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DFM GUIDE TO INVESTOR RELATIONS

Version II

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DISCLAIMER

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1.
INTRODUCTION

INVESTOR RELATIONS (IR) PLAYS A PIVOTAL ROLE IN PROVIDING DETAILS ABOUT THE HEALTH OF AN ORGANIZATION. THE INFORMATION DISSEMINATED BY WELL-DEFINED IR PROGRAMS NOT ONLY PROJECTS THE FINANCIAL POSITION OF THE ORGANIZATION, AS A WHOLE, BUT ALSO ALLOWS INVESTMENT TO BE MADE IN AN INFORMED AND CONFIDENT WAY. THE SUBSEQUENT INCREASE IN STAKEHOLDERS AND STAKEHOLDER INTEREST FROM OPTIMAL INVESTOR RELATIONS WILL THEN AUTOMATICALLY RESULT IN AN INCREASE IN THE MARKET VALUE OF THE ORGANIZATION AS LONG AS THE COMPANY DELIVERS ON ITS OPERATIONAL PERFORMANCE.

Since its inception, DFM has always been committed to encouraging its listed companies to embrace international IR best practices as a top priority, through various DFM initiatives such as the DFM International Investor roadshows organized to actively promote listed companies since 2007, strategic partnerships with various reputable institutions in driving best practices, in addition to this guide, DFM offers various tools to companies including interactive educational workshops. This further reinforces Dubai as a centre of excellence in this part of the region and enhances its leading position as a powerful capital market hub which embraces international best practices to meet the evolving needs of its investors (locally and internationally).

H.E. Essa Kazim, Chairman of Dubai Financial Market said, “International investors play a pivotal role in our markets, bringing in much-needed expertise and supporting more informed, research-based decisions. We are delighted to see the significant increase in international investors’ activity on our market. Naturally, the more we are engaged with international markets, the more we will see movements in these markets echoed in ours. This may increase the level of volatility, but that is the reality of being part of the global financial markets. Certainly, the positive implications of increased international investment far outweigh other implications. Foreign investment creates the critical mass, increases the level of liquidity, and more importantly, supports the development of our markets by encouraging listed companies to further embrace international best practices in transparency and corporate governance.

Dubai Financial Market is pleased to provide this guide, which is aimed to offer practical assistance to companies by exploring best practices and key principles that should be taken into consideration when building an IR program. This guide is particularly useful for management teams of private companies who are considering a flotation or listed companies looking to further enhance their investor relations.

This guide collates a wealth of experience of several multinational Investor Relations and Public Relations advisors that have offices in Dubai thus have local, regional and international experience, in addition to the invaluable experience of investment banks in this field.

We are confident this guide will serve as a valuable tool that supports your efforts in driving best practices in Investor Relations, which will ultimately better present your company’s unique investment case and success story to attract capital.

2.
WHAT IS INVESTOR RELATIONS AND WHY IS IT IMPORTANT?

2.1 BACKGROUND TO INVESTOR RELATIONS IN THE MIDDLE EAST

INVESTOR RELATIONS IN THE MIDDLE EAST IS A RELATIVELY NEW PROFESSION – WITH THE ARRIVAL OF THE FIRST INVESTOR RELATIONS OFFICERS (IROS) IN BANKING AND PROPERTY COMPANIES IN 2006-2007. EVEN TODAY, IT IS ESTIMATED LESS THAN 10% OF LISTED COMPANIES HAVE DEDICATED RESOURCES FOR INVESTOR RELATIONS.

The markets in the United Arab Emirates opened up to international investors in the early 2000's. HSBC was the first Custodian to sign an agreement with DFM in 2001 so their international clients could trade shares on DFM. In 2009, SHUAA Capital launched the first dedicated MENA (Middle East and North Africa) fund, followed by other asset managers including EFG Hermes and major local banks. This was soon followed by the launch of MENA funds in Europe initially and then the USA. By the mid-2000's Bahrain and the UAE were firmly on the map as foreign capital found its way into the local stock exchanges.

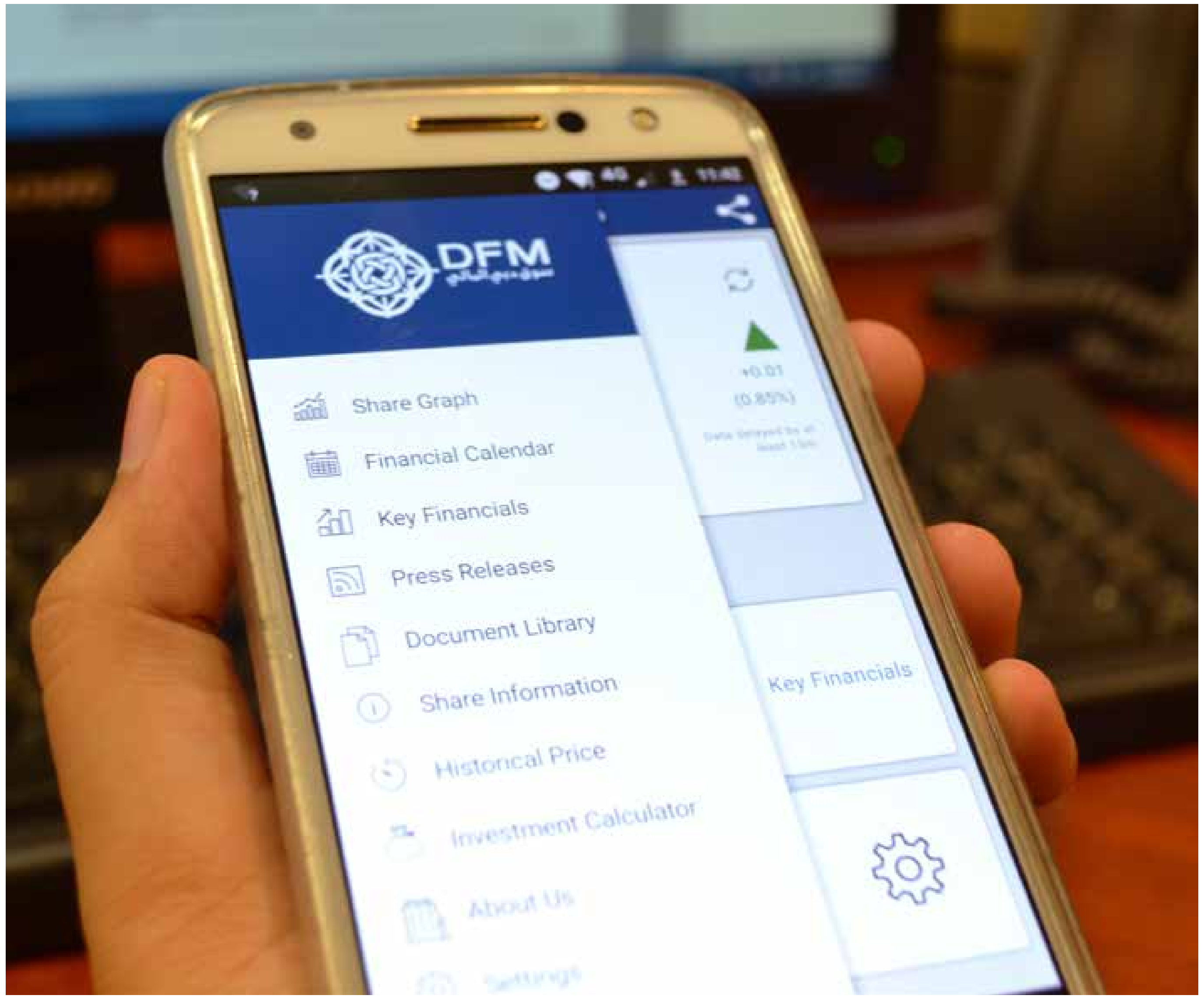
With increased international investor interest, equity research analysts and sales teams moved to the UAE to cover the region. The creation of the DIFC, which hosts international financial institutions and the launch of the DFSA and DIFX (now Nasdaq Dubai) has also contributed to attracting international investors – driving greater foreign investment across the broader Middle East region.

