EMTEL LIMITED (the “Company”)

Scrip Dividend Scheme

Frequently Asked Questions (“FAQs”)

IMPORTANT NOTICE

This document is intended to serve as general guidance only. It does not constitute investment, legal, tax or other professional advice, and it is not a recommendation to elect, or not to elect, to receive Scrip Shares. Shareholders are advised to read the Company’s Rules of the Scrip Dividend Scheme (the “Rules”) and the applicable Circular in its entirety, available on the Company's website, in order to take an informed decision. Shareholders who are in any doubt as to the action they should take should consult their investment dealer, accountant, legal adviser, tax adviser or other independent professional adviser.

When the scrip alternative is offered for the first time, the Election Form will be sent to the Shareholders. The Election Form will also be available on the Company’s website and from the Registry from that time onwards. Until then, no action is required by Shareholders. Any reference in these FAQs to the Election Form should be read accordingly.

Participation in the Scrip Dividend Scheme is entirely optional. Shareholders who wish to continue receiving their dividends fully in cash do not need to take any action.

EMTEL

1 About the Company's Scrip Dividend Scheme (the "Scheme")

1.1 What is the Scrip Dividend Scheme?

The Scheme gives ordinary shareholders (the "Shareholders") the choice to receive their future dividends, in whole or in part, in the form of new ordinary shares of the Company ("Scrip Shares") instead of cash. The Scheme allows Shareholders to reinvest their dividends and increase their shareholding without having to pay any of the brokerage or transaction fees usually incurred when buying shares on the market.

1.2 Is the Scheme an option or an obligation?

The Scheme is entirely optional. It is designed to give you flexibility over how you receive your dividends. You may choose to:

- receive your dividends fully in cash; or
- receive your full dividend entitlement in Scrip Shares; or
- receive part of your dividend in Scrip Shares and the balance in cash, in the proportion you specify in the election form (the "Election Form").

For further information, refer to question 3.5.

In the event of no response from your end, you will continue to receive your dividends fully in cash.
Nothing about your existing dividend arrangements changes unless you actively elect otherwise by completing the Election Form.

1.3 Why is the Company introducing the Scheme?

The Scheme benefits both Shareholders and the Company.
For Shareholders, it offers a convenient and less costly way to reinvest dividends and compound their investment in the Company over time, at a discounted issue price. For the Company, it supports efficient capital management by allowing it to retain cash that may be deployed to support its strategic objectives.

1.4 Does the Scheme affect the Company's dividend policy?

No. The Scheme does not change the Company's dividend policy.

2 Participation and Eligibility

2.1 Who can participate in the Scheme?

Eligible shareholders (the "Eligible Shareholders") are those shareholders who appear on the share register of the Company at the close of business on the relevant record date (the "Record Date"), which is the date used to determine which Shareholders are entitled to a given dividend distribution, in respect of a dividend declaration.

2.2 How do I participate?

You can join the Scheme by completing and signing the Election Form and returning it to the Company's Registry by the deadline communicated by the Company for the relevant dividend.

2.3 Do I have to make a new election for every dividend?

No. Your election remains valid for future dividend distributions until you submit a new Election Form to the Registry, cancelling or modifying your election.

2.4 Can non-resident Shareholders participate?

Yes. Before participating, non-resident shareholders are however advised to consult their local tax or other professional adviser.

2.5 Where do I get the Election Form?

As from the first dividend in respect of which the scrip alternative is offered, the Election Form will be available on the Company's website and on request from the Registry. See the Important Notice above.

2.6 What happens if I miss the deadline?

Election Forms received after the deadline will still be processed but will only take effect for subsequent dividend distributions. Your dividend for the current distribution will be paid in accordance with any valid Election Form already in place or, in the absence of such an Election Form, fully in cash.

2.7 What if I buy or sell shares after making my election?

Your election applies to the ordinary shares held in your CDS account on the Record Date. If you sell shares before that date, your election applies to the shares you still hold. Shares bought later will be covered for future distributions.

3 Scrip Price and Scrip Shares

3.1 How is the Scrip Price determined?

The price at which Scrip Shares are issued (the "Scrip Price") is calculated as the five-day volume-weighted average of the traded price of the Company's ordinary shares, beginning on the first ex-dividend date following the dividend declaration, less a discount of 3%.

The Scrip Price is calculated as follows:

Scrip Price = AVP × (1 – d)
Where:

- AVP = Val / Vol
- Val = the total value of ordinary shares traded over the Trading Period
- Vol = the total volume of ordinary shares traded over the Trading Period
- d = the applicable discount of 3%
- Trading Period = the five consecutive business days beginning on the first ex-dividend date following the dividend declaration.

3.2 Is there a discount on the Scrip Price?

Yes. The Scrip Price incorporates a discount of 3% to the five-day volume-weighted average ex-dividend price. This means that Shareholders electing for Scrip Shares receive their new shares at a price below the prevailing market average over the reference period.

