

**Minutes of Annual General Meeting 2011/12 of
Dhivehi Raajjeyge Gulhun Plc**

30th August 2012, Maldives National University

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A. Opening and Quorum

1. The Annual General Meeting 2011/12 of Dhivehi Raajjeyge Gulhun Plc (Dhiraagu) held on 30th August 2012 at the Main Auditorium of the Maldives National University began with the recitation of the Holy Qur'an.
2. Having the required quorum of 5 present at the AGM, 119 represented by proxies)¹ representing a total of 73,019,302 shares.

B. In Attendance

3. Shareholders representing a minimum of 20% of the Company's share capital as required under the Company's Articles of Association, the Chairperson Mr. Ibrahim Athif Shakoor declared the meeting open at 8:16pm with the presence of 143 Shareholders (24
4. Board of Directors
Mr. Ibrahim Athif Shakoor (Chairperson)
Mr. Adam Dunlop (Non-executive Director CWC Group)
Mr. Ismail Waheed (Executive Director CWC Group/ CEO & MD Dhiraagu)
Ms. Idham Hussain (Non-executive Director Government of Maldives)
5. Mr. Denis Martin and Mr. Sheldon Bruha, Non-executive Directors from CWC Group were unable to attend the Meeting and sent their apologies.
6. Ms. Maryam Manal Shihab (Company Secretary)
7. Auditors
Representatives from the Company's Auditors KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants), Mr. Raditha Alahakoon and Mr. Nuwan Nirmala were present.

¹ List of Shareholders in attendance at the AGM and represented by proxy attached to this Minutes of Meeting as Annex 1.

8. Lawyers

Mr. Shahdy Anwar, a partner of Company's external lawyers Suood, Anwar & Co. was present.

9. Regulators

Mr. Musthafa Abdul Gafoor (on behalf of Registrar of Companies)

Ms. Mariyam Visam (Capital Market Development Authority)

Ms. Fathimath Kamaluddeen (Capital Market Development Authority)

Mr. Hassan Manik (Maldives Stock Exchange)

Mr. Mujthaba Moosa (Maldives Stock Exchange)

10. Dhiraagu Senior Management

Mr. Ismail Rasheed (Chief Executive)

Mr. Avnish Jindal (Chief Financial Officer)

Mr. Ishaag Usman (Financial Planning and Analysis Manager)

Ms. Hazrath Rasheed Hussain (General Counsel)

C. Agenda

11. Chairperson read out the Agenda for the Meeting published on 15 August 2012 (in compliance with the legal and regulatory requirements) which reads as follows:
- i. Recitation of the Holy Qur'an.
 - ii. Welcome Address and Introduction of Board Members.
 - iii. Passing the Minutes of the previous years' General Meeting.
 - iv. Passing of Resolution to Elect the Independent Director for the Company.
 - v. Passing of Resolution to Approve the Directors' Report and Annual Audited Accounts.
 - vi. Passing of Resolution to Approve Final Dividend for the year 2011/12.
 - vii. Passing of Standing Resolution to Offer Interim Dividend for the year 2012/13.
 - viii. Passing of Resolution to Re-appoint KPMG (Chartered Accountants) as the Auditor of the Company.
 - ix. Any Other Business.

12. The Agenda of the Meeting was approved and adopted by the Shareholders.
13. The Chairperson highlighted the following as housekeeping matters:
- Requested everyone present at the Meeting to switch mobile phones to silent mode;
 - Informed that the Meeting was being recorded and contents will be uploaded to Company's Official Website;
 - A general Q&A Session will be held at the end of the Meeting – but upon introduction of each resolution, time will be given for Shareholders to ask specific questions in relation to the resolution prior to being tabled for voting;
 - Participation in the Q&A sessions during the Meeting will be limited solely to the Shareholders/Proxies present;
 - Immediately upon conclusion of the AGM a press conference will be held by the Board of Directors for the Media.

D. Minutes of Meeting of Previous Years' General Meeting

14. The Minutes of the 22nd General Meeting was published on the Company's Official Website on 30th August 2012. As there were no requests for changes/amendments from the Shareholders/Proxies at the Meeting, the Minutes of Previous years' General Meeting was taken as correct and adopted.

