



RULES OF THE SCRIP DIVIDEND SCHEME

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I Context of the Scrip Dividend Scheme

- 1.1 The Board of Directors (the “**Board**”) of MCB Group Limited (the “**Company**”) approved on the 28th September 2021 a Scrip Dividend Scheme (the “**Scheme**”) and the rules governing the Scheme (the “**Rules**”). Under the Scheme, the ordinary shareholders of the Company (the “**Shareholders**”) will have the option of receiving their future dividends, or part thereof, by way of ordinary shares in the Company (the “**Scrip Shares**”).
- 1.2 The Scheme shall give the opportunity to the Shareholders to invest in the Scrip Shares without any of the applicable fees usually payable when acquiring such shares on the market. It will also enable the Company to consolidate its capital base in order to support the future expansion of its activities or alternatively will provide the Company with additional capacity to improve its dividend pay-out.
- 1.3 Under the Scheme, the price at which a Scrip Share will be issued (the “**Scrip Price**”) will be calculated as the five-day volume-weighted average of the traded price on the market less a discount of 3% as morefully described under section 4 below.
- 1.4 The terms and conditions of the Scheme, as described herein, are in accordance with Article 8.6 of the Company’s constitution and Section 64 of the Companies Act 2001. These terms and conditions may be amended, varied, terminated or replaced at any time by resolution of the Board.

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- 1.5 After each dividend declaration and subject to regulatory approval, a circular (the “**Circular**”), containing the information pertaining to the maximum number of Scrip Shares that will be offered to Eligible Shareholders under the Scheme in relation to that dividend distribution, will be issued and posted on the Company’s website. In addition, the Circular will include the relevant events and timelines, which will enable the Eligible Shareholders to opt for Scrip Shares.
- 1.6 The documents pertaining to the Scheme will be available to Shareholders on the Company’s website for consultation.

2 Eligibility for the Scrip Shares

- 2.1 “**Eligible Shareholders**” are those Shareholders whose names appear on the share register of the Company at the close of business on the relevant record date (the “**Record Date**”) in relation to a dividend distribution.
- 2.2 The Record Date will be a date, being three (3) Business Days (as defined below) following the last cum-div date. A “**Business Day**” for the purposes of these Rules shall mean any day (other than a Saturday, a Sunday or a public holiday) on which The Stock Exchange of Mauritius Ltd (the “**SEM**”) is normally open for business in Mauritius.
- 2.3 The Scrip Shares will be issued to those Eligible Shareholders (the “**Eligible Scrip Shareholders**”, or any one of them referred to as the “**Eligible Scrip Shareholder**”):
- (a) who have submitted an Election Form by the Last Date to Return Election Form (as described below); and

- (b) whose ordinary shares have been dematerialised in a CDS account prior to such date as will be communicated by the Company (the “**Last Date to Deposit Share Certificates**”).

2.4 With regards to any dividend distribution:

- (a) an Eligible Shareholder who has not elected for the Scrip Shares shall receive cash dividend;
- (b) an Eligible Shareholder who elected for the Scrip Shares but did not dematerialise the applicable ordinary shares in a CDS account prior to the Last Date to Deposit Share Certificates will continue to receive cash dividend in relation to those shares;
- (c) an usufructuary will be eligible to elect for the Scrip Shares, subject to the following conditions:
 - (i) the applicable bare owner shall irrevocably consent to the option chosen by the usufructuary under the Election Form;
 - (ii) the ordinary share of the bare owner shall be dematerialised in a CDS account;
 - (iii) the usufructuary shall hold a CDS account in which the Scrip Shares will be credited; and
 - (iv) any change in the option as described under section 3.3 below which will cause an increase in the percentage previously chosen will require the irrevocable consent of the bare owner in the relevant Election Form;
- (d) in the case where there are joint holders of an ordinary share, the election for the Scrip Shares, and any change to the option as described under section 3.3 below, shall require the irrevocable consent of the joint holders under the Election Form;
- (e) in the case where an Eligible Scrip Shareholder is deceased, the option chosen in an Election Form by that shareholder shall continue to apply, until a new Election Form, duly signed by all the heirs of the deceased person or by the heir(s) who inherited the corresponding ordinary shares following the dissolution of the estate of the deceased person (provided the eligibility criteria mentioned above are met), is submitted to the Company. The Election Form shall be accompanied by such document acceptable to the Company (*affidavit de décès, acte de notoriété, acte de partage*).
- (f) in the case where there is a pledge granted on an ordinary share held by an Eligible Scrip Shareholder, the latter shall continue, subject to the terms of the security document governing the share pledge and the applicable laws, rules and regulations, to receive dividend and benefit from the Scrip Shares until and unless the pledge has been enforced. Where (i) the Eligible Scrip Shareholder has elected for the Scrip Shares, (ii) the pledge has been enforced following a Record Date but prior to the dividend distribution, and (iii) the Company has been notified, the Company will distribute the Scrip Shares to the Eligible Scrip Shareholder unless otherwise directed by the pledgee. For any future dividend distribution, the pledgee will become entitled to elect for the Scrip Shares, provided that the criteria mentioned in section 2.3 above are met;
- (g) in the case of a non-individual shareholder, the Election Form shall be signed by its authorised signatories.

