

Corporate Governance Report 2020

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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 2020

1. Statement of procedures taken to complete the corporate governance system, during the year 2020, and method of implementing thereof:

The corporate governance framework of EITC is in accordance with the applicable laws and regulations prescribed by the Securities & Commodities Authority of the UAE (the “SCA”) including the Chairman of SCA’s Board of Directors’ Decision No. (3/Chairman) of 2020 concerning approval of joint stock companies’ governance guide (“SCA Corporate Governance Rules”). EITC continuously ensures compliance with all the governing laws as well as the applicable regulations and directives issued by the SCA and the Dubai Financial Market (the “DFM”).

Over the years, EITC has strengthened its governance practices and has continued to do so in this exceptional year 2020 during which EITC’s Board of Directors (the “Board”) had proactively and continuously monitored the measures taken by the management to ensure minimal disruptions and impact on the business of EITC due to COVID-19 thereby ensuring responsibly that people, businesses, government institutions and all vital sectors remain connected and operational. Several measures to protect EITC’s stakeholders have been taken prioritizing their health and safety and EITC’s infrastructure was managed in a way to cope with the evolution of the needs of its customers. An efficient remote working policy was rolled out in the 1st quarter of 2020 and it was ensured that necessary support required in terms of technology or other means by the employees and customers were provided to allow business operations to be smoothly carried out throughout the year. Board and its Committee meetings were also held remotely thereby ensuring continuous effective participation by the Board and the Committee members in the decision making amidst COVID-19 restrictions.

The annual general assembly of EITC was held remotely on 14 April 2020 with the support of SCA and EITC’s registrar (First Abu Dhabi Bank). Following the approval by the shareholders to amend the Articles of Association of EITC at the annual general assembly, changes were made by the shareholders to the Board members appointed by them. Accordingly, effective 15 April 2020, Mr. Kaj-Erik Relander and Mr. Masood Mahmood ceased to act as directors of EITC and Mr. Wesam Lootah and Ms. Sara Musallam were appointed as directors of EITC. A detailed induction was also provided to the newly appointed Board members subsequent to their appointment and these members were also requested to provide adequate disclosures required under the governing regulations.

On 27 August 2020, EITC announced the redesign of its business operations with the introduction of five empowered and versatile functions, namely, Commercial, Customer and Channels, New Business and Innovation, IT and Technology. As such, the organization structure of the Company was reviewed and approved by the Board to enable greater customer engagement. Mr. Fahad Al Hassawi, the current CEO (Acting) of EITC was appointed by the Board on 17 September 2020 to replace Mr. Johan Dannelind who had joined EITC earlier in 2020. The Board had also appointed a Managing Director effective 17 September 2020 as a result of which the Board currently comprises an

“The Board has a very clear corporate governance framework and the relevant policies for declaration of conflicts of interests and related party transactions were followed appropriately.”

executive director. As a part of the reorganization, the scope of Internal Audit, Risk and Compliance functions was also considered and revised (as required). The Board also considered the option to separate audit and risk committees, however, for the time being decided to continue having Audit Committee overseeing both audit and risk matters.

A detailed Board evaluation was conducted in 2020 by an external consultant, GCC Board Directors Institute (“Board Evaluation 2020”) and the key finding from this evaluation is that the Board had handled COVID-19 crisis well. Despite the challenges, the Board had successfully started the transformation program and decided on IT roadmap thereby preparing the Company for the coming years. The Board Evaluation 2020 also concluded that the Board has a very clear corporate governance framework (thereby having strict separation of responsibilities at the level of senior management, executive management and the Board) and that the relevant policies for declaration of conflicts of interests and related party transactions were followed appropriately.



In terms of gender diversity, the Board firmly 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. In April 2020, a female director was appointed on the Board and who also chairs the Audit Committee. EITC’s gender balance council (previously known as Women Council) which was formed in December 2018 continued its activities of driving gender balance agenda and performance across EITC, to increase female presence and foster female leadership positions in EITC (the “Gender Balance Council”). In 2020, the Gender Balance Council’s main objective has been to align with the UAE Vision 2021 for Gender Balance, which aims for the UAE to become one of the world’s top 25 countries

for gender equality by 2021, by establishing relationships with key UAE gender balance advocates such as H.E. Sheikha Shamma bint Sultan bin Khalifa Al Nahyan and H.E. Shamsa Saleh, CEO Dubai Women Establishment and Secretary-General of the UAE Gender Balance Council, to name a few. Internally, the Gender Balance Council has been proactive in promoting the UAE Vision with EITC's executive leadership team, leading to the new operating model's selection process being more gender inclusive as reflected in the appointment of Ms. Hanan Ahmad as the Acting Head of Corporate Affairs and Assurance (homegrown talent), the first female C-level Executive in the history of EITC.



In accordance with SCA Corporate Governance Rules, quarterly disclosures are being obtained from every Board member in relation to their other external positions in the UAE in addition to obtaining such disclosures upon their appointment as Board members. The Board reviewed the composition of its committees and its terms of reference in line with SCA Corporate Governance Rules as well the existing financial, human resources and other corporate policies and procedures and where required issued new policies and procedures. 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. In September 2020, EITC sold its entire shareholding held in Khazna Data Center Limited in accordance with the approval and directions provided by the Board on the transaction.

The Board provided strategic guidance to the management and ensured that the Company's strategy was aligned with the expectations of the shareholders by considering strategic framework and periodic updates on core and new business, network evolution, IT strategy and roadmap, ongoing transformation program and customer experience. The Board also 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 were being followed.

2. Statement of ownership and transactions of Board members', their spouses and children in EITC's shares during 2020

EITC's Insiders and 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 2020:

| No | Name | Position / Kinship | Total sale during 2020 | Total purchase during 2020 | Owned shares as on 31 Dec. 2020 |
|----|-------------------------|--------------------|------------------------|----------------------------|---------------------------------|
| 1 | Ahmad Abdulkarim Julfar | Board member | 467,839 | 0 | 0 |
| | | Spouse | 0 | 0 | 3,000 |
| 2 | Ziad Abdulla Galadari | Board member | 0 | 0 | 119,350 |
| | | Spouse | 0 | 0 | 94,000 |
| 3 | Mohamed Hamad Al Shehi | Spouse | 0 | 0 | 247 |
| 4 | Malek Sultan Al Malek | Board member | 0 | 0 | 562 |

3. Board of directors

3.1 Board Composition

The shareholders of EITC had on 14 April 2020 by passing special resolution approved the amendment to Article 18 of the Articles of Association of EITC in relation to the appointment/election of the Board members following which the below changes were made in the Board composition effective 15 April 2020:

1. Resignation of Mr. Masood Mahmood as a director of EITC
2. Appointment of Mr. Wesam Lootah as a director of EITC
3. Appointment of Mr. Khaled Al Qubaisi as a director of EITC by Emirates Investment Authority (who was representing Mamoura Diversified Global Holding PJSC until 14 April 2020)
4. Replacement of Mr. Kaj-Erik Relander by Ms. Sara Musallam as a director of EITC

Subsequently, on 17 September 2020, Mr. Ahmad Julfar (a telecom veteran and Board member of EITC) was appointed by the Board as the Managing Director of EITC to provide strategic guidance and mentoring to the CEO.