E. Notice

15. In compliance with the legal and regulatory requirements, the Notice of the Meeting, together with the explanatory notes was published on the Company's Official Website as well as Haveru Daily newspaper on 15th August 2012 announcing 30th August 2012 as the date for the Meeting and the venue as the Main Auditorium of Maldives National University beginning at 2000 hrs.

16. With the Shareholders consenting, the Notice of the Meeting was taken as read by the Chairperson.

F. Review of the Year

17. A video² illustrating the overview of the Company and its performance during the Financial Year 2011/12 focusing on the following aspects were shown:
- Background of the Company;
 - Telecommunications Network of the Company;
 - Distribution Network of the Company;
 - Company Employees;
 - Corporate Social Responsibility of the Company;
 - Share Structure of the Company;
 - Financial Highlights for the Financial Year ended 2011/12;
 - Information on Dividend Declaration for the Financial Year ended 2011/12.

G. Voting Procedure

18. Chairperson outlined the rules and procedure for voting in the Meeting as per the Company's Articles of Association (Articles 58 and 59):
- voting is to be conducted and any resolution put to vote at the Meeting will be decided on a show of hands i.e. one vote per shareholder (unless a poll is demanded);
 - a poll may only be called whereby it is demanded by Shareholder(s) (and/or their proxies) present at the Meeting who have at least ten per cent (10%) of the total of all Shareholders who have the right to vote at the Meeting;
 - on a poll, every Shareholder present in person or represented by proxy will have one vote for every share he or she holds;

² This video can be viewed from the Company's Official Website.

- as the resolutions proposed are ordinary resolutions, a simple majority of 51% of those shareholders/proxies present at the Meeting is required for the resolutions to pass.

19. The Chairperson announced that as total number of Shareholders present/represented at the Meeting were 143, a minimum of 72 votes in favour is required for a resolution to pass.

H. Resolution to Elect Independent

20. Biographical details of three candidates recommended by the Board of Directors for the position of Independent Director of the Company's Board were presented to the Shareholders at the Meeting.³ The Chairperson requested the Shareholders to vote and elect one of the candidates as the Independent Director.

21. As the Shareholders did not have any specific questions in relation to the proposed Resolution, the Chairperson then requested one of the Shareholders/Proxies present at the Meeting who did not participate in voting to volunteer to assist in and be present at the vote counting process for the election of the Independent Director. Mr. Sinan Rasheed (H. Seema Villa, Male') volunteered and assisted with the vote counting process.

22. The Chairperson called for Shareholders to vote for the preferred candidate. Voting was conducted on a show of hands with the candidates receiving votes in favour as follows:

- i. Mr. Riluwan Shareef – 4 Votes
- ii. Mr. Ibrahim Shareef Mohamed – 80 Votes
- iii. Mr. Murthala Mohamed Didi – 43 Votes

23. Having received 80 votes in favour, the Chairperson declared that the Shareholders have **RESOLVED** to appoint Mr. Ibrahim Shareef Mohamed as the Independent Director to the Company's Board of Directors until the conclusion of the next Annual General Meeting of the Company.

³ Biographical Briefs of the candidates published with the Notice of the AGM and hard copies provided to attendees of the Meeting.

24. Mr. Ibrahim Shareef Mohamed upon the Chairperson's request joined the Board of Directors present on stage.

I. Resolution to Approve the Directors' Report and Annual Audited Accounts

25. The next Resolution proposed by the Board of Directors to the Shareholders was to approve Directors' Report and Annual Audited Accounts for the Financial Year 2011/12.
26. As the Shareholders did not have any specific questions in relation to the proposed Resolution, the Chairperson presented the Directors' Report and the Annual Audited Accounts for the Financial Year 2011/12 for the Shareholders' consideration and approval.
27. The Shareholders **RESOLVED** to adopt the Directors' Report and the Annual Audited Accounts for the Financial Year 2011/12 with 89 Shareholders voting in favour.