3 Election Form

- 3.1 An election form (the “**Election Form**”) shall be available on the Company’s website or upon request made to M.C.B. Registry and Securities Ltd (the “**Registrar**”) at the registered office address or by email as set out in the Election Form.
- 3.2 The Eligible Shareholders will have the option to choose the percentage (%) of their relevant dividend entitlement they wish to receive by way of Scrip Shares by submitting an Election Form to the Registrar at the registered office address or by email as set out in the Election Form. The submission of the Election Form shall be completed by the relevant deadline that will be communicated by the Company (the “**Last Date to Return Election Form**”).
- 3.3 Any election for the Scrip Shares shall remain valid for future dividend declarations unless otherwise notified. Eligible Shareholders will however have the option to modify their choice at any time by submitting a new Election Form.

4 Scrip Price and Scrip Shares

4.1 The Scrip Shares at a dividend distribution, with respect to an Eligible Scrip Shareholder, shall be calculated by reference to the specific option chosen, as will be determined in the Election Form, with respect to the Scrip Shares, which will be paid out of the dividend entitlement of that shareholder.

4.2 The Scrip Price will be calculated as follows:

$$\text{Scrip Price} = \text{AVP} \times (1 - d)$$

Where

- AVP = Val / Vol
- Val = The sum of the value of ordinary shares traded over the Trading Period
- Vol = The sum of the volume of ordinary shares traded over the Trading Period
- d = the percentage discount determined by the Board, being 3%; and
- Trading Period is the five consecutive Business Days beginning on the first ex-div date following the dividend declaration

4.3 The Scrip Price will be communicated by the Company on the close of business of the last Business Day of the Trading Period (as defined above).

4.4 The Scrip Shares will be calculated as follows:

$$\text{Scrip Shares to be issued} = H \times \text{Div} \times \text{OC} / \text{SP} \text{ (rounded down to the nearest integer)}$$

Where

- H = the number of ordinary shares held in a specific CDS account by an Eligible Scrip Shareholder as of the Record Date
- Div = the applicable dividend per ordinary share as declared by the Board
- OC = the option chosen in percentage
- SP = the Scrip Price

4.5 Any Eligible Scrip Shareholder, who elected for Scrip Shares in the Election Form, shall receive the difference between his dividend entitlement and the value of the Scrip Shares in cash.

4.6 No fraction of Scrip Shares will be issued. Where any entitlement to receive a fraction of a Scrip Share arises, the entitlement will be rounded down and any fractional entitlement will be paid in cash to the Eligible Scrip Shareholder.

4.7 CDS accounts of the Eligible Scrip Shareholder will be credited with the Scrip Shares in accordance with the timetable as will be communicated by the Company.

5 Dividends and Voting Rights

The Scrip Shares issued hereunder will rank *pari passu* with the existing issued ordinary shares and will be carrying the same voting and economic rights. Accordingly, they will entitle the holder thereof to (i) vote on all matters requiring shareholders' approval under the Companies Act 2001 and the constitution of the Company, (ii) receive dividend, and (iii) distribution rights upon the winding up of the Company. The Scrip Shares issued hereunder will be listed on the Official Market of the SEM.

6 Responsibilities of the Company and the Registrar

6.1 Neither the Company nor the Registrar shall be liable for any act, or for any omission to act, in connection with the Scheme, save for cases of established fraud, wilful default or gross negligence on their part.

6.2 Eligible Shareholders should recognize that the Company cannot assure a profit or protect them against a loss in relation to an election made for the Scrip Shares under the Scheme. Furthermore, no assurance is given that dividends will be declared in any particular amount or at all on the ordinary shares.

7 Taxation

Those persons who elect to receive the Scrip Shares will be wholly and solely liable for any tax liability that may arise from such Scrip Shares under the applicable laws. Shareholders with any specific questions regarding the impact of Scrip Shares on their tax or accounting position should consult their tax or other professional advisers.

8 Data Protection

The Company and the Registrar comply with the applicable data protection laws in Mauritius. For further information, please refer to the website of the Company: www.mcbgroup.com/en/Legal-notice.

9 Governing Law and Dispute Resolution

- 9.1 The Scheme shall be governed by the laws of the Republic of Mauritius.
- 9.2 In the event of a dispute arising out of or relating to the Scheme, including any question regarding its existence, validity or termination, the parties shall first seek settlement of that dispute by mediation in accordance with the mediation rules of the Arbitration and Mediation Center of the Mauritius Chamber of Commerce and Industry (“**MARC**”), which rules are deemed to be incorporated by reference into this section.
- 9.3 If the dispute is not settled by mediation within thirty (30) days of the appointment of the mediator, or such further period as the parties may agree to in writing, the dispute shall be referred to and finally resolved by arbitration under the MARC’s arbitration rules, which rules are deemed to be incorporated by reference into this section.
- 9.4 In any arbitration commenced pursuant to this section,
 - (a) the number of arbitrators shall be one;
 - (b) the seat, or legal place, of the arbitration shall be in Mauritius; and
 - (c) the award of the arbitrator shall be final, binding and shall not be subject to appeal.
- 9.5 The language to be used in the mediation and in the arbitration shall be English.