One of the key findings from the report issued on Board Evaluation 2020 is that the Board is talented, experienced, committed, well balanced in terms of capability and the individual directors brought a diverse range of skills and expertise. Board members provides independent opinion, use their skills and expertise and ensure that the Company's and shareholders' interests are given priority in the event of conflict of interest.

The Board is currently composed of ten (10) directors, out of which eight (8) are independent non-executive, one (1) is non-executive and one (1) is executive and their details as on 31 December 2020 are as follows:



Mr. Mohamed Hadi Al Hussaini

Chairman
Independent Non-Executive

First Appointment

28 February 2018

Representing

Emirates Communications and
Technologies Company LLC

Mr. Mohamed Al Hussaini was appointed as the 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:

1. Chairman of Emaar Malls PJSC
2. Board Member of Emirates NBD Bank PJSC
3. Board Member of Emirates Islamic Bank PJSC
4. Board Member of Dubai Refreshment PJSC

Other entities:

1. Board Member of Emirates Investment Authority
2. Board Member of Dubai Real Estate Corporation
3. Board Member of Investment Corporation of Dubai

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



Mr. Khaled Mohamed Balama

Vice Chairman
Independent Non-Executive

First Appointment

17 March 2015

Representing

Emirates Investment Authority

Mr. Khaled Mohamed Balama has held various executive roles in prestigious companies and organizations during the past 30 years.

He is currently the Vice Governor of the Central Bank of the UAE and is also a 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).



Mr. Ahmad Abdulkarim Julfar

Board Member
Managing Director

First Appointment

21 March 2018

Representing

Public Shareholders

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

1. Chairman of Knowledge Fund, Government of Dubai
2. Vice Chairman of Commercial Bank of Dubai PJSC
3. Board Member of Smart Stream Technologies
4. Board Member of Al Jalila Children's Speciality 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.



Ms. Sara Awadh Eisa Musallam

Board Member
Independent Non-Executive

First Appointment

15 April 2020

Representing

Emirates Investment Authority

Ms. Sara Awadh Musallam has broad experience in various sectors and has made major contributions to key vital government sectors in her previous roles as the Director of Private Schools and Quality Assurance at Abu Dhabi Department of Education and Knowledge, and as the Vice President of Aerospace, Renewables and ICT Platform at Mubadala Investment Company. Her vast experience has gone beyond the public sector as she also worked as a Business Analyst at BP International for several years.

She is currently the Chairperson of Abu Dhabi Department of Education and Knowledge and holds the following positions in several other leading entities in the UAE:

1. Member of Abu Dhabi Executive Council
2. Member of Life Quality and Wellbeing Committee of Abu Dhabi Executive Committee
3. Board member of Al Yah Satellite Communication Company (YahSat)
4. Member of UAE Cabinet's Education and Human Resources Council
5. Member of the Board of Trustees of Khalifa Award for Education
6. Member of the Board of Trustees of Abu Dhabi Early Childhood Authority
7. Member of Initiatives Committee of Mubadarat
8. Member of Abu Dhabi's Advanced Technology Research Council
9. Member of the UAE's National Emergency, Crisis and Disasters Management Authority
10. Member of the Board of Trustees of Mohamed bin Zayed University for Humanities

She holds a Master's degree in Business Administration from the American University of Sharjah and holds a Bachelor's degree in Applied Sciences in Business Administration as well as Higher Diploma in Financial and banking services from the UAE's Higher Colleges of Technology of Abu Dhabi. She is also a Chartered Financial Analyst (CFA).



Mr. Mohamed Hamad Al Shehi

Board Member
Independent Non-Executive

First Appointment

21 March 2018

Representing

Emirates Investment Authority

Mr. 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 position of The Deputy Director General at the Department of Finance, Government of Dubai and is the Secretary to the Supreme Fiscal Committee.

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

1. Chairman of Emirates NBD Capital P.S.C.
2. Chairman of NAS Neuron Health Services LLC
3. Board Member of Emirates NBD Bank PJSC
4. Board Member of Emirates NBD Capital Ltd
5. Board Member of Emirates NBD Asset Management Limited
6. Board Member of Emirates Islamic Bank PJSC
7. Board Member of Dubai Real Estate Corporation
8. Board Member of Independent Health Information Technology Services LLC (inHealth)
9. Governor of GCC Board Directors Institute

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).



Mr. Ziad Abdulla Galadari

Board Member
Non-Executive

First Appointment

14 March 2007

Representing

Public Shareholders

Mr. Ziad Galadari is the Founder and Chairman of Galadari Advocates & Legal Consultants and 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 serves on the Board of the following leading entities in the UAE:

1. Chairman of Jebel Ali Racecourse Council
2. Board Member of Dubai World Trade Centre
3. Board Member of Dana Gas PJSC

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



Mr. Mohamed Saif Al Suwaidi

Board Member
Independent Non-Executive

First Appointment

27 August 2012

Representing

Emirates Investment Authority

Mr. 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).



Mr. Khaled Abdulla Al Qubaisi

Board Member
Independent Non-Executive

First Appointment

19 April 2018

Representing

Mamoura Diversified Global Holding PJSC (formerly Mubadala Development Company PJSC) – until 14 April 2020
Emirates Investment Authority – from 15 April 2020

Mr. 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's Investment Committee.

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

1. Chairman of Al Yah Satellite Communications Company PJSC
2. Chairman of National Central Cooling Company PJSC (Tabreed)
3. Chairman of Injazat Data Systems LLC
4. Vice Chairman of Abu Dhabi Motor Sports Management LLC
5. Vice Chairman of Abu Dhabi Future Energy Company PJSC (Masdar)
6. Vice Chairman of Global Foundries Inc
7. Vice Chairman of Finance House PJSC
8. Board Member of Insurance House PJSC
9. 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 from Boston University.



