowest Price	Closing Price
January 2019	5.150	4.950	5.120
February 2019	5.100	5.020	5.050
March 2019	5.400	5.030	5.250
April 2019	5.350	5.000	5.090
May 2019	5.140	5.000	5.020
June 2019	5.170	5.000	5.150
July 2019	5.620	5.150	5.580
August 2019	5.700	5.400	5.450
September 2019	5.800	5.400	5.610
October 2019	5.700	5.250	5.600
November 2019	5.600	5.370	5.500
December 2019	5.640	5.400	5.520

12.2

Performance of the Company's shares in 2019 compared with the general market index and sector index:

Month	Financial Market's General Index	The Company's Shares	Telecom Sector Index
January 2019	2567.59	5.12	864.22
February 2019	2635.78	5.05	852.4
March 2019	2634.86	5.25	886.16
April 2019	2767.1	5.09	859.15
May 2019	2620.33	5.02	847.34
June 2019	2658.63	5.15	869.28
July 2019	2918.38	5.58	941.86
August 2019	2758.6	5.45	919.92
September 2019	2781.07	5.61	946.93
October 2019	2746.93	5.6	945.24
November 2019	2678.7	5.5	928.36
December 2019	2764.86	5.52	931.73



### 12.3 Statement of the shareholders' ownership distribution as on 31 December 2019:

Investor/Shareholder	Type of Customer	Number of Investors	Percentage
UAE	Government	4	0.4219%
	Banks	8	0.4745%
	Companies	120	86.5788%
	Individuals	94,324	11.8357%
	Sole Proprietors	2	0.0005%
GCC Countries	Companies	---	---
	Individuals	164	0.2738%
	Government	---	---
Arabs	Companies	---	---
	Individuals	447	0.2860%
	Government	---	---
Other nationalities	Companies	4	0.0026%
	Individuals	450	0.1261%

### 12.4 Statement of shareholders owning 5% or more of the Company's capital as on 31 December 2019:

Name	Number of owned shares	Percentage of stock capital
Emirates Investment Authority	2,271,728,899	50.116%
Emirates Communications and Technologies Company LLC	892,804,378	19.696%
Mamoura Diversified Global Holding PJSC (Mubadala Development Company PJSC)	456,112,112	10.062%

### 12.5 Statement of distribution of shareholders according to the size of the equity as on 31 December 2019:

Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
Less than 50,000	94,535	114,003,359	2.515%
From 50,000 to less than 500,000	760	117,537,037	2.593%
From 500,000 to less than 5,000,000	196	276,801,112	6.107%
More than 5,000,000	32	4,024,564,481	88.786%
<b>Total</b>	<b>95,523</b>	<b>4,532,905,989</b>	<b>100%</b>

### 12.6 Investor/ Shareholder relations:

EITC established a mechanism relating to the way investor relations is being handled by forming a dedicated team headed by Kais Ben Hamida, the Chief Financial Officer specific to investor relations matters which clarifies the financial position and performance of EITC as well as another dedicated team, headed by Hanan Ahmad, the Company Secretary specific to shareholder relations to respond to EITC's shareholders' queries relating to dividends, board proposals and shareholder resolutions.

Throughout the year, the Company organized press and call conferences with local, regional, and international media to update our shareholders on relevant developments. As such, EITC's CEO and Chief Financial Officer were in frequent and direct contact with journalists and analysts to provide input and context regarding the company's financial position. Every quarter, the Company held media calls and where relevant, press conferences to communicate our quarterly and annual results, after disclosing them to the DFM. During these meetings, our CEO provided a clear overview of our financial performance through presentations, and a Q&A session. We also held analyst calls and meetings to discuss, in detail, the financial and strategic position of the company. The presentations are then uploaded on the company's website.

EITC assigned the task of shareholder relations to the Company Secretary to enable the shareholders to fully exercise their rights as well as to specify their rights to attend, vote and discuss the topics contained in EITC's General Assembly agenda, as well as their entitlement to receive annual and interim dividends and respond to their queries.