3.3 Are there any fees or commissions?

No. There are no fees, brokerage charges or commissions payable by Shareholders in relation to the issue of Scrip Shares. This is one of the key advantages of the Scheme compared with further investing through the market.

3.4 How many Scrip Shares will I receive?

The number of Scrip Shares issued to you is calculated as follows, rounded down to the nearest whole share:
Scrip Shares = (H × Div × OC) / SP
Where:

- H = the number of ordinary shares held in your CDS account on the Record Date
- Div = the dividend per ordinary share declared by the Board
- OC = the percentage of your dividend you have elected to receive in Scrip Shares
- SP = the Scrip Price

3.5 Can you show me a worked example?

Assume a declared dividend of Rs 0.50 per share, a holding of 1,015 ordinary shares, an election of 100% for Scrip Shares, and a Scrip Price of Rs 20.00.

- Scrip Shares = (1,015 × Rs 0.50 × 100%) / Rs 20.00 = 25.375, rounded down to 25 Scrip Shares.
- Your dividend entitlement of Rs 507.50 less the 25 Scrip Shares issued at Rs 20.00, being Rs 500.00, leaves a balance of Rs 7.50, which is paid to you in cash on the dividend payment date.

Note: The figures above are for illustrative purposes only and do not represent any actual or expected dividend or Scrip Price of the Company.

3.6 Can I receive part of my dividend in shares and part in cash?

Yes. This is a key feature of the flexibility offered by the Scheme. You may elect, in the Election Form, the specified percentage of your dividend entitlement you wish to receive in Scrip Shares. The balance of your entitlement, together with any fractional amount, will be paid to you in cash.

3.7 Will I receive fractions of a share?

No. Where an entitlement to a fraction of a Scrip Share arises, the number of Scrip Shares is rounded down to the nearest whole share and the remaining balance of your entitlement is paid to you in cash, as illustrated in 3.5.

3.8 Do Scrip Shares carry the same rights as existing ordinary shares?

Yes. The Scrip Shares will rank pari passu in all respects with the existing issued ordinary shares of the Company and will carry the same voting and economic rights.

4 Changing Your Mind and Cancellation

4.1 Can I change my election?

Yes, at any time. Simply submit a new, duly completed Election Form to the Registry. Your new instruction will apply to dividend distributions for which the election deadline has not yet passed. You may switch between full cash, full scrip and partial elections as often as you wish.

4.2 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, indicating cancellation, to the Registry in the manner described in the Rules. Following cancellation, your dividends will revert to being paid fully in cash.

4.3 Can the Company change or cancel the Scheme?

Yes. The Rules may be amended, varied, suspended, terminated or replaced at any time at the discretion of the Board. The Company may also decide not to offer the scrip alternative for a particular dividend distribution, in which case that dividend will be paid fully in cash to all Shareholders.

5 Tax and Other Considerations

5.1 What are the tax implications of electing for Scrip Shares?

Tax treatment depends on your individual circumstances and jurisdiction. Shareholders who elect to receive Scrip Shares will be wholly and solely liable for any tax that may arise from such Scrip Shares under applicable laws. If you have any question regarding the impact of Scrip Shares on your tax or accounting position, you should consult your tax adviser or other professional adviser.

5.2 How does the Scheme affect my percentage shareholding?

Shareholders who elect to receive their full dividend entitlement in Scrip Shares will maintain or increase their proportionate interest in the Company. Shareholders who elect to receive cash will experience a marginal dilution of their percentage shareholding to the extent that other Shareholders take-up Scrip Shares. The exact impact depends on the level of take-up at each distribution.

5.3 Is the value of Scrip Shares guaranteed?

No. The market value of the Scrip Shares may go up or down after they are issued and may differ from the Scrip Price at which they were allotted. Past performance of the Company's shares is not a guide to future performance. Neither the Company nor the Registry makes any representation as to the future value of the Scrip Shares.

5.4 How is my personal data handled?

Your personal data will be processed in accordance with the applicable data protection laws of Mauritius and the Company's Privacy Notice, available on its website at **https://www.emtel.com/**.

5.5 Which law governs the Scheme?

The Scheme is governed by the laws of the Republic of Mauritius.

6 Contact and Further Information

If, after reading this document, you still have questions about the Scheme, please contact the Registry:

MCB Registry & Securities Ltd
Sir William Newton Street
Port Louis – Republic of Mauritius
Tel: (230) 202 5604
Email: scrip.emtel@mcbcm.mu

Copies of the Rules, the applicable Circular and the Election Form are available on the Company's website at www.emtel.com and upon request from the Registry.

This document is provided for the general information of Shareholders of EMTEL Limited only. It is a summary only and is qualified in its entirety by the Rules of the Scrip Dividend Scheme, the applicable Circular and Election Form, which prevail in the event of any inconsistency. Shareholders should read those documents before taking any decision in relation to the Scheme or seek advice from a professional adviser.