Up to this point, investor relations were carried out on a reactive basis with management meeting shareholders as required. With the influx of capital into the region and the arrival of international capital markets standards, the rise in investor conferences dedicated to the region and investor site visits was taking up more management time. Many companies became aware of the need to invest in investor relations and to manage the growing demands of international investors, who expected a more professional investor relations focus with analyst events around financial calendar announcements.

The first IROs in the region came from Europe in 2006 – lured to the region by a unique opportunity to put fast growing companies on the radar of international investors. A number of companies in the UAE who created an international best practice investor relations function were seen to benefit from increased levels of international investment as professional IROs implemented higher standards of transparency and improved proactive interaction with investors including formalizing results announcements and hosting investor visits to the region. Interaction with research analysts improved and attendance at international investor conferences dramatically increased – all of which escalated the region's growth potential in the eyes of international investors attracting more capital to the region.

During 2006 to 2008 the region saw a number of 'hot IPOs' with significant international investor participation. By 2008 DFM had almost 30% of its shares traded by institutional investors, the majority of whom were international investors and were expecting the same relationship with companies as they had come to expect in Europe and the USA.

During this time, there were in the region of eight investor conferences dedicated to the MENA region per year and banks arranged investor visits to the region outside of these conferences. The demands for investor meetings increased five-fold with some companies hosting 2-3 group investor meetings a week in the UAE. From a management perspective, finding the balance between doing the 'day job' and meeting investors was becoming challenging. The result was an increase in dedicated resources for investor relations either appointing professional IROs from outside the region or with individuals moving across to take responsibility for IR from finance or business development functions.



Since 2009 we have seen Investor Relations becoming more sophisticated in the region – Companies have begun to understand that IR is a profession that requires dedicated expertise and an understanding of international capital markets. More importantly, Boards of Companies in the region are being asked to focus more on shareholders with Corporate Governance standards moving towards international standards. Companies have realized that if they wish to attract capital, they need to ensure that existing and potential shareholders are well looked after, a dedicated Investor Relations function has been key to this.

As global stock market declines impacted the Middle East in 2009, Investor Relations became even more important as fund outflows hit most of the listed companies in the region. Investor Relations is a role, which becomes more important in challenging times as investors need to take quick decisions to limit downside risk. During this period, companies where investor relations were supported from the Board through the senior management teams were rewarded with less fund outflows than others.

Worldwide, Investors Relations has become more professional over the last 10 years and the benefits can be seen through lower cost of debt and equity to those companies where investor relations are a high priority. Corporate Governance has evolved during this time to deliver 'best practice', guiding Boards on the importance of managing relations with shareholders, with some markets dedicating this role to the Chairman and others to a Senior Independent Director. The Middle East has quickly followed the lead of international capital markets and put in place Corporate Governance codes. The Middle East Investor Relations Society is focused on promoting best practice in investor relations and providing world-class education for investor relations professionals. This will help ensure Middle East companies continue to be attractive to international investors.

Investor Relations as a strategic management function is continually gaining recognition as investors continue to reward consistent commitment to best practice IR, in good and challenging times alike. We are confident that the real fruit of these initiatives will be the enhancement of the reputation of the UAE as a whole as a place to do business and as a destination for capital.

2.2 THE 'IN-HOUSE' INVESTOR RELATIONS TEAM

ACCORDING TO INVESTOR RELATIONS SPECIALISTS, THE RIVEL RESEARCH GROUP, IR CAN IMPACT A COMPANY'S VALUATION BY UP TO 35%. RIVELS' RECENT STUDY OF PORTFOLIO MANAGERS AND BUY-SIDE ANALYSTS ATTRIBUTES A PREMIUM OF 10% OF A COMPANY'S VALUATION TO GOOD INVESTOR COMMUNICATIONS AND A DISCOUNT OF 25% TO POOR INVESTOR COMMUNICATIONS.

This may prove the benefits of good investor communications, but managing investor relations can be extremely time-consuming for many mid to large-cap companies with large and diverse shareholder registers. A dedicated Investor Relations Officer (IRO) can make a highly significant difference, acting as a proxy for the time-constrained Chief Executives and Chief Financial Officers, facilitating and informing dialogue between the Board and the investment community.

An IRO is essentially the Company's day-to-day interface with institutional and retail shareholders, bondholders, credit and equity analysts, the financial media, the Exchange and the Regulator. The principal role is to manage interest from those audiences by establishing a framework of communications activities to ensure the investment community is fully informed about the performance of the business as well as identifying potential issues that may influence the Company's reputation. Together these will improve understanding of the Company's investment proposition which in turn will help increase the valuation of the Company's equity by attracting capital, reduce share price volatility and reduce funding costs.

Some of the specific tasks an IRO undertakes include:

- Shareholder targeting to increase investor interest;
- The development of quarterly trading statements and presentations;
- Draft the annual report;
- Organize and prepare the Board for the AGM;
- Preparation of regulatory disclosures;
- Attending investor conferences;
- Updating website content and interface with the relevant stock exchanges and identification of market news.

The requirement for an Investor Relations capability is determined by a number of factors:

- The size and market presence of the Company;
- The size and spread of the investor base;
- The level of news and activity that needs explanation;
- The importance the Board of Directors attaches to Corporate Governance.

Slightly larger entities or those with larger share registers may feel that a dedicated IR resource is too expensive and opt to give the responsibility to an individual such as a Head of Treasury or Head of Strategy, or double up with the Head of Communications.

Although there are no hard and fast rules, companies typically with a market cap of around $200 million may find an IRO an extremely cost effective appointment, by standing in for the CEO and CFO. In addition to a senior resource, larger cap companies often have a junior investor relations executive in support to help manage the IR program.

IROs by virtue of their job need to have seniority and credibility. A large cap IRO may meet over 200 investors a year! By virtue of their external facing role they need to know not just what is happening at the Company but have a view on macro-economic conditions, the competitive environment, changing regulatory codes as well emerging investment trends such as sustainability and other Corporate Social Responsibility (CSR) issues.

Internally IROs are seen as important strategic advisors, increasingly with a seat in the Executive Management Committee, helping the Management and the Board understand what investors really think of the Company's strategic direction.

Many IROs are appointed from within a Company often having been in the Finance, Treasury, Strategy or Communications disciplines. External appointments are often made from banking, broking, investment management or research.

Skill sets required include strong financial knowledge, a keen understanding of investment markets and the regulatory environment, corporate strategy and communications as well as the ability to develop and manage relationships with the investment community effectively. Amongst Fortune 500 IROs a recent report confirmed that 62% held MBAs and 14% were former sell-side or buy-side analysts. The number of IROs moving from previous roles in PR/communications was 8% in 2011 down from 15% in 2008.

The best IROs are recognized for open communication, a strong understanding of the business, ability to access the CEO and CFO at the right times and a sharp understanding of the market including the competitive environment. IROs are often judged by the market on their ability to help guide the investment community on the expected performance of the business; often developing an in-house share price model to help this process.

Critical to the IRO's role is the ability to work closely with all areas of the business including Finance, Communications, Legal and the operations. A close working relationship with Finance will ensure a timely understanding of how the Company is trading and early warning if targets or budgets are not being met. Of equal importance is the need to work closely with the Communications Department to ensure a seamless handling of stakeholders especially where they cross over. Although a Communications team would typically handle all media relations, an IRO is normally better placed to handle the financial media, including the Financial Times and newswire services such as Bloomberg, Reuters and Zawya.

An IR capability is best set up before it is required! Companies preparing for an Initial Public Offering (IPO) should consider the appointment of an IRO to help manage the Initial Public Offering (IPO) process. That person is in a strong position, once trading starts, to speak with deep understanding of the business to new shareholders.

There are no set rules as to whom the IRO reports. Research from recruitment consultants, Watson Helby in 2008, found that across a sample of FTSE 250 companies in the UK, 69% of IROs reported to the Chief Financial Officer, 6% to the CEO and 19% to the Director of Communications. In reality they require a close relationship with all three.

An IRO can make a highly valuable contribution to the success of a Company. Boards considering a life in the public markets should consider carefully the merits of such an appointment.

2.3 A KEY FUNCTION IN COMMUNICATING WITH YOUR TARGET AUDIENCES

A. RETAIL INVESTORS

Retail investors are the lifeblood of UAE stock markets. Many publicly listed companies are tightly held so the retail investor provides much needed liquidity to the market place.