J. Resolution to Approve Final Dividend

28. The next Resolution proposed by the Board of Directors to the Shareholders was to approve the Final Dividend for the Financial Year 2011/12.
29. Prior to tabling the Resolution for Shareholder consideration, the Chairperson requested the CEO, Mr. Ismail Waheed and the Finance Team to explain the Dividend Policy of the Company.
30. Mr. Ismail Waheed briefly explained the Dividend Policy of the Company and how dividends are distributed. Accordingly, after determining the free cash available for distribution, the financial performance of the Company is considered and a certain amount is reserved to ensure the smooth functioning of the Business. The excess free cash then available is distributed to the Company's Shareholders as dividends.

31. Mr. Ismail Waheed further explained that dividends are declared twice every Financial Year; firstly at the end of September and secondly at the end of March (which is the end of the Financial Year). Accordingly, it is the Final Dividend for last year (2011/12) that is being declared and approved by the Shareholders at the Meeting tonight.
32. Upon Mr. Ismail Waheed's request, Mr. Ishag Usman provided additional information on the matter via power point presentation⁴ focusing on:
- Net Profit of the Company for Financial Years 2010/11 and 2011/12 and the Dividend Declared for each year;
 - General Information on Dividend Declared for the Financial Year 2011/12; and
 - Dividend Declared by the other Regional Companies in the Telecommunications Industry.
33. As the Shareholders did not have any specific questions in relation to the proposed Resolution, the Chairperson proposed a Final Dividend of MVR 3.66 per ordinary share (equivalent to MVR 277,560,000.00 and USD 18 million) to be declared as Final Dividend for the Financial Year 2011/12 payable to Shareholders registered with the Company at the close of business on 22 August 2012 in respect of shares registered then in their names.
34. With 85 Shareholders voting in favour, the Shareholders **RESOLVED** to declare a Final Dividend of MVR 3.66 per ordinary share (equivalent to MVR 277,560,000.00 and USD 18 million) for the Financial Year 2011/12 which is to be payable to Shareholders registered with the Company at the close of business on 22 August 2012 in respect of shares registered then in their names.

⁴ The power point presentation given by Mr. Ishaag Ismail is attached to this Minutes of Meeting as Annex 2.

K. Standing Resolution to Declare Interim Dividend

35. The fourth Resolution proposed by the Board of Directors to the Shareholders was to approve a Standing Resolution granting authority to the Board of Directors to declare an Interim Dividend in accordance with the Company's Dividend Policy during the Financial Year 2012/13.
36. Upon the Chairperson's request, Mr. Ismail Waheed explained that there is a legal requirement for companies to declare and approve dividend by Shareholders at a General Meeting. Instead of holding another General Meeting in order to declare the Company's Interim Dividend (which will be based on the first 6 months of the Company's Financial Year (1 April - 30 September)), it is proposed by the Board of Directors that the Shareholders approve a Standing Resolution granting authority to the Board of Directors to declare an Interim Dividend during the Financial Year 2012/13.
37. The Chairperson further clarified that the Company declares dividend twice a year (an interim dividend and a final dividend) in accordance with the Dividend Policy of the Company. The Chairperson then inquired whether Shareholders had any queries specific to the proposed Resolution.
38. Mohamed Manik, Meyvaage, Ha. Kelaa requested from the Chairperson to be given the opportunity to ask a question. He stated that, with the approval of this Resolution Shareholders will be giving the Board of Directors the discretion to declare any interim dividend based on the cash flow and business prospects of the Company before the next AGM. From the presentation given by Mr. Ishag Usman, it can be seen that the Company has paid over 100% of dividend for the last two-three years. Mr. Manik advised that the Company should not pay dividend more than the profits earned and continuing as such would be unsustainable. He also referred to the comparison made between the Company and other regional companies in the telecommunications industry where the dividend paid averaged at 20% of net profit. He then requested for the rationale of the Company's decision to declare dividend in this manner and whether there were any proposed changes to the Dividend Policy of the Company.

