

**Abu Dhabi Securities Exchange
Listed Companies Affairs Department
Circular No. (003/2018) of 2018**

Subject: Cash Dividends Distribution

Based on the resolution of the Board of Directors of Securities and Commodities Authority No. (2) of 2015, dated 15 January 2015; and as stipulated in Article (2) thereof:

“... The company shall deposit the cash profits in the bank account of the Market during the period and by the mechanism specified by the Market in coordination with the Authority. The Market shall deposit the cash profits in the bank accounts of the shareholders within thirty days from the date of the general meeting/ board of director’s resolution to distribute the cash profits.”


It is resolved that the mechanism of the companies’ cash profits distribution among shareholders shall be subject to the following procedures:

1. The company shall, in advance, prepare, coordinate and execute agreements, if required, with banks/ financial institutions appointed specifically by the Market as a paying agent for the company to distribute the cash profits. The Market would select of the banks/financial institution and the same can be viewed on the ADX website.
2. Abu Dhabi Securities Exchange (Market) shall be legally deemed the exclusive agent to distribute the cash profits for the companies listed (companies) in the Market. Moreover, the Market shall be legally authorize to take any required steps/procedures on behalf of the company within the limit of its liabilities to distribute the cash profits among the eligible shareholders.
3. The services provided by the Market to the company based on the above-mentioned Clause (2) shall not include the service of the company’s Registrar and general meetings management. The companies wishing to receive such services shall enter into relevant agreements with the Market.

4. The Market shall open appropriate bank accounts for the company's cash profits distribution "Appropriate Bank Account". These accounts shall be open under the name of the Market with any banks/ financial institutions appointed by it.
5. The Market shall send a statement of the Appropriate Bank Account number under the name of the Market in which the company can deposit its cash profits for each fiscal year.
6. The Market shall agree with the banks/ financial institutions appointed by it on the adequate mechanisms and procedures to distribute the cash profits among the shareholders based on any of the following means:
 - A. Through a Transfer of the amount to the (IBAN) of the shareholder eligible for the cash profits. This may be conduct through (UAEFTS) service provided by the Central Bank of the UAE;
 - B. Issue cheque of the cash amount for the shareholder eligible for the cash profits drawn on the Appropriate Bank Account for distribution of cash profits this would be however only on exception/case to case basis and at the absolute discretion of the Market.
7. The company's resolution issued by the general meeting/ board of directors concerning the realization and distribution of cash profits; which shall be declared through the Market, shall be deemed an announcement from the company to the Market about the following:
 - A. Total amount to be distribute it as cash profits among the company's shareholders; and which shall be distributed by the Market among the shareholders in proportion to their shares in the company;
 - B. Proceeding with the procedures of the cash profits distribution by the Market based on the Authority's regulations and Market's rules and based on the procedures set forth herein and the agreements signed by the banks or financial institutions appointed by the Market.
8. The company shall submit any available details of the shareholders who did not submit the stock certificates with Clearing Department in the Market, including their names, addresses, accounts number, and any other required details to enable the Market to distribute the cash profits among those shareholders.
9. After issuing the resolution of the general meeting/ board of directors concerning the realization and distribution of cash profits, the company shall deposit the cash profits amount realize for cash profits distribution in the Appropriate Bank Account. This amount should be without fail deposited within maximum (5) working days as of the general meeting/ board of directors resolution date.

10. The Market shall not be liable for paying or covering any cash profits due to the shareholders, if the company did not comply with this Circular, especially the above-mentioned Clause (9) and the Market shall notify the shareholders of the same.
11. The Market shall provide statements of the Appropriate Bank Account for the distribution of cash profits based on the request of the company.
12. The Market shall keep in the Appropriate Bank Account any cash profits that are not received by the eligible shareholders ; which are not claimed or which cannot be distributed or paid for any reason, until the Securities and Commodities Authority issues any law, regulations, decision or circular concerning the method of disposition of these cash amounts.
13. The Market shall keep the cash profits before distribution and the non-collected cash profits in the Appropriate Bank Account or any other bank accounts under the name of the Market, whether current, savings or any other accounts. Any bank interest or profits on such profits shall be transfer to the Market's account.
14. The electronic register of the shareholders taken from the electronic clearing system with Clearing, Settlement, Depository and Registry Services Department, shall be deemed the only reference on which the Market rely to distribute the cash profits except for the dual-listed companies; and especially to determine the following:
 - A. The shareholder entitled to the cash profits, is the shareholder registered on the tenth day as of the day following the general meeting/ board of directors convention date in which it is resolved to distribute the cash profits;
 - B. Number of shares owned by the shareholder entitled to cash profits, under which its share in the distributed cash profits is calculated;
 - C. Any limits on the ownership of the securities held by each shareholder (investor) such as: attachment, blocking, mortgage or otherwise;
 - D. The eligible party or the party to which the cash profits shall be transfer in special cases such as: mortgage;
 - E. Details of the shareholder (investor) such as: name, address, (IBAN) and other details used by the Market to distribute the cash profits.
15. The dual-listed company shall provide the Clearing Department with the names and details of the shareholders as at the due date; whose shares are not registered in Abu Dhabi Securities Exchange according to the agreed upon mechanism and form in two working days as of the due date.

16. The relevant previous Circular No. (003/2017), Dated 28/02/2017) shall be cancelled.
17. The distribution of the companies' cash profits through the Market shall be subject to the applicable laws in the UAE. Abu Dhabi Courts shall have the full jurisdiction with regard to any dispute arising therefrom.

Kind Regards,

Rashed Al Balooshi
Chief Executive