Typically, a publicly listed Company in the United Arab Emirates will have a diverse range of investors on its share registers. These could include institutional investors, as well as retail or private investors. However, the latter, also called individual investors, unlike institutional investors, usually have shorter-term aspiration for their holdings.

Retail investors will vary in terms of investment styles, some seeking income while others look for value. They may buy shares directly, without taking professional advice, through a local UAE stockbroker or they may pay for advice and buy shares on an advisor's recommendation, or alternatively, leave their financial advisor to structure their investments according to their particular goals and targets as some of these retail investors may be as big as a fund.

Retail investors in the UAE can sometimes be very short-term focused, even day traders, looking to take advantage of volatility in a particular stock. As a result they may be more susceptible to market rumors and speculation. Sometimes a Company may be asked by the stock market authority to clarify or deny a particular item of speculation if it is having an impact on retail investors. Often this can be as a result of a news report or media coverage that has not come directly from the listed Company itself.

Most significantly for listed companies in the UAE, retail investors often buy smaller bundles of shares, providing that vital liquidity. This liquidity can often be the difference between a lower or higher share price for a publicly listed Company.

All listed firms in the UAE are recommended to have a clear, effective and rolling annual investor relations program focusing on retail investors as well as other shareholders. In the case of specifically reaching retail investors, this can involve encouraging them to attend the Company's Annual General Meeting (AGM), a dedicated retail investor section on the Company's IR website, or releasing key information via the business and financial media in the UAE, in both Arabic and English languages. It is essential for a Company to work closely with the stock market to encourage communications with shareholders, through a variety of services that the stock market may offer.

A listed firm should have both Arabic and English language capabilities when communicating with retail investors in the UAE and always release any communications materials in both languages. Ideally the IR website will have both English and Arabic content.

Some basic information can go a long way to ensuring smooth and effective communication with retail investors. Ensure that there are always up to date and easy to find contact details on all communications channels for private investors to be able to get in touch directly with the Company. Any email addresses listed must always be functional and directed to the IR team rather than a webmaster or the IT department.

Ultimately, retail investors' investment styles in the UAE are not easily categorized, a Company may need to work very hard to ensure its message is delivered to the majority.

B. SELL- SIDE ANALYSTS

Sell-side analysts are one of the main audiences of an IRO, the IRO should work on building relations with these people in order to properly guide them on Company's information.

Sell-side analysts (as opposed to buy-side analysts) are assigned (usually) by institutional investors to write investment research that is circulated to clients. Sell-side research is usually detailed. Sell-side analysts produce complex financial models and forecasts. They usually specialise in a sector or a sub-sector.

The access that clients get to research usually depends on how much business they give the brokerage producing the research. It is possible to buy access to some sell side research for a fee, but this is a rarer arrangement as it is usually cheaper to simply switch some business to the broker who produces the research wanted.

Typically, the best clients will be regularly contacted by analysts, updating them on developments and changes in the analysts' views as well. They will also get regular delivery of written research in printed and electronic form. At the other extreme marginal clients will receive a limited amount of published research, have no real access to analysts to ask questions and will have limited (if any) access to other distribution channels such as research web sites.

Sell-side research is primarily produced for external users - the brokers clients. It can therefore be widely circulated. It can be very influential in changing investors' perceptions and driving share prices.

Sell-side analysts usually have enormous expertise in the companies and sectors they cover. The forecasts are the most important single product of their detailed financial modelling, but sell-side research is very useful because of the depth of information it contains.

A Company should have good research coverage which in turn increases its exposure to retail investors.

C. BUY-SIDE ANALYST

A buy-side analyst is one who works for an institutional investor such as a fund management Company. Most of a buy-side analyst's work is intended primarily for internal use, although some of it may be shown to clients.
Employing buy-side analysts, rather than relying on the work of sell-side analysts, has a number of advantages:

- The independence of buy-side analysts from the companies they cover is more certain.
- They can be asked to concentrate on the companies and sectors of the greatest interest to the money manager, and in the context of specific strategies, goals and portfolios. For example, they can consider not just is "X a buy?", but "is X a buy for the growth portfolio we run for client Y which already has a lot of stocks from X's sector?".
- Buy-side analysis is exclusive and therefore can be a source of advantage both in improving performance and in differentiating a fund manager to clients, this is why some fund managers advertise the strength of their buy-side teams.

D. MEDIA

In the UAE, the business and financial media is fragmented. First, they can be broken down into English and Arabic language media, who have very different approaches to coverage and are not always looking for the same stories. Within these segments are the local UAE media like Al Bayan, Al Khaleej and The National, the regional media such as Asharq Al Awsat or Al Arabiya TV and the international media based in the Emirates, for example the Financial Times or Bloomberg.

All the above are interested in the local stock markets and the companies that are listed on them and all report related news. However, listed companies should know that where they differ is in audience as well as approach, as some will expect greater levels of transparency and disclosure.

Recent developments in online and digital media which report in real time have also increased the burden of proper disclosure on companies and in some instances the exchange had to ask a listed firm for clarification or denial of a news report.

Obviously, the media is a good channel for listed companies to disseminate and release their news in an efficient and widespread manner to reach as many investors and potential investors as possible. However, the key thing to remember is consistency of communication where all of the media is concerned. Building relationships takes time and a certain amount of give and take to gain the trust of the other party. Media are no different and will expect a certain level of reciprocity in their dealings with listed firms. It is no use just issuing a press release to journalists and then expecting wholesale and balanced coverage. Without the necessary steps taken before and then follow up afterwards, it is likely your next news item will receive little or no attention, no matter how important you think the story may be.

A listed Company's reputation will be to a certain extent decided by the perception of the media. Without consistent care and attention paid to how a Company is being viewed, it is likely that a large gap will emerge between internal and external opinions on how well it is performing and by extension the strength of its reputation will be measured along these lines.

2.4 THE SIMILARITIES AND DIFFERENCES BETWEEN INVESTOR RELATIONS AND PUBLIC RELATIONS

PUT SIMPLY, INVESTOR RELATIONS (IR) COVERS THE BROAD RANGE OF ACTIVITIES THROUGH WHICH A COMPANY ENGAGES AND COMMUNICATES WITH ITS CURRENT AND POTENTIAL INVESTORS AS WELL AS THE WIDER FINANCIAL COMMUNITY SUCH AS THE FINANCIAL MARKET ON WHICH THE COMPANY IS LISTED AND THIRD PARTIES SUCH AS ANALYSTS AND COMMENTATORS WHO WILL BE COVERING THE COMPANY.

IR differs from Public Relations (PR) in that PR is a part of a Company's marketing programs and the primary function is to present the Company, its products or services in the most favorable light to its public audiences and its target stakeholders, as well as provide broader reputational protection support.

As the link between the Company and the investment community, IR aims to provide a fair understanding of the Company's strategy, performance and underlying business fundamentals, which requires that information, whether positive or negative, is communicated clearly and efficiently. IR should not be seen as a one way communications channel, however successful IR campaigns allow for feedback from the financial community to inform the program, and also to support the Board of Directors in their business planning.

Just as Public Relations aims to provide a continual "boost" to a Company's image, and rightly so, there is sometimes the misconception that the IR function exists solely to boost the share price. While there is an element of promoting the stock, this is not always the case as it can lead to unachievable expectations, which can result in the share price being punished by the markets and an overall mistrust in the Company by the financial community at large. As such, and as a guiding principle, IR activities should focus on maintaining a fair market valuation that correctly and accurately reflects the Company's position and its likely long term value.

The importance of the IR team's role has been highlighted since 2008 with the financial crisis and the volatility in the markets which followed it. For investors, knowing that they can speak directly to someone in the IR team during times of uncertainty – be it economic or political – helps to reassure them and plays a valuable role in protecting a Company's reputation and market position.

Although technically different disciplines, there are certain transferable skills and common ground between IR and PR – particularly in the type of communications that both will produce, and the channels for that information to be communicated through.