Mr. Malek Sultan Al Malek

Board Member
Independent Non-Executive

First Appointment

21 March 2018

Representing

Emirates Communications and
Technologies Company LLC

Mr. 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 Chief Executive Officer of TECOM Group, 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 several leading entities in the UAE:

1. Chairman of Dubai Institute of Design and Innovation
2. Board Member of Mohammed Bin Rashid Library
3. Board Member of Higher Colleges of Technology
4. Board Member of Dubai Creek Harbour LLC
5. Board Member of Dubai Waste Management Company
6. Council Member of Dubai Freezone Council
7. Council Member of Dubai Urban Planning Executive Council

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



Mr. Wesam Alabbas Lootah

Board Member
Independent Non-Executive

First Appointment

15 April 2020

Representing

Emirates Investment Authority

Mr. Wesam Lootah is a digital transformation leader with more than 20 years of strategic leadership that drastically shaped Dubai into the Smart city it is today. He built his extensive leadership portfolio and experience through various executive roles in institutions affiliated with the Dubai Government, the World Trade Center and Emaar.

He is the Chief Executive Officer of the Smart Dubai Government Establishment, the technology arm of Smart Dubai Department. Since becoming CEO in 2015, in record time he has managed to transform technology from being the backbone of Smart Dubai initiative to become a true enabler of digital transformation, with a focus on humanizing technology to influence life's experiences. He pioneered Smart Dubai strategy and plans related to Artificial Intelligence (AI), and has the distinction of launching the first AI Lab in the Middle East and North Africa region, in addition to launching hundreds of initiatives and numerous smart services. He also serves as the Chairman of Executive Committee of Dubai Cooperative Society.

He holds a master's degree in Computer Science and Engineering from Pennsylvania State University, USA and a bachelor's degree from Ohio State University. He is also an author with published research in the field of Computer Security and is a renowned speaker on smart cities and digital transformation at top events.



3.2 Female Representation on the Board

During the year 2020, Ms. Sara Musallam was appointed as a Board member and accordingly there is currently one (1) female representation on the Board (representing 10% of the total Board members).

EITC acknowledges the requirement prescribed by SCA Corporate Governance Rules according to which at least 20% of the Board needs to be comprised of females. As appointment/ election of directors is a matter reserved for the shareholders of EITC, appointment of additional females on the Board depends upon the shareholders' decision.

3.3 Remuneration and Allowances of the Board Members:

1. Total remuneration paid to the Board for 2019

In 2020, the General Assembly approved the remuneration of the Board for 2019 for the aggregate amount of AED 9,603,000. This sum was distributed to all members of the Board as remuneration for services rendered by them in the year 2019.

2. Proposed total remuneration to be paid to the Board for 2020

The Nomination and Remuneration Committee submits its recommendations to the Board for the remuneration to be paid to the Board members based on the below criteria:

| Board retainer fees | Annual (AED) |
|---------------------|--------------|
| Chairman | 1,500,000 |
| Vice Chairman | 700,000 |
| Board member | 550,000 |

| Committee retainer fees | Annual (AED) |
|-------------------------|--------------|
| Committee Chairman | 140,000 |
| Committee Member | 70,000 |

| Committee meeting attendance fees | AED 21,000 per meeting |
|-----------------------------------|------------------------|
|-----------------------------------|------------------------|

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 2021, the Board will propose an amount of AED 9,608,320 to be distributed to the members of the Board as remuneration for 2020 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 Committees for the year 2020

| 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 2020 (AED) |
| Mohamed Hadi Al Hussaini | Investment Committee | 10 | 210,000 | 210,000 |
| Khaled Mohamed Balama | Nomination & Remuneration Committee | 9 | 189,000 | 189,000 |
| Ahmad Abdulkarim Julfar | Investment Committee | 10 | 210,000 | 252,000 |
| | Audit Committee (from 15 April 2020 to 28 September 2020) | 2 | 42,000 | |
| Sara Musallam | Audit Committee (from 21 April 2020) | 3 | 63,000 | 63,000 |
| Ziad Abdulla Galadari | Audit Committee | 6 | 126,000 | 126,000 |
| Mohamed Hamad Al Shehi | Audit Committee | 6 | 126,000 | 315,000 |
| | Nomination & Remuneration Committee | 9 | 189,000 | |
| Mohamed Saif Al Suwaidi | Nomination & Remuneration Committee | 9 | 189,000 | 189,000 |
| Khaled Abdulla Al Qubaisi | Investment Committee | 8 | 168,000 | 168,000 |
| Malek Sultan Al Malek | Nomination & Remuneration Committee | 9 | 189,000 | 189,000 |
| Wesam Lootah | Investment Committee (from 21 April 2020) | 7 | 147,000 | 147,000 |
| Masood M. Sharif Mahmood | Audit Committee (until 15 April 2020) | 2 | 42,000 | 42,000 |
| Kaj-Erik Relander | Audit Committee (until 15 April 2020) | 2 | 42,000 | 84,000 |
| | Investment Committee (until 15 April 2020) | 2 | 42,000 | |

3.4 Additional allowances, salaries or fees received by the Board members other than the allowances for attending the committees

The Board had approved for the payment of the additional compensation of AED 90,000 per annum to the Managing Director in consideration of the additional time devoted by him for EITC. For the year 2020, he will receive this compensation on pro rata basis for the actual number of the days he served as the Managing Director effective from the date of his appointment which is 17 September 2020.

The only allowance being paid to the remaining 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 (who are non-UAE nationals) in accordance with the Board Travel Policy approved by the Board. Accordingly, Mr. Kaj-Erik Relander was paid AED 47,119 in 2020 as travel and hotel accommodation costs for attending Board and Committee meetings during his tenure as a Board member.

3.5 Board meetings held in the year 2020

During the year 2020, a total of thirteen (13) 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.

The report on the Board Evaluation 2020 reflects that the Board processes and protocols are generally of high standard and Board meetings are very efficient and despite the increased number of Board and Committee meetings in the exceptional year 2020, attendance for the meetings was high which showed great commitment of the members.

| No. | Date of the Board meeting | Number of attendees | Attendance by proxy | Absentees |
|-----|---------------------------|---------------------|---|--|
| 1 | 11 February 2020 | 9 | Khaled Al Qubaisi had appointed Masood Mahmood as his proxy | None |
| 2 | 2 April 2020* | 10 | None | None |
| 3 | 21 April 2020 | 9 | Khaled Al Qubaisi had appointed Mohamed Hussaini as his proxy | None |
| 4 | 5 May 2020* | 10 | None | None |
| 5 | 8 June 2020* | 10 | None | None |
| 6 | 21 July 2020 | 10 | None | None |
| 7 | 13 August 2020* | 8 | None | Khaled Al Qubaisi and Sara Musallam did not attend the meeting as they were conflicted |
| 8 | 27 August 2020 | 10 | None | None |
| 9 | 8 September 2020 | 8 | None | Khaled Al Qubaisi and Sara Musallam did not attend the meeting as they were conflicted |
| 10 | 17 September 2020 | 10 | None | None |
| 11 | 28 September 2020* | 10 | None | None |
| 12 | 21 October 2020 | 9 | Khaled Balama had appointed Mohamed Suwaidi as his proxy | None |
| 13 | 8 December 2020* | 10 | None | None |

