

Scrip Dividend Scheme

Frequently Asked Questions

If after reading this document you still have any questions about the Scrip Dividend Scheme (the “**Scheme**”), please contact:

The Registrar:

MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis – Republic of Mauritius
Tel: (230) 202 5640
Email: scrip.rs@mcbcm.mu

This document is meant to serve merely as guidance and does not constitute professional advice for your questions, issues or concerns. You are advised to read the rules governing the Scheme (the “**Rules**”) and the applicable Circular, which are available on the Company’s website on www.mcbgroup.com, to take an informed decision.

What is the Scheme of the MCB Group Limited?

The Scheme of the MCB Group Limited (the “**Company**”) is designed to give ordinary shareholders (the “**Shareholders**”) of the Company the choice to receive their future dividends, or part thereof, by way of ordinary shares (the “**Scrip Shares**”) in the Company. 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.

The Company will implement the Scheme starting with the dividend declared on 28th September 2021 and payable in December 2021.

PARTICIPATION AND ELIGIBILITY

Who can participate in this Scheme?

“**Eligible Shareholders**” are those Shareholders who are on the share register of the Company at the close of business on the relevant record date (the “**Record Date**”) with regards to a dividend distribution. Record date is the final date to determine who are the Shareholders eligible to receive a dividend distribution.

How can I participate in this Scheme?

The action you need to take depends on your circumstances:

You can join the Scheme by completing and signing an “**Election Form**”. Such Election Form shall be received by the Registrar by the relevant deadline, which will be communicated by the Company.

The Scrip Shares will be issued to “**Eligible Scrip Shareholders**”, being those Eligible Shareholders:

- (i) who have submitted an Election Form by the last date to return Election Form (as will be communicated by the Company), and
- (ii) whose ordinary shares have been dematerialised in their respective accounts open with the Central Depository and Settlement Company Limited (“**CDS**”) account prior to such relevant date as will be communicated by the Company.

More information on the eligibility for the Scrip Shares is available in the Rules.

What are the procedures for certificated and dematerialised Shareholders to elect for the Scrip Shares?

Certificated Shareholders

Shareholders holding their ordinary shares in certificated form who wish to join the Scheme shall first deposit their corresponding share certificates with an investment dealer to dematerialise their ordinary shares by the applicable last date to deposit share certificates (as will be communicated by the Company). Thereafter, these Shareholders shall send their duly completed Election Form to the Registrar.

Dematerialised Shareholders

Shareholders holding their ordinary shares in a CDS account and who wish to join the Scheme may do so by completing the Election Form and send it to the Registrar in person or by post/email.

Will I have to make separate elections to receive Scrip Shares for each ordinary dividend distribution of the Company?

Any election for the Scrip Shares shall remain valid for future dividend distributions, unless otherwise notified. Eligible Shareholders will however have the option to modify their choice by submitting a new Election Form.

Are overseas Shareholders eligible for participation in the Scheme?

Yes, non-resident Shareholders can participate in the Scheme provided that they do not live in nor are subject to the jurisdiction of any country where their participation would require the Company to comply with local legal, governmental or regulatory requirements or procedures, or any similar formalities. Non-resident Shareholders are responsible for ensuring that they may validly participate in the Scheme and for observing all relevant formalities. If you are non-resident in Mauritius and you are in doubt, you should consult an independent professional adviser.

How do I receive the Election Form?

The Election Form will be available on the Company's website or upon request made to Registrar. However, only for the dividend distribution declared on 28th September 2021, the Eligible Shareholders will also receive the Election Form by post.

I have missed the deadline to send the Election Form, but I wish to participate in the Scheme. Does the Company accept late submissions?

Election Forms received by the deadline specified in the relevant communiqué pertaining to a dividend distribution will be effective as from that dividend distribution. Election Forms received after the deadline will still be processed by the Company but will only become effective for subsequent dividend distributions.

What if I sell or buy ordinary shares after I elect to participate in the Scheme?

If Shareholders participating in the Scheme have sold some of their ordinary shares before the relevant Record Date, the Scheme will apply in respect of the remainder of such Shareholders' ordinary shares on the applicable CDS account on that Record Date.

If Shareholders participating in the Scheme have acquired any additional ordinary shares by the relevant Record Date, the additional ordinary shares will be covered by the last election made by that Shareholder for the Scrip Shares. Where the additional ordinary shares are acquired after the relevant Record Date, the Shareholder will not be entitled to the Scrip Shares for the dividend distribution pertaining to that Record Date in relation to these additional shares. However, the Scrip Shares pertaining to these additional ordinary shares will be covered by the last election made by that Shareholder for future dividend distributions.

SCRIP PRICE AND SCRIP SHARES

How is the Scrip Price determined?

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, beginning on the first ex-div date following the dividend declaration, of the traded price of the ordinary shares of the Company on the market less a discount of 3%.

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 = 3%; and

Trading Period = the five consecutive Business Days beginning on the first ex-div date following the dividend declaration

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.

The Scrip Shares will be calculated as follows:

Scrip Shares to be issued = $H \times \text{Div} \times \text{OC} / \text{SP}$ (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

Worked example:

Assuming a dividend of Rs 9.50 per ordinary share, a shareholding of 1,000 ordinary shares, opting for 100% in the Election Form for the Scrip Shares and a Scrip Price of Rs 300. How many Scrip Shares will I receive?

(a) By applying the above formula:

$$\frac{1000 \times \text{Rs } 9.50 \times 100\%}{\text{Rs } 300} = 31.66$$

You will receive 31 new ordinary shares (rounded down to the nearest integer)

(b) The remaining fractional entitlement to be paid in cash will be:

$$(1000 \times \text{Rs } 9.50) - (31 \times \text{Rs } 300) = \text{Rs } 200$$

Is there a discount applicable to the Scrip Price?

Yes, a discount of 3% of the five-day volume weighted average ex-div price will be applicable.

Are there any fees or commissions applicable to the Scheme?

There will be no fees payable in relation to the issue of the Scrip Shares.

Do the Scrip Shares have the same voting rights as the ordinary shares of the Company?

The Scrip Shares 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 will be listed on the Official Market of the Stock Exchange of Mauritius Ltd.

Can I allocate part of my dividend income in Scrip Shares and part in cash?

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 specifying the appropriate percentage in the Election Form. Any difference between the dividend entitlement of an Eligible Scrip Shareholder and the value of the Scrip Shares will be paid in cash.

Can I receive a fraction of the Scrip Share?

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.

CANCELLATION

How do I leave the Scheme?

You may cancel your election to receive Scrip Shares at any time by sending a duly completed Election Form to the Registrar in the manner described in the Rules.

Can the Company change or cancel the Rules?

Yes. The Rules may be amended, varied, terminated or replaced at any time at the discretion of the directors of the Company.



SUCCESS BEYOND NUMBERS