Of paramount importance to both are clear and consistent communications which help investors, the media and the public to make informed decisions about the Company. The more proactive and engaging the work of the IR and PR teams, the less room there is for rumors or speculation in the press and the market. The Company wants to ensure that it obtains its optimal valuation, the more that is known about it, the easier this is to ensure. Around Initial Public Offering (IPO) time it is particularly important that all parties work together extremely closely.

It is worth noting, that many PR teams also view other aspects such as government relations, internal communications and crisis management as other scopes of work that they would play a supporting role in.

The level of interaction between a Company and the outside world will determine how much control the IR and PR teams have over public information. This is invaluable in an area of financial services where accuracy and transparency are vital and is arguably more vital in an area of the world like the Middle East which is a newer market and one that gives investors the opportunity for diversification. Sitting at the heart of this process is an adherence to a best practice approach around transparency and corporate governance.

3. WHAT DOES INVESTOR RELATIONS COVER?

3.1 FORMULATING THE INVESTMENT STORY

WHEN PRESENTING OR SPEAKING TO INVESTORS, COMPANIES HAVE A RELATIVELY BRIEF OPPORTUNITY TO EXPLAIN THE INVESTMENT CASE – WHAT THE COMPANY DOES AND WHY IT IS AN ATTRACTIVE INVESTMENT. BOTH MACRO AND MICRO ECONOMIC FACTORS SHOULD BE ADDRESSED.

It is therefore crucial that the messages communicated are simple, clear and well rehearsed.

The first stage in building an investment case is to undertake a rigorous analysis of the corporate business model and addressable markets so that its key strengths and weaknesses are clear, well understood and agreed by everyone at the Company who will be involved in meeting investors.

The second stage is to work on how those strengths are best communicated to investors as well as considering how to address potential concerns about the less strong elements of the story.

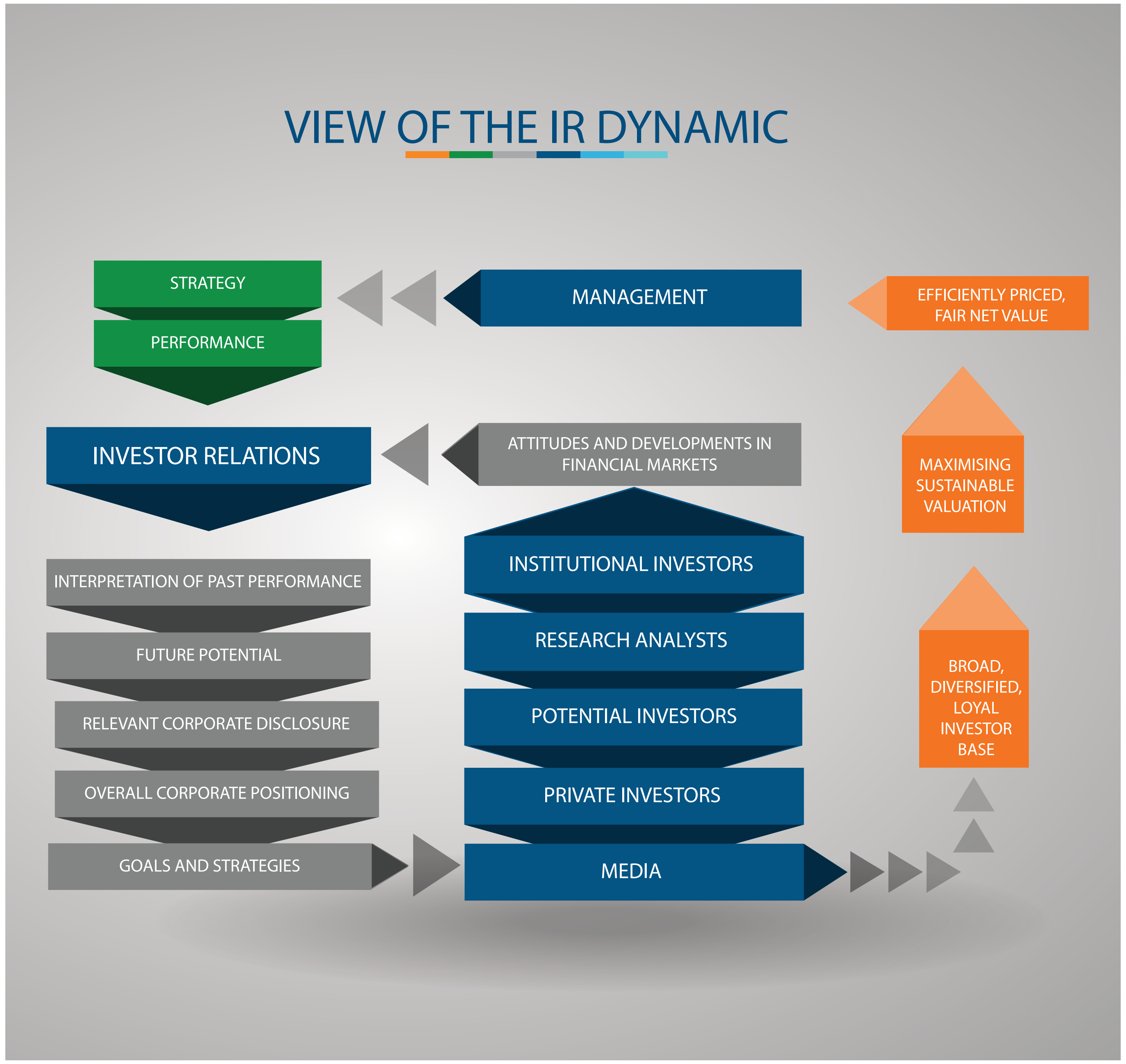
Often the best method of refining this perspective is with the benefit of external assistance, utilising market professionals who can dispassionately compare the formulation with peer propositions.

a. Initial Analysis
A conventional SWOT (strengths, weaknesses, opportunities, threats) analysis can be a good starting point for the initial analysis. Management may also find that seeking input from existing advisors (banks, auditors, lawyers or others) may also produce some interesting and potentially valuable perspectives from outside the Company in addition their own internal views. This is particularly relevant when assessing the merits of the investment case on a relative basis; remember that every investment case competes for investor time and focus against a myriad of alternative investment opportunities.

b. Selling Messages
Stage 2 sees the elements of the investment case identified in stage 1 turned into a core set of messages which will underpin all of the Company's investor relations activity.

It is important to remember that investors – whether individuals or professional fund managers – are looking for a clear and concise message. The better they understand your business and its prospects, the more likely they are to support it by buying shares.

A large part of the task in this stage lies in crafting messages which communicate the key selling messages simply and briefly. If getting the key points of the investment case across to investors takes more than 1-2 minutes, there is a higher probability of the investor's attention wandering and a lower probability of them investing.



c. Refining the Investment Case
Internal presentations can be a valuable opportunity to test the selling messages with a friendly audience before embarking on meetings with investors. Agreeing the key elements of the investment case is a crucial foundation for investor relations. However, all investment cases evolve over time in response to developments in the sector, country or competitive landscape. The way the investment case is communicated also evolves in response to feedback from investors as management learn which messages are most effective and which need further development. Keeping the equity story fresh and relevant is an important part of continuing successfully to engage with investors.

d. Key Attributes
Every investment case is unique but there are common elements to the most successful ones:
• clarity
• simplicity

3.2 INVESTOR ROADSHOWS

A ROADSHOW IS AN OPPORTUNITY FOR THE MANAGEMENT TEAM TO MEET A HIGH NUMBER OF EXISTING AND/OR POTENTIAL INVESTORS IN A CONCENTRATED SET OF MEETINGS WHICH MAKES THE BEST POSSIBLE USE OF VALUABLE MANAGEMENT TIME.

The core team is usually simple to assemble. It should include the CEO, the CFO and the IRO. Depending on whether the Company has a COO or if a particular division or business unit is performing particularly strongly or is undergoing significant change, it may be appropriate to take that member of the management team as well while their area of responsibility is particularly topical.

There are several types of roadshows:

- Non-Deal Roadshows: is a large meeting or conference put together for the purpose of meeting potential clients without a specific agreement being discussed or agreed upon. Generally, executives hold discussions with current and potential investors but nothing is offered for sale.
- Deal Roadshows: is a large meeting or conference put together for the purpose of meeting potential clients with a specific agreement being discussed or agreed upon. Generally, the agreement tackles issuing securities or doing an initial public offering.
- Stock Market Roadshows: where the stock market arranges for its listed companies in collaboration with a corporate access team of an investment bank a roadshow in a country of a financial appeal to meet potential investors Companies should at least attend 2 weeks of roadshows a year.