39. In response to Mr. Mohamed Manik's query, the Chairperson stated that the Company's Dividend Policy is based on the liquidity of the Company. The Chairperson then requested Mr. Ismail Waheed to provide in depth clarification on how the dividend is calculated.
40. Mr. Ismail Waheed explained that the Company looks at cash balances at the end of the period under consideration. For example, if it is September the Company will look at the cash balances and consider the likely requirements of the cash flow for the upcoming three months and also considers the collateral of the Company in terms of liens, loans etc. After taking all these factors into consideration, the Company keeps a minimum of USD 10 million and USD 5 million's worth of Maldivian Rufiyaa as reserve. This works out as roughly two times the average monthly EBIDTA of the Company.
41. Mr. Ismail Waheed also said that one of the main considerations of the dividend policy to ensure that there is adequate cash for the operations of the Company for the next three months. A decision regarding the dividend proposed to be declared will be based on discussion with the Chief Financial Officer and the Board of Directors who will very carefully consider the Balance Sheet and the Cash Flow of the Company before making a projection and proposal for the dividend to be declared. This is the current Dividend Policy of the Company.
42. Mr. Manik thanked for the response and acknowledged that the Company's dividend is not calculated based on profits of the Company, rather the cash flow projections of the Company. The Chairperson reaffirmed this position in that after considering the cash flow projection for the next three months, a reserve equivalent to USD 15 million is kept in reserve to meet the operational and capital expenses of the Company for the next three months. The Company believes that the balance cash should be distributed to the Shareholders.
43. Mohamed Farshath, H. Two-Hearts, Male' requested from the Chairperson to be given the opportunity to ask two questions. The first was whether the Resolution in question would be voted on a poll or on a show of hands. The Chairperson responded that as announced previously, voting will by default take place on a show of hands. However, after a vote is

taken in this manner, Shareholder(s) representing at least 10% of the Company's share capital may request for a poll vote *before* the results are announced.

44. Mr. Farshath then inquired what would happen if the elected independent director, who hold more than 50% of the votes⁵ at the Meeting tonight does not vote – and whether this would mean that the resolution would fail to pass. The Chairperson responded that in such a case, it will depend on whether the two major Shareholders wish to call for a poll vote. According to the Articles of Association of the Company, after each vote takes place, but before the results are announced, Shareholders holding more than 10% of the Company's Share capital can ask for a poll vote.
45. There being no further questions, the Chairperson then tabled the Resolution requesting the Shareholders to approve a Standing Resolution granting authority to the Board of Directors to offer an Interim Dividend to Shareholders in respect of any dividends paid or declared before the Annual General Meeting in 2013 during the Financial Year 2012/13 in accordance with the Company's Dividend Policy.
46. With 87 Shareholders voting in favour, it was **RESOLVED** by the Shareholders to approve a Standing Resolution granting authority to the Board of Directors to declare any Interim Dividend in accordance with the Company's Dividend Policy during the Financial Year 2012/13.

L. Resolution to Re-appoint Auditors

47. The final Resolution proposed by the Board of Directors to the Shareholders was to appoint and set the remuneration of the Company's auditors until the conclusion of the next Annual General Meeting to carry out the year-end statutory audit of the Company for the financial year 2012/13.

⁵ Mr. Ibrahim Shareef Mohamed represented 77 proxies.

48. There being no specific questions from the Shareholders, the Chairperson proposed to the Shareholders to appoint and re-elect KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants) as the Company's Auditors, to hold office until the conclusion of the next Annual General Meeting, and to set the Auditors' remuneration at a maximum cap of USD 39,000.00 during the appointed term to carry out the year-end statutory audit of the Company for the financial year 2012/13.
49. The Shareholders considered the proposal from the Board of Directors and **RESOLVED** to appoint and re-elect KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants) as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting and to set the Auditors' remuneration at a maximum cap of USD 39,000.00 during the appointed term to carry out the year-end statutory audit of the Company for the financial year 2012/13 with 87 Shareholders voting in favour.

M. Any Other Business

50. The Chairperson opened the floor for the Shareholders and Proxies to table any other matters. There being no other matters proposed by the Shareholders, the Chairperson moved to the next item on the Agenda.