EITC's website for investor relations, is regularly updated and contains the following:

- Annual and periodic financial statements as well as the annual reports.
- A number of mechanisms for stakeholders to submit their queries, comments and opinions
- All reports related to financial results and presentations with their dates.
- General Assembly meeting minutes.
- Information about the Company's share price.
- Corporate governance reports.
- Ownership structure.
- Composition of EITC Board and its Committees; and the Company's structure.
- Details of the approved dividends and dividend policy

EITC has an allocated electronic application for smartphones (EITC IR) that enables shareholders to track the performance of EITC's shares, distribution of dividends and all disclosures relating to financial and non-financial statements.

To view the investor relations website, please visit the following link

<http://www.du.ae/about-us/investor-relations>

For investor inquiries or information about EITC's stock, financial reports or a related item, please email on: [Investor.Relations@du.ae](mailto:Investor.Relations@du.ae)

For all queries relating to shareholders' matters such as dividends, board proposals, shareholder resolutions, please contact Hanan Ahmad, Company Secretary at the below contact details

Email: [shareholder.relations@du.ae](mailto:shareholder.relations@du.ae); and Telephone Number: +971-4-5686000.

## 12.7 Special Resolutions passed by the General Assembly in the year 2019:

At the Annual General Assembly of EITC held on Tuesday, 26 March 2019, one (1) special resolution was passed to amend the Company's Articles of Association to delegate the power to the Board for distributing interim dividends as per the approved dividends distribution policy.

Accordingly, the Company took the approvals of the competent authorities and published the Amended and Restated Articles of Association of EITC in the Official Gazette which was then executed before the Notary Public on 24th July 2019.

### 12.8 Company Secretary:

Hanan Ahmad continues to act as the Company Secretary of EITC since 2012. She is also the Chairperson of the Insiders Committee and the Gender Balance Council of EITC. She holds LL.M-International Business Law from Universite Pantheon-Assas (Paris II), Bachelor's degree in Business Administration from the United Kingdom and is a certified professional Director by Mudara IOD. She has also received Board Secretary certification from Hawkamah, the Institute of Corporate Governance as mandated by the Dubai

Financial Market. She has more than 14 years' experience in the fields of governance, audit and compliance. Prior to joining EITC in 2010, she had held several positions at Dubai Group, a subsidiary of Dubai Holding.

In 2019, the Board and its Committees held thirty-two (32) meetings, two (2) workshops and a General Assembly during which many decisions were made for which the Company Secretary played a focal role between the shareholders, the Board and the management and had followed up on the implementation of the decisions taken.

The Company Secretary has continued to ensure the implementation of the Chairman of SCA's Board of Directors' Decision No. (7 RM) of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies regarding the standards of institutional discipline and corporate governance of public shareholding companies. The Company Secretary also responded to the shareholders' enquiries related to dividends, board proposals and shareholder resolutions.



## 12.9 Statement of the major events and important disclosures that took place in 2019:



- EITC launched UAE Telco Sector's first-ever Women's Council
- du launched exclusive Amazon Prime Video offer for first time in UAE
- EITC united Happiness and Tolerance under One Department to strengthen its Organisational Framework
- du offered Emirati Talent the chance to make their mark in the UAE Telco Industry
- du announced its first health blockchain solution to ensure Patient Safety in UAE
- du joined Global CBSG Consortium to collaborate on Future Blockchain Innovations
- EITC announced the appointment of Mr. Kais Ben Hamida as the Chief Financial Officer
- du announced Sixth Participation in the World Government Summit 2019
- Light Communications Alliance formed by Network Operators and other Industry Leaders
- du accelerated 5G-based smart city ambitions with the launch of next generation Narrow-Band IoT services in collaboration with Nokia, Affirmed Networks and MediaTek
- EITC announced advanced readiness for 5G services in 2019
- du received Middle East Telco Sector's First-Ever plain English seal of approval
- du partnered with Telstra to offer dedicated video connectivity to MBC
- du made the first Live 5G data call on its production network in the UAE and continued rolling-out its 5G network in select areas
- EITC's Annual General Assembly was held on 26th March