3.3 INVESTOR TARGETING

IN ADDITION TO CULTIVATING EXISTING SHAREHOLDERS (WHICH IS CRITICAL), ROADSHOWS SHOULD AIM TO EXPAND THE SHAREHOLDER BASE AS WELL:

- Existing investors will want to be kept up to date with developments at the Company and are likely to want to meet management in person at least once a year; you should target discussions with the top 20 institutional shareholders twice a year.
- Potential investors, particularly those who are holders of comparable companies but not of your stock, should also be systematically targeted. You may need to meet a fund manager two or three times over one or two years before they invest. It would be a mistake to decline further meetings with an investor if they do not invest after your first meeting. Demonstrating consistent progress and delivery on targets is an important part of building investor confidence in your Company.
- Even within a single institutional investor there may be several relevant fund managers, each of whom manages a separate pool of capital; your professional advisors should be able to guide you toward maximising the impact of institutional access.

No two roadshow meetings are identical, however, an investor meeting during a roadshow typically lasts for 40 to 45 minutes. Of this time, you should aim to present for a maximum of 20-25 minutes and leave the remainder of the time for questions and answers. The presentation should briefly set out what the Company does and move on to spend the majority of the time explaining why your Company is an attractive investment opportunity.

Questions

Questions from institutional investors typically fall into three categories:

a. **Fact checking:** making sure they have correctly understood the business.

b. **Strategy:** asking for greater detail about or justification for the strategy you have set out.

c. **Finance:** asking numerical questions which will help them build and refine their own models of the Company's future financial performance.

3.4 INVESTOR MEETINGS

DIFFERENT TYPES OF INVESTORS MAY WANT DIFFERENT THINGS FROM A MEETING WITH MANAGEMENT. AN INVESTOR WHO HAS OWNED SHARES IN YOUR COMPANY FOR TWO OR THREE YEARS IS LIKELY TO BENEFIT FROM A DIFFERENT KIND OF MEETING TO SOMEONE WHO IS NEW TO THE COMPANY AND IS MEETING MANAGEMENT FOR THE FIRST TIME.

Management should be alert to the likely aims of different types of investor and shift the emphasis of the meeting accordingly. While it is not possible to predict all types of meetings, the main types you are likely to come across are set out below:

- Existing investors: should be very familiar with the investment case and the financial performance of the Company while they have held the shares. They are much more likely to want to run the meeting as an extended question and answer session. Management should focus on what has changed since the last meeting as well as explaining new or emerging trends which impact or will soon impact strategy and financial results.
- New investors: Depending on how much preparation they have undertaken before the meeting, they may spend more time than is typical on fact checking. If they come to the meeting without any preparation, management will need to expand on the educational and factual aspects of the presentation. These types of meetings are most likely to see you make a formal presentation for a full 20-25 minutes.
- Retail investors: Interaction with retail investors is much less likely to happen in a formal roadshow meeting and is more likely at larger group presentations or outside any formal event. The range of sophistication among retail investors varies hugely. Some will respond much better to a simple and clear summary of the key selling message while others will ask questions of similar detail to professional fund managers.

A common theme to all types of investor meetings is the importance of being flexible in tailoring the meeting format and content to the audience. Encouraging investors to ask questions during the presentation at the beginning of the meeting is one way of ensuring you get prompt feedback. It is also entirely acceptable to simply ask investors if you are going into the right level of detail for them, so that you can adjust the emphasis accordingly.

3.5 WEBSITES AND WEBCASTS

CORPORATE WEBSITES AND THE USE OF DIGITAL CHANNELS IN INVESTOR RELATIONS

The digital revolution which has taken place over the past two decades has transformed many corporate functions in companies around the world, none more so perhaps than Communications. In the Investor Relations niche, however, the pace of change has been much slower. This has been due in part to the highly regulated nature of the markets, but things are changing fast. The generation of investment professionals now coming through the ranks have grown up in a digital world and year by year their expectations rise. While there are of course challenges in how to meet these expectations, companies who do embrace digital in their IR efforts will be rewarded by more efficient, more effective and more impactful communications, reaching more investors, further, faster and cheaper than ever before.

The primary focus for this guide is the Company website, which will be the first port of call for investors new to the Company as well as a critical resource for those who know you well. We outline some guiding principles and a pragmatic approach towards websites which listed companies can adopt, whether they are just starting out following an IPO, or are long-standing public companies.

Guiding principles

1. Context is King
All too often IR websites appear to be created under the assumption that their audiences are familiar with the markets in which the Company operates: the jargon, the consumer trends, the regulations and the other market forces which shape the competitive landscape. Little effort is made to help visitors who are not experts.
This is particularly important if overseas investors are an important target audience. You have the opportunity to shape the contextual framework within which investors will assess you. Don't just leave this information buried in annual reports or investor presentations - bring the content on to web pages and spell it out.

2. Content: More is More
A counter argument to this is that having too much content makes it hard to find key information and documents quickly. But if the site is well structured, with good navigation and page layouts, this should not be a problem. Too little content and your users will go elsewhere for the information they need – to websites where you have no control of the content or the message. Content does not just mean the written word. Video, animations and infographics are of increasing importance in getting the attention of investors and retaining their interest.

3. Understand your Audience
You may already segment your different investor audiences for targeting purposes – by geography, by investment style, institutional vs retail, for example – and this is valuable when thinking about website content, structure and signposting. However, a more fundamental difference to consider is between the needs of people who are coming to your website to learn about the company for the first time and those with whom you have an existing relationship. Analysis of investor website usage data consistently shows that first time visitors look more broadly across the site as part of the discovery process – wanting to understand the customer proposition perhaps, or to assess how you manage risk and the impact this may have on your reputation. Existing investors tend to be more focused and transactional in their visits, using the site as an online library and spending most time on it around results. Different considerations apply for each group, but the best investor websites balance the two needs.

4. Continuous Improvement
The pace of change in technology, in regulations and in audience expectations means that a good site today can quickly fall behind the curve of good practice. Moreover, to keep audiences interested and returning to the site it is important to refresh featured content on a regular basis. Making sure that you have the right plans and resources in place to manage these ongoing needs is a critical success factor.

A practical approach: the basics
While investor expectations for corporate websites will differ by market and by company size, basic standards of good practice are becoming increasingly standardized globally.

The following table is not intended to be prescriptive in its structure or content, but is intended to act as a checklist for the basic standards of an investor-facing website for a company looking to attract investors globally.

Know your audience
It is important to understand what type of investors own or will be attracted to your stock. According to a recent Thomson Reuters survey, 43% of institutional investors and analysts say that investor presentations are the most important content on an IR website (followed by quarterly and annual reports). Retail investors may be more interested in stock and dividend information. Understanding your audience will inform everything you do on your IR website and throughout the rest of your IR program, online or otherwise.

Include updated information about your Company
Your IR Website should include relevant and updated information about your Company. This includes recent filings, ownership data, fundamentals, press releases and an online investor kit.

Automate wherever possible
Ensure that critical data – such as filing and press releases - always get to your site in near-real time without manual intervention. This will ensure that the content on your site is up to date.

Conduct regular site reviews
At least once per year, conduct a full review of your IR website. The review should cover all the bases: content, layout, visual appeal, navigation, ease-of-use, level of engagement and interactivity.

Know how investors use your site
It's not enough to know your audience. It's critical to also analyze how investors are actually using your site—what content they're accessing most, where they're coming from and how much time they're spending on it. Your website provider should be able to help you with this, or you can do it yourself by working with your web team or by using a web-based tool such as Google Analytics. Some companies also supplement this type of analysis by regularly polling website visitors.

Make it easy for investors to receive your updates
Add RSS feeds, email alerts and social network sharing capabilities on your site so visitors can proactively be notified of updates to the information most relevant to their needs.