N. General Q&A Session

51. The Chairperson then opened the floor to all Shareholders and Proxies to ask questions – whether in relation to the Meeting or generally about the Company.
52. With the consent of the Chairperson, Mr. Mohamed Farshath, H. Two-Hearts, Male commented that the vote counting process could be improved for the next Meeting as he believes the manner in which it was conducted tonight was problematic and complicated. He also expressed concerns about the temperature of the auditorium being too cold and requested that water be provided next time.

53. The Chairperson thanked Mr. Farshath for his constructive observations and assured that improvements would be made for the next Meeting. He also explained that water for the attendees had been kept outside the hall due to space constraints inside.
54. With leave from the Chairperson, Mr. Mohamed Manik, Ha. Kelaa took the opportunity to thank the Government of Maldives and CWC for agreeing to make Dhiraagu a public company and giving the opportunity to the public to be part of the Company. He stressed the importance of public companies and urged the Government and other private companies to work consciously to make the change from private to public. This not only encourages participation of the people in companies, it also forces companies to adhere to good governance. This comment is not for Dhiraagu, the biggest and the best company in Maldives as the video said; rather to others who are listening.
55. The Chairperson thanked Mr. Manik for his comments and said that it was heartening given the challenges faced by the public companies in the Maldives to be sitting here and to be able to say that Dhiraagu is a good public company with good standards, controls and excellent staff that is capable of continuing to deliver dividends to the shareholders and contribute positively to the industry the Company serves.

O. Conclusion

56. The Chairperson concluded the business of the Meeting and thanked especially the Shareholders for attending and contributing to the Meeting.
57. With the Chairperson's permission, Mr. Mohamed Farshath, H. Two-Hearts, Male' requested that the Company clearly clarifies to the general public that the Company declares dividend *twice* a year. People may not understand the Dividend Policy of the Company so it is important that the Company brings this to the attention of the Shareholders in order to maintain their trust and confidence.
58. The Chairperson thanked Mr. Mohamed Farshath for his advice and stated that the Company was aware of this possible perception and that the information in relation to the

Company's Dividend Policy and necessary clarifications will be communicated effectively to the general public and especially to the Shareholders of the Company.

59. With the consent of the Shareholders, the Chairperson declared the Annual General Meeting of Dhivehi Raajjeyge Gulhun Plc for the Financial Year 2011/12 closed at 9:45pm.

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Chairperson:

Date:

.....

Company Secretary:

Date:

ANNEX 1 – Minutes of Annual General Meeting 2012/13

Shareholders Present in Person

1. Mr. Ali Shareef (to represent and vote on behalf of Government of Maldives)
2. Mr. Adam Dunlop (to represent and vote on behalf of CWC Group)
3. Ms. Athifa Ali
4. Mr. Hussain Ahmed Maniku
5. Mr. Mohamed Hazmath Abdullah
6. Mr. Ismail Rasheed
7. Mr. Mohamed Ameen
8. Mr. Mohamed Farshath
9. Mr. Mohamed Hussain Manik
10. Mr. Yoosuf Muaz
11. Mr. Ali Sanoon
12. Ms. Hazrath Rasheed Hussain
13. Mr. Abdullah Maumoon Hussain
14. Mr. Moosa Shahid Hussain
15. Mr. Mohamed Shiyaz
16. Mr. Sinan Rasheed
17. Mr. Mohamed Mihfaz
18. Mr. Hamza Latheef
19. Mr. Murthala Mohamed Didi
20. Mr. Abdullah Ali
21. Ms. Shazeena Thaufeeq
22. Mr. Ali Riyaz
23. Mr. Umayr Shafeeu
24. Mr. Mansoor Zubair

Shareholders Represented by Proxies

Mr. Ibrahim Shareef Mohamed (to represent and vote on behalf of 77 Shareholders)

Mr. Murthala Mohamed Didi (to represent and vote on behalf of 41 Shareholders)

Mr. Mohamed Farshath (to represent and vote on behalf of 1 Shareholder)