*Board meetings held to consider ongoing operational matters

3.6 Number of the Board resolutions passed during 2020 along with the dates of passing these resolutions

In accordance with the applicable provisions from SCA Corporate Governance Rules, five (5) resolutions were passed by circulation by the Board (which were mostly for considering urgent operational matters) and these resolutions were recorded in the minutes of the subsequent meeting of the Board.

| No. | Date |
|---|-----------------|
| Board Resolution No. 1/2020 passed by circulation | 6 February 2020 |
| Board Resolution No. 2/2020 passed by circulation | 16 March 2020 |
| Board Resolution No. 3/2020 passed by circulation | 15 April 2020 |
| Board Resolution No. 4/2020 passed by circulation | 31 May 2020 |
| Board Resolution No. 5/2020 passed by circulation | 1 November 2020 |

3.7 Delegation of authorization by the Board during the year 2020

Pursuant to the authorities delegated to the Board in the Articles of Association of EITC and the governing regulations, the Board is responsible for carrying out its duties but may delegate them to one of its Committees or to the 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 Governance Manual and during the year 2020, the Board did not delegate any of its reserved matters to the management.

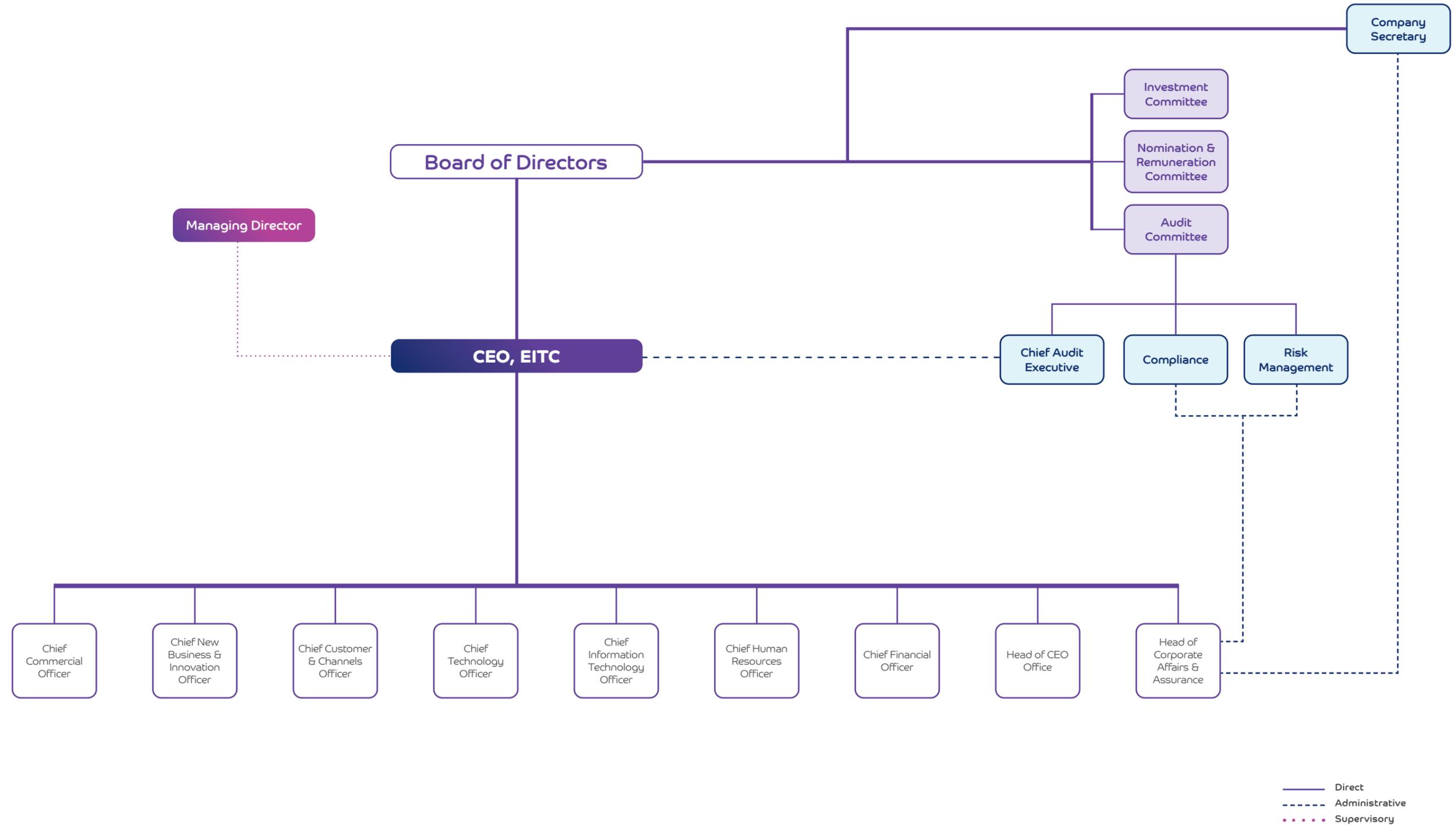
3.8 Transactions with Related Parties

The Company's related party transactions policy provides a sound framework for the review and approval of these transactions. When a transaction with related parties is concluded, the Chairman of the Board notifies the SCA with the content related to such 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 2020, EITC did not enter into any related party transaction in accordance with the UAE Companies Law or SCA Corporate Governance Rules.

3.9 Organizational Structure

The organizational structure of EITC as on 31 December 2020 is as follows:



3.10 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 2020.

| Position | Date of Joining | Total Salaries and Allowances paid in 2020 (AED) | Any Other Cash/in-kind benefits for 2020 (AED) | LTI | Total Bonus paid for 2020 (AED) |
|---|------------------|--|--|-----|---------------------------------|
| Chief Executive Officer (Acting) | 23 April 2006 | 2,613,600 | 349,255 | N/A | 1,764,791 |
| Chief Human Resources Officer | 13 May 2018 | 1,843,200 | 38,690 | N/A | 591,480 |
| Chief Financial Officer | 14 July 2019 | 2,400,000 | 603,515 | N/A | 850,392 |
| Chief New Business & Innovation Officer | 1 January 2006 | 2,432,424 | 292,350 | N/A | 865,470 |
| Chief Technology Officer | 7 September 2008 | 1,843,200 | 142,353 | N/A | 709,776 |
| Chief Customer & Channels Officer | 4 March 2018 | 1,999,200 | 184,350 | N/A | 664,020 |
| Chief Information Technology Officer | 1 April 2019 | 1,800,000 | 706,224 | N/A | 685,671 |
| Head of Corporate Affairs and Assurance (Acting)* | 4 April 2010 | 566,300 | 99,345 | N/A | 318,106 |
| Chief Commercial Officer (Acting)** | 1 August 2016 | 260,000 | 257,000 | N/A | 541,913 |
| Head of CEO office | Vacant | N/A | N/A | N/A | N/A |

*Head of Corporate Affairs and Assurance (Acting) movement date is June 2020

**Chief Commercial Officer(Acting) movement date is November 2020

4. External 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 2020. Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning among multiple industries.