Keep up with technology
Even if you choose not to incorporate some of the more recent innovations into your site such as embedded video content, social media tools and dynamic, interactive document conversions, it's critical that you are aware of what is available so you can make informed decisions based on your investors' needs. Remember, perception is reality - almost 90% of institutional investors find that a Company's IR website affects their perception of the Company (according to a Thomson Reuters survey).

In addition to having an IR website, you should also communicate Company performance updates and corporate milestones to all key internal and external stakeholders, at least on a quarterly basis. Use webcasts to maintain regulatory compliance by ensuring that your information is communicated to all audiences at one time. Webcasts also allow you to better engage audiences with compelling, multimedia content and to cost effectively expand the reach of your message to global audiences in different time zones who can view your webcast on-demand.

When researching webcast providers, it is better to partner with a vendor that has operation centers across the globe, and local client service teams in your key regions. The multiple operation centers and global scale will increase the quality and reliability of your webcasts, while the local service teams will be able to provide best practices you should be incorporating in your communications. Also look for a provider who can offer targeted distribution channels to maximize the reach of your communications and embed your message in the daily workflow of investors and the media. When it comes to webcasts, experience matters so work with a provider who is prepared to handle any situation – after all, this is a live event.

In terms of the webcast platform itself, here are some key features you should look for:

- **Customized branding and design** to reinforce your corporate identity
- **Flexible platform** using Windows Media and Flash formats, eliminating the need for downloads
- **Control booth** providing a single interface for keeping all presenters on track, monitoring audience attendance, and moderating inbound questions
- **Interactivity** to gather audience feedback using real-time Q&A, polling and exit surveys
- **Smartcodes** to track the URLs from which your webcast is being accessed
- **Audience analytics** so you can understand user behavior (how long participants watched, who asked a question, etc.)
- **Mobile access on iOS-powered devices such as iPhones and iPads**
- **Multi-language support to meet the needs of your global audiences**

With a compelling IR website and quarterly webcast communications, you can increase the visibility of your Company and increase transparency while complying with communications regulations.

What Should You Announce and When:

First and foremost, prior to listing on any stock market, it is vital that the Company familiarizes itself with the rules of that market to ensure that it always complies with the regulations that govern it. Secondly, the financial community does not like uncertainty – even down to the dates which a Company reports its results, should be consistent year on year to avoid unsettling investors.

Broadly speaking the information that the Company is required to make public can be summarized as follows:

- Full year results and annual report and accounts;
- Quarterly and half yearly reports and interim management statements;
- Upcoming Annual General Meeting and results of that AGM;
- Announcements of dividends and payment dates;
- Announcements on procedures concerning the issuing, allocation and subscription of shares;
- Significant decisions concerning business activities or the management of the Company.

Additional information that should be announced or made public is that which affects strategy or operations such as:

- The Company's overall strategy and that of its divisions;
- The acquisition or disposal of subsidiaries, associates or investments and entering into or termination of important alliances, joint ventures and partnerships;
- The acquisition or loss of important contracts, licenses etc;
- Comments on important issues;
- Plans for major new products, services, and operations;
- Changes to the Board or key management personnel;
- Corporate Governance and Remuneration are increasingly important issues and so close attention should be paid as to how these areas are communicated.

In addition to the above, and again, keeping in mind the need to avoid unsettling the financial community, the Company should consider making trading statements to the market, when there is a significant disparity between analysts' and investors' expectations for a Company's financial performance and the reality. Generally, when there is a 10% or more variance (plus or minus), then a statement should be made to realign expectations. Such information should be released in a timely fashion ahead of the quarterly, interim, or full year results announcement.

4. WHAT ARE THE FINANCIAL CALENDAR ACTIVITIES FOR THE IRO?

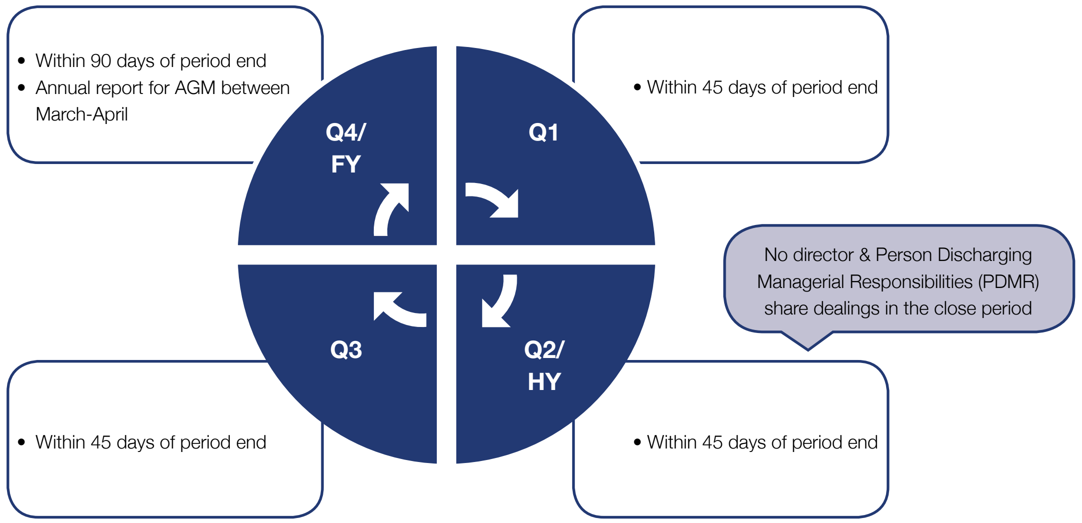
4.1 QUARTERLY RESULTS

ALL COMPANIES WHOSE SHARES ARE TRADED PUBLICLY HAVE AN OBLIGATION TO BE TRANSPARENT WITH THEIR SHAREHOLDERS ABOUT THE COMPANY'S OPERATING AND FINANCIAL PERFORMANCE. LISTED COMPANIES AROUND THE WORLD HAVE A DUTY TO MAINTAIN REGULAR, OPEN CHANNELS OF COMMUNICATION WITH THE INVESTMENT COMMUNITY IN RETURN FOR CAPITAL TO FUND AND GROW THEIR BUSINESS.

Companies should be following the full guidelines of the local market rules, jurisdictional law they belong to or where they might have dual listing. In line with international best practice, the current UAE local markets authority rules and regulations for example stipulate that listed companies disclose results and financial information to the market by:

- Providing the annual financial statements within 90 days of the end of the financial year and also make them publicly available within the same timeframe;
- Providing the quarterly and half yearly financial statements and make them publicly available within 45 days from the end of the period;
- Accompanying each of the above with a management report on the business activities for the period under review;
- Disclosing immediately any material information that is likely to affect the price of the securities and the decision-making of investors. Material information can consist of anything from transactions to a new product announcement to a senior management change.

Example results calendar for a Company with 31 December year end:



Directors of the listed Company must also adhere to the rule regarding close periods, often called "Blackout" periods, when they must not deal in securities of the Company for a period of 15 days prior to the end of each quarter until quarterly financial statements are disclosed and 15 days prior to the year end until the AGM is held for the annual financial reporting. To the same advantage of the Blackout, although not as prevalent, companies adopt "Quite" or "Silent" periods to restrict contact with investors that would amount to insider information. Normally, the quite period takes place during the four weeks prior to the close of the business quarter.

In practice, to fulfil the above obligations, listed companies approve the results for the period at a pre-set Board meeting. Following sign-off by the Board, the press release, financial statements and management report are sent. Once the results appear on the stock market website, the information is distributed to the media and the investment community.

Following distribution, listed companies, in line with international best practice, may support their announcements with the following activities:

- Media interviews/conference call/press conference
- Analyst one to one calls/conference call/webcast/face-to-face meeting
- Investor one to one calls/conference call/webcast/investor roadshow

All of the above activities serve to provide clarity on the numbers, especially exceptional items, context for the results, addressing any issues, and guidance on the performance and outlook. These activities allow the Company to manage results communications and positioning in the market; lack of transparency leads to misconceptions and can ultimately affect valuation, the Company's share price and even the Company's core business.