- du and DED celebrated major milestone for Dubai Pulse
- du won Seamless Award for Blockchain Initiative
- du extended BabNoor Partnership with Flagship Projects for three more years
- Smart Dubai Office endorsed du's Blockchain Platform as a Service (BPaaS)
- du's Mawaed Al Rahman Ramadan Initiative celebrated 12 Years of promoting tolerance values throughout the UAE
- du unlocked 'Generosity in Every Offer' with exceptional value-packed deals throughout Ramadan
- du and DNRD united to provide travellers to Dubai with First-Ever Free SIM on arrival
- du presented the future of ICT to Sharjah Research Technology & Innovation Park at Idea Hub
- du transformed 5G Experience with Middle East's First Video Call Over LTE & 5G
- datamena had launched a Global Interconnect Ecosystem with Hubs in Mumbai and Marseille
- EITC signed a joint venture agreement with Bahrain Telecommunication Company BSC





- Cisco and du enriched Customer Experience with an Innovative Digital Visual IVR Solution for the first time in the Middle East
- EITC partnered with Wi-tribe Pakistan LDI (Private) Ltd to facilitate the development of a high capacity, low latency submarine cable system between Pakistan and the UAE
- du strengthened commitment to Sustainable Development Goals through Wide-Reaching Achievements
- du announced new Roaming Solutions for UAE Customers travelling for Hajj or visiting GCC Countries
- Nokia collaborated with du to highlight the importance of 5G-ready cloud-based future network architecture
- du and Network International joined Forces to launch Advanced Payment Solution
- Announcement regarding appointment of the new CEO



- du awarded prestigious Corporate Social Responsibility Gong at Arabia CSR Awards 2019
- EITC & Hamdan Foundation signed MoU to strengthen ties & empower future Emirati talent
- du empowered UAE's strategic vision for Smart Water Security with Intelligent Home Digital Water Solution
- du presented Next Generation of Blockchain Innovations to drive UAE's Digital Transformation Ambitions
- du received the Best Nationalisation Initiative Award at GCC GOV HR Awards in recognition for its Transformative Emiratisation Roadmap
- du Women Council awarded for Women Empowerment at the Prestigious RiSE and Entrepreneur Middle East's Forum "Achieving Women Awards 2019"
- du enabled Global Village to become the World's First 5G-Powered Entertainment Destination
- du supported Abu Dhabi Smart City Summit to bring UAE Capital's Smart City Vision and Leadership to the forefront
- du completed world's highest peak 5G standalone throughput over a single 100MHz carrier using a smartphone
- du and Emirates Airline Festival of Literature announced new partnership
- du & National Archives offered nostalgic journey into UAE's past on 48th National Day
- du named UAE's 'Preferred Telecommunication Company' at Filipino Times Awards 2019

12.10 Statement for the Emiratization percentage:

The Board sought to acquire young and motivated Emirati talents and this has contributed to achieving the Emiratization targets in the National Agenda for the UAE Vision 2021. This is achieved taking into consideration modern sciences in the field of innovation and communication technology which the young national cadre is equipped with, ensuring adequate training and a suitable climate is in place to build future leaders.

For the second consecutive year, EITC had received the most esteemed MOHRE Emiratization Award for implementing notable policies to promote Emiratization and support UAE nationals.

The Emiratisation percentage in the Company at the end of 2017, 2018, 2019 is as follows:

Year	Emiratization Percentage
2017	32.50%
2018	34%
2019	35.91%





12.11 Statement of the innovative projects and initiatives carried out or being developed during 2019 by EITC:

- Our blockchain solution to ensure patient safety in the UAE
- Doubling broadband speeds for free
- The UAE’s First Unlimited Postpaid Power Plan
- Providing travellers with a Free SIM on Arrival
- First telco operator in the Middle East to launch 5G mobile devices
- First VMware verified cloud provider in the MENA region
- Joining forces to launch an advanced payment solution
- Our Smart Water Security with Intelligent Home Digital Water Solution
- Launching a world-class M2M connectivity platform
- SmartHome Online Store launch

For more information on corporate governance as well as annual :reports and sustainability reports of EITC, please visit the following link <http://www.du.ae/about-us/investor-relations>



**MOHAMED AL HUSSAINI**  
Chairman



**ZIAD GALADARI**  
Audit Committee  
Chairman



**KHALED BALAMA**  
Nomination and Remuneration  
Committee Chairman



**RASHID EL SHEIKH**  
Head of Internal  
Control Department