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 | 2 years |
| Total audit fees for 2020 in (AED) | AED 1,478,000 |
| Fees and costs of other services other than auditing the financial statements for 2020 (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 2020 (if any). In the absence of another external auditor, this matter is explicitly stated. | Refer to paragraph 4.3 below |

*External auditors - known audit firms in line with EITC choice of auditors

4.3 Statement of fees, costs and services provided by external auditor firms in 2020:

| Audit/Consulting Firm | Details of service | Amount (AED) |
|---------------------------------------|---|-------------------|
| Deloitte & Touche (M.E.) | Professional and advisory services – Consulting services. | 1,346,625 |
| Ernst and Young (E&Y) | Professional and advisory services – Strategic transformation projects and consulting services. | 11,348,938 |
| PricewaterhouseCoopers (Dubai Branch) | Professional and advisory services - Consulting services. | 458,552 |
| Total | | 13,154,115 |

4.4 There are no qualified opinions made by EITC's External Auditor in the interim or annual financial statements for the year 2020.

5. Audit committee

5.1 Ms. Sara Musallam, Chair of the Audit Committee acknowledges her 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 the Board to monitor the Company's financial position, review and recommend changes to the Company's financial and control systems, maintain appropriate relationship with the Company's external auditors and perform other functions as required by SCA Corporate Governance Rules.

5.3 In order to comply with the revised independence criteria of the Board members as stated in the SCA Corporate Governance Rules, Mr. Ziad Galadari who was appointed by the shareholders for the 5th consecutive term of the Board and was chairing the Audit Committee was replaced as the chair of the Audit Committee by Ms. Sara Musallam on 21 April 2020. Due to the resignation received on 15 April 2020 from Mr. Kaj-Erik Relander and Mr. Masood Mahmood, their appointment as members of Audit Committee had ceased effective 15 April 2020. Mr. Ahmad Julfar was appointed as a member of the Audit Committee from 15 April 2020 to 28 September 2020. Mr. Malek Al Malek was appointed as a member of the Audit Committee on 8 December 2020.

5.4 The members of the Audit Committee have sufficient knowledge and expertise in financial, accounting, legal, compliance and regulatory matters. The current members of the Audit Committee are:

- Ms. Sara Musallam (Chair)
- Mr. Ziad Abdulla Galadari
- Mr. Mohamed Hamad Al Shehi
- Mr. Malek Al Malek

5.5 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 Audit 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 functions 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

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

5.7 During the year 2020, six (6) meetings of the Audit Committee were held, the details of which are as follows:

| Meeting Number | Date of Meeting | Main Purpose of the Meeting | Members Present | Absentees |
|-------------------------------------|------------------|---|--|-----------|
| Audit Committee Meeting No. 1/ 2020 | 10 February 2020 | Review of annual financials for the year 2019, audit, internal control and governance related matters | Ziad Abdulla Galadari, Mohamed Hamad Al Shehi, Kaj-Erik Relander and Masood Mahmood | None |
| Audit Committee Meeting No. 2/ 2020 | 22 March 2020 | Review readiness for COVID-19 | | None |
| Audit Committee Meeting No. 3/ 2020 | 20 April 2020 | Review Q1 2020 financials and governance related matters | Ziad Abdulla Galadari, Mohamed Hamad Al Shehi and Ahmad Abdulkarim Julfar | None |
| Audit Committee Meeting No. 4/ 2020 | 20 July 2020 | Review Q2 2020 financials, audit, internal control and governance related matters | Sara Musallam, Ziad Abdulla Galadari, Mohamed Hamad Al Shehi and Ahmad Abdulkarim Julfar | None |
| Audit Committee Meeting No. 5/ 2020 | 19 October 2020 | Review Q3 2020 financials, audit, internal control and governance related matters | Sara Musallam, Ziad Abdulla Galadari and Mohamed Hamad Al Shehi | None |
| Audit Committee Meeting No. 6/ 2020 | 7 December 2020 | Review audit, internal control and governance related matters | | None |

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 2020, nine (9) 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/ 2020 | 11 February 2020 |
| Nomination and Remuneration Committee Meeting No. 2/ 2020 | 22 March 2020 |
| Nomination and Remuneration Committee Meeting No. 3/ 2020 | 21 April 2020 |
| Nomination and Remuneration Committee Meeting No. 4/ 2020 | 7 May 2020 |
| Nomination and Remuneration Committee Meeting No. 5/ 2020 | 21 May 2020 |
| Nomination and Remuneration Committee Meeting No. 6/ 2020 | 13 July 2020 |
| Nomination and Remuneration Committee Meeting No. 7/ 2020 | 19 August 2020 |
| Nomination and Remuneration Committee Meeting No. 8/ 2020 | 22 September 2020 |
| Nomination and Remuneration Committee Meeting No. 9/ 2020 | 7 December 2020 |

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 Due to the resignation received on 15 April 2020 from Mr. Kaj-Erik Relander, his appointment as a member of Investment Committee had ceased on 15 April 2020. Mr. Wesam Lootah was appointed as a member of the Investment Committee on 21 April 2020. The current members of the Investment Committee are:

- Mohamed Hadi Al Hussaini (Chair)
- Khaled Al Qubaisi
- Ahmad Abdulkarim Julfar
- Wesam Lootah