Audience Requirements

INVESTORS	• How do the results compare with market expectations in terms of revenue growth and profitability? • What is the Company's outlook? • Do the results justify holding/buying/selling the shares?
SELL-SIDE ANALYSTS	• How do the results compare with my forecast estimates? • Is there a good story that we can use as a sales team to generate business? • Should I change my target share price and recommendation? • What are the implications for my forecast for next year and after that?
FINANCIAL MEDIA	• How do the results compare with market expectations in terms of revenue growth and profitability? • How is the market reacting in terms of share price movement and analyst comments? • Is there a good story that will be interesting to my readers that I can sell to my editor? • The media typically focus on profitability; headlines tend to report the bottom line, especially the wires. • The financial media tends to reflect the views of the investors & analysts with supporting quotes; hence the importance of disclosure to all three audiences. • Media will often try to sensationalize their articles due to the highly competitive media environment. It is therefore important to engage with them to manage messages and positioning.

Contents

There are international best practice guidelines for the levels of transparency companies should consider for a results press release, including:

- A highlights section including key financial and operational headlines
- A quote from the Chairman and/or CEO encapsulating the key performance drivers and mitigating any negative outcomes
- A detailed review of the business and financial performance with year on year comparatives
- Full financial statements (including comparatives)
- Full notes to the accounts
- Reconciliation of any non-standard headline numbers
- Explanation of Key Performance Indicators (KPIs)
- Contacts for media and financial community questions

Purpose

The key audiences for results announcements are: institutional/retail shareholders and investors, buy-side analysts supporting institutional fund managers, sell-side analysts compiling equity research reports and evaluating sector prospects, and the financial media reporting to the public at large in the business pages of the local, regional and international press. These audiences are primarily interested in assessing investment potential – in terms of fundamentals (expected future cash flows, growth and risk), sentiment and current valuation/the likelihood of the shares performing better than others in the market in the foreseeable future. So as long as the results are in line with expectations, the Company's key audiences are likely to be most interested in what they have to say about the future.

Planning

Effective, professional results announcements require careful planning. Companies should consider the following in preparation for announcement day:

- **Timetable for production of financials.** This timetable would run from the first draft of the financial statements and notes to final sign off by the Board. This timetable helps to ensure that issues are raised with the auditors as they arise and addressed well ahead of the final audit meeting. Parties to include in the timetable: the finance department and Chief Financial Officer, the business unit Finance department (if relevant), the Investor Relations team, the Auditors and the Board.

- **Communications timetable.** This would cover development of key messages, the press release and presentation, Q&A, event support (room hire, AV equipment, invitations and follow up, refreshments, materials, branding and other logistics) and rehearsal sessions. This should link to the financials timetable. Parties to include in the timetable: Chairman, CEO, CFO, the Finance department, business unit Heads or Communications Directors, the Investor Relations team, the Auditors and the Board.

- **Pre-results research.** This is a fundamental component of results preparation. A review is conducted of all current sell-side research on the Company (and its peers) to identify the key market issues and themes. Analysts' forecasts are reviewed to consider what guidance is required. Financial PR consultants are engaged to gather pre-results perceptions research from the market to monitor results expectations and anticipate issues/ questions. Competitor results, press and analyst comments are also monitored to assist with the Company's own messaging in all results materials.

- **Results day timetable.** This ensures that there are no clashes in senior management schedules and that adequate resources are in place for all the different activities on the day.

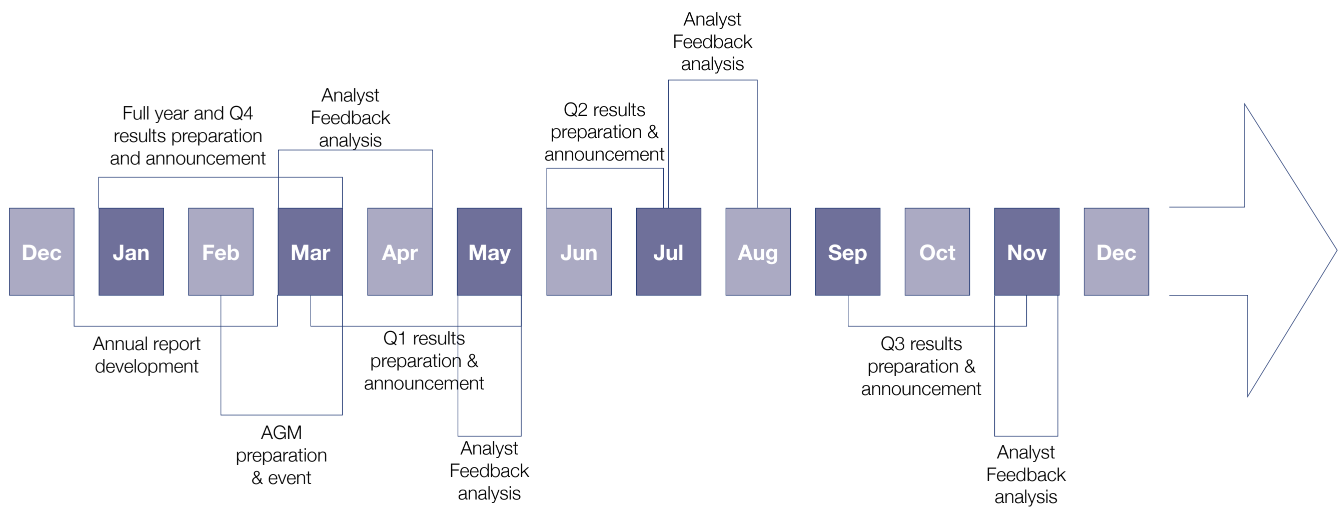
- **Materials.** Results announcement materials include financial statements, a management report, press release, presentation for media/analysts/investors and Q&A.

- **Online:** The Investor Relations section of the Company's website would also be updated to incorporate all materials and events. Mobile applications and social media such as Twitter and Facebook are now often used to announce results highlights and post key documents such as the results press release.

- **Media conference call/interviews/press conference.** It is always wise to take control of the media interpretation of the Company's results rather than allowing the press to draw their own conclusions. These calls and face to face meetings help to manage Company positioning, address misconceptions and issues and manage guidance and outlook.

- **Sell-side analyst conference call/individual calls.** These calls serve to answer research analyst questions promptly and in a uniform manner (conference call preferred to avoid selective disclosure) enabling analysts to update their research notes, adjust forecasts if necessary and brief their brokers/clients. A conference call will also help reduce the amount of time required from senior management.

Financial Calendar Activities



- **An investor roadshow timetable.** This should detail the investor meetings to be held after the results announcement, locations, contact details and travel plans, plus any supporting work on shareholder targeting and profiling.

- **Logistics check list:**
  - Check with peer companies to ensure results meetings do not clash – you will share common audiences and it is not in anyone's interest to hold your results briefings simultaneously.
  - Book rooms for the analyst and media briefings ensuring that they can accommodate any technology requirements you may have, e.g. recording for webcast.
  - Once timetables are prepared (see above) ensure relevant meetings are included in senior management diaries for rehearsals, reviews of press releases etc.
  - Confirm any travel arrangements that are being managed by external parties, e.g. overseas investor roadshows managed by brokers.
  - Confirm arrangements for the release of the announcement and circulation to your distribution list, including any print requirements.

4.2 PERCEPTION STUDIES

IT IS IMPORTANT FOR COMPANIES TO OBTAIN, ON A REGULAR BASIS, AN OBJECTIVE VIEW OF THE MARKET'S LEVEL OF KNOWLEDGE AND PERCEPTIONS OF THE COMPANY, ITS OPERATIONAL AND FINANCIAL PERFORMANCE, STRATEGY, MANAGEMENT, GOVERNANCE, INVESTOR RELATIONS EFFORTS AND FUTURE PROSPECTS.