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 2020, ten (10) meetings of the Investment Committee were held, the details of which are mentioned below:

| Meeting Number | Date of Meeting | Main Purpose of the Meeting | Absentees |
|--|-------------------|--|---------------------------|
| Investment Committee Meeting No.1/ 2020 | 2 February 2020 | Mohamed Hadi Al Hussaini, Ahmad Abdulkarim Julfar and Kaj-Erik Relander | Khaled Abdulla Al Qubaisi |
| Investment Committee Meeting No.2/ 2020 | 30 March 2020 | Mohamed Hadi Al Hussaini, Khaled Abdulla Al Qubaisi, Ahmad Abdulkarim Julfar and Kaj-Erik Relander | None |
| Investment Committee Meeting No.3/ 2020 | 15 April 2020 | Mohamed Hadi Al Hussaini, Khaled Abdulla Al Qubaisi and Ahmad Abdulkarim Julfar | None |
| Investment Committee Meeting No.4/ 2020 | 2 June 2020 | Mohamed Hadi Al Hussaini, Khaled Abdulla Al Qubaisi, Ahmad Abdulkarim Julfar and Wesam Lootah | None |
| Investment Committee Meeting No.5/ 2020 | 18 August 2020 | Mohamed Hadi Al Hussaini, Ahmad Abdulkarim Julfar and Wesam Lootah | Khaled Abdulla Al Qubaisi |
| Investment Committee Meeting No.6/ 2020 | 13 September 2020 | Mohamed Hadi Al Hussaini, Khaled Abdulla Al Qubaisi, Ahmad Abdulkarim Julfar and Wesam Lootah | None |
| Investment Committee Meeting No.7/ 2020 | 23 September 2020 | | None |
| Investment Committee Meeting No.8/ 2020 | 27 October 2020 | | None |
| Investment Committee Meeting No.9/ 2020 | 26 November 2020 | | None |
| Investment Committee Meeting No.10/ 2020 | 8 December 2020 | | None |



8. Insiders committee

8.1 Ali Al Ali, Chair of the Insiders Committee acknowledges his 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 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:

- Ali Al Ali, Company Secretary(Acting), Chair*
- Ali Al Mansoori, SVP Business Human Resources, Member
- Mia Buckthought, Director Legal Counsel, Member
- Mohammad AlMehrezi, Manager Financial Reporting and Compliance, Member

*Replaced Hanan Ahmad effective 27th August 2020

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 insiders
- 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
- Initiate disciplinary action against non-compliant employees, with support from Human Resources
- Report to the Audit Committee on the work done by the Insiders Committee

8.5 The key activities undertaken by the Insiders Committee in the year 2020 were:

- Implementation and rolling out of the revised Insiders and Share Dealing policy by launching online mandatory courses for employees and obtaining annual declarations
- Updated Insiders Register submitted to the DFM on a quarterly basis and as and when required
- Notifications sent to all employees and Board members before commencement and after completion of every closed period reminding them about prohibition of trading in closed periods
- Attended to the queries received from the employees generally in relation to Insiders and Share dealing policy
- Provided recommendations the Board to revise the terms of reference of the Insiders Committee

8.6 The Insiders Committee met five (5) times during the year 2020 as follows:

| Meeting Number | Date of meeting |
|--|------------------|
| Insiders Committee Meeting No. 1/ 2020 | 7 January 2020 |
| Insiders Committee Meeting No. 2/ 2020 | 4 February 2020 |
| Insiders Committee Meeting No. 3/ 2020 | 11 June 2020 |
| Insiders Committee Meeting No. 4/ 2020 | 9 September 2020 |
| Insiders Committee Meeting No. 5/ 2020 | 24 November 2020 |



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 of EITC. 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 of defense owns the risks, and design & execute 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 generally separate from the first line of defense but under the supervision of senior management. However, Risk & Compliance functions (under second line of defence) have a direct reporting line to the Audit Committee and reporting operationally to the senior management, under the governance of Corporate Affairs & Assurance. The Governance & Process function was established in 2020 with the objective to embed a stronger and simplified governance culture across EITC and its subsidiaries.
- **The Third Line of Defense:** Includes Internal Audit function of the Company which is an independent function and does not perform operational activities. 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 Audit 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 Internal Audit 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 laws and all other internal and external regulations, oversight is provided by the 2nd Line of Defense – Compliance Department.
- To comply with SCA mandate, the Compliance function provides oversight in regards to compliance with ‘external regulations and policies and procedures’ across EITC. The Risk Function, oversees the implementation of risk management processes and methodologies, with the aim to build ‘risk aware culture’ across EITC.

EITC Risk Management Policy

The EITC Risk Management policy is aligned with global standards and industry best practices and enables us to identify, measure, manage, monitor and report EITC’s key risk exposures.

The Risk function has developed the consolidated EITC risk profile and conducts continuous monitoring of these risks which allows senior management and the Board to exercise transparent and effective oversight of the key risks & supports senior management in informed decision making.

EITC risk profile is dynamically updated, in line with the 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.

The EITC Risk Officer heads the EITC Risk Function with a direct reporting line to the Audit Committee and reports operationally to the Head of Corporate Affairs & Assurance.

EITC Compliance Framework

The EITC Compliance framework, approved by the Board, provides effective oversight and monitoring of the key compliance requirements and embeds a strong compliance culture across EITC, in terms of adherence to applicable laws, regulations, statutory requirements, resolutions, all policies and procedures, and rules of business using an appropriate 'tone at the top' and through effective coordination with all internal & external stakeholders.

The EITC Compliance Officer heads the EITC compliance function with a direct reporting line to the Audit Committee and reports operationally to the Head of Corporate Affairs & Assurance.

Enhancements in 2020

EITC continued to enhance and strengthen the risk management by:

- Effective Implementation of Risk Management policy and related procedures across EITC.
- Establishment of the baseline for governance around processes across EITC.
- Driving Divisional Risk Councils to establish and embed 'risk and compliance' governance at the operational level within the business.
- Continuous scanning and reporting to Board on the risk horizons around business objectives with focus on impact due to pandemic COVID 19 situation.
- Embedded transformation risk management at strategic level across EITC.
- Enhanced the risk reporting structure in line with the new SCA regulations

These initiatives allow focused management, discussion and oversight of each business units' risk and provide real-time partnership and support to our 1st line of defense.

EITC continued to enhance and strengthen the compliance management by:

- Enhanced and up-scaled the Board approved EITC Compliance Framework and reporting structure in line with the new SCA regulations.
- Revised and updated the EITC Employee Code of Business Conduct and Ethics Policy, to embed a strong compliance culture across EITC.
- Developed and updated key compliance policies like EITC Partner Code of Business Conduct & Ethics Policy, Anti Money Laundering (AML)/ Sanctions & Recusal Policy and Third Party due diligence policy.
- Conducted continuous and ongoing monitoring of the external compliance requirements and proactively highlighted non-compliances through various compliance activities.
- Conducted EITC wide Compliance trainings to build 'ethics and compliance oriented' culture across the Company.

“These initiatives allow focused management, discussion and oversight of each business units' risk and provide real-time partnership and support to our 1st line of defense. ”

9.2 Name and qualifications of the Internal Audit

Department Head:

Internal Audit Department is headed by Rashid Al Sheikh, who was appointed by the Board on 14 December 2016. He has over 21 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 Audit 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 Compliance Officer:

EITC's Compliance function is led by Ms. Muna Ali, who was recently appointed as 'Compliance officer' of EITC. She has vast experience in the various relevant areas of Compliance, Ethics, Risk, Audit, Finance, Accounting etc. As EITC's 'Compliance Officer', she oversees the EITC compliance function covering critical areas – 'Internal Compliance', 'External Compliance', Code of Business Conduct & Ethics etc., in line with SCA's mandate regarding roles & responsibilities of 'Compliance officer'. She plays a key role in formulating the EITC compliance strategy and defining the Compliance roadmap, which puts her in pivotal position to foster a "compliance oriented" culture across EITC. In her capacity as advisory role to Board & Audit committee, Ms. Muna liaises with Audit Committee members, CXOs, senior management staff of EITC in relation to 'compliance related matters' across the Company. She holds Bachelor's degree in Accounting and has completed her Masters in Finance from the reputed 'British University'.

9.4 How Internal Audit management addresses serious issues:

Internal Audit management achieves its tasks through the following five divisions:

- IT & Technology
- Financial Audit
- Operational Audit
- Forensic and Whistle Blowing
- QA & GRC system

The Internal Audit 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 2020 to be disclosed in the annual financial statements.

9.5 Number of reports issued by the Internal Audit

Department to the Board:

Internal Audit Department has issued 3 reports to the Audit Committee indicating the high observations noted during 2020 including audit plan for 2021. 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 2020

During the year 2020, EITC received 37 violations from Telecommunications Regulatory Authority (TRA) of the UAE as follows:

- 30 violations were related to regulatory policy requirements "Registration requirements of mobile consumer" (RRMC). 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.
- 4 violations related to "Consumer Protection Regulation" policy. EITC has provided adequate justification to the regulator on the violations noted. The business units within EITC along with compliance team have identified areas of improvements and the Company is in the process of incorporating the necessary preventive checks and validations to address the issues noted.
- 2 violations related to "Mobile Number Portability" instructions. EITC has provided adequate justification to the regulator and taken necessary action to comply with the requirements. The Compliance function worked with various business units within EITC and conducted a review in Q4 2020, identified gaps and suggested preventive checks which are in the process of being improved and fixed.
- 1 violation related to Regulatory Policy on "Price Control". EITC has provided adequate justification to the regulator in regards to the violation noted. Compliance function has scheduled a detailed compliance review in FY 2021 to ensure all corrective actions are implemented.

11. Statement of contributions made by the Company during the year 2020 in the development of the community and the preservation of the environment

In this time of need, EITC continues to stand by its customers, its people, and its communities by ensuring connectivity and accessibility by investing in faster networks and wider coverage. During 2020, our focus was to ensure the wellbeing of our staff and our customers. We facilitated our customers by offering them reliable, comfortable and flexible connectivity throughout the year. This was in the form of free upgrade on internet speeds, free video-on-demand services, free delivery for online services and more. We also launched an initiative to support remote learning for schools and universities across the UAE. Our environmental initiatives also saw much success as we installed six new solar sites which will further help us reduce our carbon emissions.

In 2021, our sustainability strategy will focus on initiatives that contribute to wellbeing and safety for our customers and our colleagues. We also aim to make a positive impact in our society and on the environment by using technology for good wherever we can. During the year, we also aim to strengthen our commitment towards the UN Sustainable Development Goals.

During the year 2020, EITC contributed AED 1,054,595, supporting a range of social initiatives and campaigns.

12. General information

12.1 Statement of the Company's share price in the market during the year 2020:

| Month | Highest Price | Lowest Price | Closing Price |
|----------------|---------------|--------------|---------------|
| January 2020 | 5.86 | 5.42 | 5.77 |
| February 2020 | 6.35 | 5.70 | 6.20 |
| March 2020 | 6.12 | 4.33 | 5.20 |
| April 2020 | 5.90 | 5.05 | 5.29 |
| May 2020 | 5.30 | 4.97 | 5.09 |
| June 2020 | 5.24 | 5.00 | 5.10 |
| July 2020 | 5.30 | 5.00 | 5.08 |
| August 2020 | 5.56 | 5.05 | 5.25 |
| September 2020 | 5.45 | 5.10 | 5.30 |
| October 2020 | 5.63 | 5.23 | 5.58 |
| November 2020 | 5.80 | 5.40 | 5.65 |
| December 2020 | 5.80 | 5.62 | 5.75 |

12.2 Performance of the Company's shares in 2020 compared with the general market index and sector index:

| Month | Financial Market's General Index | The Company's Shares | Telecom Sector Index |
|----------------|----------------------------------|----------------------|----------------------|
| January 2020 | 2790.42 | 5.77 | 973.93 |
| February 2020 | 2590.00 | 6.20 | 1046.51 |
| March 2020 | 1771.31 | 5.20 | 877.72 |
| April 2020 | 2026.61 | 5.29 | 892.91 |
| May 2020 | 1945.09 | 5.09 | 859.15 |
| June 2020 | 2065.28 | 5.10 | 860.84 |
| July 2020 | 2050.77 | 5.08 | 857.47 |
| August 2020 | 2245.29 | 5.25 | 886.16 |
| September 2020 | 2273.48 | 5.30 | 894.60 |
| October 2020 | 2187.86 | 5.58 | 941.86 |
| November 2020 | 2419.60 | 5.65 | 953.68 |
| December 2020 | 2491.97 | 5.75 | 970.56 |

12.3 Statement of the shareholders' ownership distribution as on 31 December 2020:

| Investor/ Shareholder | Type of Customer | Number of Investors | Percentage |
|-----------------------|------------------|---------------------|------------|
| UAE | Government | 4 | 0.1268% |
| | Banks | 8 | 0.4571% |
| | Companies | 124 | 86.8367% |
| | Individuals | 93,939 | 11.8302% |
| | Sole Proprietors | 2 | 0.000%5 |
| GCC Countries | Companies | ---- | ---- |
| | Individuals | 164 | 0.2671% |
| | Government | ---- | ---- |
| Arabs | Companies | ---- | ---- |
| | Individuals | 448 | 0.3096% |
| | Government | ---- | ---- |
| Other nationalities | Companies | 3 | 0.0011% |
| | Individuals | 449 | 0.1709% |

12.4 Statement of shareholders owning 5% or more of the Company's capital as on 31 December 2020:

| Name | Number of owned shares | Percentage of owned shares |
|--|------------------------|----------------------------|
| 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 (formerly 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 2020:

| Share (s) ownership | Number of shareholders | Number of owned shares | Percentage of owned shares |
|-------------------------------------|------------------------|------------------------|----------------------------|
| Less than 50,000 | 94,147 | 113,590,772 | 2.506% |
| From 50,000 to less than 500,000 | 759 | 115,667,555 | 2.552% |
| From 500,000 to less than 5,000,000 | 202 | 285,375,383 | 6.296% |
| More than 5,000,000 | 31 | 4,018,272,279 | 88.647% |
| Total | 95,139 | 4,532,905,989 | 100.000% |

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 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 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 investors and analysts to update our shareholders on relevant developments. As such, EITC's senior management was in frequent and direct contact with journalists, investors and analysts to provide input and context regarding the Company's financial position. Every quarter, the Company held analysts calls and where relevant, press conferences to communicate its quarterly and annual results, after disclosing them to the DFM. During these meetings, the senior management provided a clear overview of EITC's financial performance through presentations and Q&A sessions. We also held several analyst and investor calls and meetings to discuss, in detail, the financial and strategic position of the Company. The quarterly and annual analysts presentations are 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. As directed by the SCA, effective 10 August 2020, monthly advertisements were made in one leading English and Arabic newspaper in UAE for announcement to the shareholders regarding uncollected cash dividends for the period before 1 March 2015. The copies of these publications were submitted to the DFM and SCA along with the monthly reports of the outstanding dividend collected by the shareholders during the last month.

EITC developed a website specifically for investor relations, which is periodically and 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 our Company's share price along with quarterly and annual dividends.
- Corporate governance reports.
- Ownership structure and ratios.
- Formation of EITC Board, Committees and 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

For all queries relating to shareholders' matters such as dividends, board proposals, shareholder resolutions, please contact the Company Secretary the contact details of which are Email: shareholder.relations@du.ae; and Telephone Number: **+971-4-5686000**.

12.7 Special Resolutions passed by the General Assembly in the year 2020:

At the Annual General Assembly of EITC held on Tuesday, 14th April 2020, one (1) special resolution was passed to amend Article 18 of the Company's Articles of Association subject to the approval from all the relevant authorities.

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 27th August 2020.

12.8 Company Secretary:

On 27th August 2020, the Board appointed Mr. Ali Al Ali (who is independent from the management in accordance with SCA Corporate Governance Rules) as the Company Secretary (Acting) in place of Ms. Hanan Ahmad.

12.9 Statement of the major events and important disclosures that took place in 2020:

- Announcement of the financial results for the year ended on 31 December 2019
- Resignation of Mr. Ananda Bose as the Chief Wholesale and Corporate Affairs Officer of EITC
- Annual general assembly held virtually/ remotely at which shareholders approved dividend distribution of AED 0.34 per share for 2019 and also amended the Articles of Association of EITC
- Resignation of Mr. Masood Mahmood as a director of EITC
- Appointment of Mr. Wesam Lootah as a director of EITC
- Appointment of Ms. Sara Musallam to replace Mr. Kaj-Erik Relander as a director of EITC
- Announcement of the new organization structure/ operating model to enable greater customer engagement, stronger focus on innovation, and build a digital powerhouse for the future
- Appointment of Mr. Ali Al Ali as the Acting Company Secretary to replace Ms. Hanan Ahmad
- Announcement made to the shareholders to collect unclaimed cash dividends for the period prior to 1 March 2015
- Sale of 23% stake held in Khazna Data Center Limited
- Appointment of Mr. Ahmad Julfar, a telecom veteran and one of the Board members as the Managing Director of EITC

- Appointment of Mr. Fahad Al Hassawi as the Acting Chief Executive Officer of EITC due to the departure of Mr. Johan Dannelind
- Announced quarterly financial results after the end of each quarter

12.10 Statement of transactions which were equal to or more than 5% of EITC's share capital:

In September 2020, the Board had approved to sell its entire 26% indirect stake (including its interest in shareholder loans) in Khazna Data Center Limited to Technology Holding Company LLC. This transaction was more than 5% of EITC's share capital as it involved a cash inflow of AED 800 million and a net profit estimated at AED 521 million.

12.11 Statement of 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 year 2020, we have managed to achieve all the allocated targets (both internal & external) despite the challenges that presented themselves. Because of certain governmental directives, our Emiratization rate dropped at the beginning of the year to about 32.5%. However, through continued efforts and dedication, we managed to achieve our original target of 37%. We have also been successful in reducing our Emirati attrition rate to 3% (reduced by half) versus a target of 7%. In addition, we have overachieved the points system target that's been allocated to EITC by MOHRE.

We have also managed to integrate the governmental mandates into our processes which aided in the alignment to the 160 job roles/families mandate. We have also ensured adherence to MOHRE and TRA directives in regards to any changes affecting UAE nationals which put us in a very favorable position with TRA and also helps us avoid any audit points that might present themselves in the future.

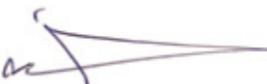
The Emiratization percentage in the Company at the end of 2017, 2018, 2019 and 2020 is as follows:

| Year | Emiratization Percentage |
|------|--------------------------|
| 2017 | 32.50% |
| 2018 | 34% |
| 2019 | 35.91% |
| 2020 | 37% |

12.12 Statement of innovative projects and initiatives carried out or being developed during 2020 by EITC:

Partnering with MOHAP to offer smart healthcare services: During the year 2020, we signed an MoU with the Ministry of Health and Prevention (MOHAP) to explore opportunities to offer the Digital Hospital Platform thus enabling MOHAP to provide state of the art and best in class eHealth solutions/applications to patients, clinicians and other clinical workforce under their healthcare facilities. This Digital Hospital Platform will gradually address all major digital healthcare components. The first step of this collaboration, is the AI-enabled Telemedicine platform which will deliver clinical healthcare via secure video and audio connections. The AI-enablement of the Telemedicine platform will also serve as a decision support tool for both the patient & the clinician in order to select the best care pathway.

UAE’s new paperless property rental platform: We partnered with Smart Dubai Government Establishment (SDGE), the technology arm of the Smart Dubai initiative, to launch of a new paperless property rental platform to automate business processes between SDGE, Al Wasl Group, Dubai Land Department (DLD), and Emirates NBD. Available through du Blockchain Edge, this platform will make the property rental process more convenient for customers. du Blockchain Edge provides seamless digital experiences and solutions, guaranteeing scalability and empowering individuals, enterprises, and government entities to contribute to the UAE’s knowledge-based journey which supports the UAE Blockchain Strategy 2021, as well as the Dubai Paperless Strategy.

| | |
|---|---|
| Signature of the Board Chairman | Signature of Audit Committee Chair |
|  Mohamed Al Hussaini |  Sara Musallam |
| Date: | Date: |
| Signature of Nomination and Remuneration Committee Chair | Signature of Head of Internal Audit Department |
|  Khaled Balama |  Rashid El Sheikh |
| Date: | Date: |

Emirates Integrated Telecommunications Company PJSC
 P.O. Box 502666 Dubai, United Arab Emirates
 Tel: +971 (4) 360 0000 | Email: chairmanoffice@du.ae
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