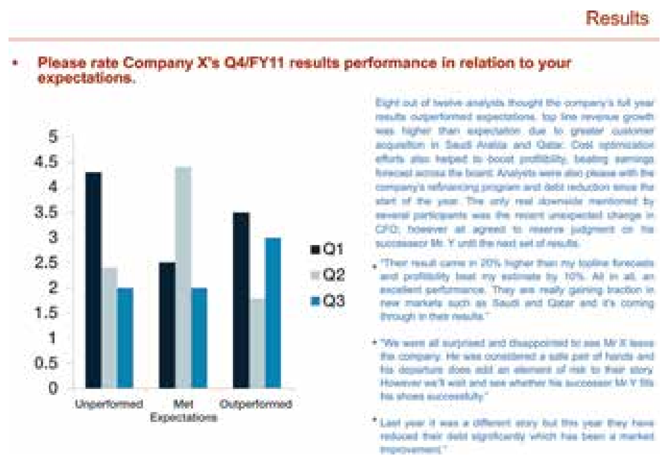
This exercise provides an objective benchmarking tool to measure the effectiveness of the current IR program and evaluate whether messages are understood by target investor/analyst groups. Findings are used to tailor messaging, materials and disclosure to the investment community.

Usually companies engage external investor relations consultants to conduct feedback on their behalf. Conducting feedback through a third party gives investors and analysts an independent, non-attributable channel to share their views with management – an invaluable two way dialogue. Through a third party provider it is easier to obtain frank market views that analysts and investors might not feel able to share with the Company directly.

There are several types of feedback studies conducted for companies throughout the financial year:

- Short quarterly pre-results research (approx. 6-8 participants)
- Post results feedback (approx. 8-12 participants)
- Post event/investor roadshow research with the buy-side (10-20 participants)
- Annual in-depth perception study to track progress of the IR program (up to 40 participants including buy and sell-side plus key media).

Example of results announcement in relation to expectations:



The feedback is usually anonymous with a list of participants provided at the end of the report. Studies can be both quantitative to provide ongoing performance benchmarks, and qualitative to provide real commentary and perceptions. Feedback helps identify misperceptions and knowledge gaps amongst investor, analyst and media audiences. The investor relations consultancy would use the findings of the study to make recommendations as to how the Company can evolve its communications activities and materials to ensure that the knowledge/perceptions gap can be narrowed for each of these different audiences.

4.3 ANNUAL REPORT

THE ANNUAL REPORT REMAINS AN IMPORTANT PART OF SHAREHOLDER AND STAKEHOLDER COMMUNICATIONS MIX. MANY COMPANIES VIEW IT AS THE DOCUMENT THAT BRINGS TOGETHER ALL THEIR KEY MESSAGES THROUGHOUT THE YEAR. IT SHOULD FEATURE A DESCRIPTION OF THE BUSINESS; THE CONTEXT IN WHICH THE BUSINESS IS OPERATING; AN OVERVIEW OF STRATEGY, GOVERNANCE INFORMATION, INCLUDING RISKS AND UNCERTAINTIES. IT SHOULD ALSO PRESENT THE MAIN FINANCIALS, TOGETHER WITH DETAILED EXPLANATORY NOTES. IN SUMMARY, THE REPORT SHOULD GIVE READERS AN IN-DEPTH UNDERSTANDING OF THE COMPANY, ITS PERFORMANCE AND ITS PROSPECTS GOING FORWARD.

The key objectives of an annual report therefore are:

- Educate and inform current and potential shareholders;
- Outline a strategy and report on how that strategy is being implemented;
- Report on performance during the period under review and put that performance in context of the Company's strategy and markets;
- Explain the risks and factors that could influence the performance of the business;
- Provide direction and clarity on corporate governance issues, and explain how decisions on governance are related to the performance and strategy of the business;
- Fulfil legal and regulatory responsibilities;
- Opportunity to build their corporate reputation with a wider group of stakeholders.

Content

It is the narrative elements of Company reporting that have come to prominence in recent years – partly as a result of the changing regulatory environment and partly due to a change in focus from companies and investors. Increasingly, companies are including a range of 'non-financial' key performance indicators (KPIs) alongside the more traditional financial measures of performance. The idea behind this is to give readers a better understanding of how the Company is operating along with other factors that might impact the performance.

Key areas of content companies should consider adding to their report are:-

BUSINESS OVERVIEW	Companies frequently assume readers know what their business does. An 'at a glance' spread which combines narrative and graphical information early in the report is an effective way of showing what the Company does, where it operates and how it makes its money.
MARKETPLACE	Trends in the Company's key markets along with an overview of challenges and opportunities in the industry provide an insight to where the Company is going. Data from external sources helps support a description of the marketplace.
STRATEGY	A good report should identify a clear set of strategic goals and objectives along with an explanation on why this strategy is being followed. This should be backed up with some form of measurement.
KEY PERFORMANCE INDICATORS	Companies should specify their financial and non-financial key performance indicators (KPIs) define them and explain their significance by tying them to strategy. A graphical representation of KPIs over the years is helpful.
RISK MANAGEMENT	A lot of this type of information is boilerplate and sits buried in the back of the report. A clear, easy to understand summary of principal risks and uncertainties should be brought up front along with an explanation of how they are being managed on a day-to-day basis.
FORWARD LOOKING INFORMATION	The provision of this information is difficult for companies. However it is possible to provide non-financial information with a forward looking orientation through strategic goals and discussion of wider trends in the marketplace.
ENVIRONMENTAL & SOCIAL	Many companies provide Corporate Social Responsibility (CSR) information as an afterthought. Companies should describe the social and environmental issues that are material to their business, explaining why they are important and how they are measuring performance. An external view on performance provides credibility.
EMPLOYEES	People are frequently highlighted as the core element to a business but then confined to a small narrative in the Capital Social Responsibility (CSR) or governance section. A commitment to employee information should be made throughout the report.

Design & Layout

While the design on the front cover should make someone want to pick up the report, it should also have a purpose. For example, use an image or strap line to illustrate a key strength or message.

The use of visual aids (e.g. pictures, infographics, etc.) is a powerful way to convey key messages. Imagery should be relevant to the content and messaging of the report, too many images may make the document elaborate, too few leave the document text heavy and less likely to engage the reader. Photography should be captioned to explain its relevance.

Not all readers have time to review an annual report in detail; good use of bullets, shorter paragraphs, highlighted text, visual aids, graphics etc. that facilitate access to the information are recommended. Most readers browse through annual reports so critical information should be signposted with boxed sections and colour to bring key messages to their attention.

Font size should be easily readable, line lengths not too long and the text laid out in columns. It is helpful to differentiate the accounts section from the rest of the report by colour or paper type so readers can turn to it easily. Finally make sure it is clear which section of the report you are in by use of tabbing devices.

Online

The vast majority of companies continue to post their printed reports to all shareholders' though increasingly companies are providing an online version of the report to sit alongside the print version.

Virtually all companies make their annual report available as a PDF online. Some companies have also opted to produce all of their annual report as a full microsite. In some instances companies have developed reporting 'apps' for iPhones and other smartphones.

While companies may feel no demand from their shareholders and see no immediate budgetary advantage, there is a widespread acceptance that investor communication is increasingly moving to an online format. The annual report should form part of that wider online investor communications effort and sits comfortably alongside electronic versions of investor presentations, share price data and AGM information.

There is no right or wrong approach – companies should simply think about the needs of their audiences while also considering other factors, such as available budget, timings and resources available to make the transition to an online format.

Where companies are producing an online version of the printed report certain factors should be taken into consideration:

- Online is a fundamentally different medium to print, requiring a more fluid approach to design. Provide multiple options to navigate the report including the ability to navigate from one page to another;
- Greater functionality such as video, interactive charting, print baskets and social media applications can be integrated into the online report to make it more engaging for readers;
- Give the report an identifiable URL e.g. www.YourCompanyName.com/AR2011;
- Provide a detailed search facility;
- All content in the printed report should be available in the online format.

Schedule

Provided below is an indicative schedule outlining the various activities and stages of an annual report project. These will vary in their duration and complexity but provide a guide on what to think about and at what stage.

- Project set-up – research / process / timetable / messaging
- Design concepts
- Present design concepts
- Executive interviews & copywriting
- Design development
- Sign off design development/commission photography
- Photography
- Sign-off pagination/templates
- Draft of documents (including photography)
- Final production stages – typesetting & artwork
- Proof reading
- Sign-off to print/produce online versions
- Printing/online development
- Mailing/online version live

Conclusion

The production of the annual report is a key activity in any Company's Investor Relations program. The annual report should be seen as part of the corporate reporting cycle, providing the strategic detail behind the information released at the time of the preliminary results announcement, but remember it is a piece of communication so make it engaging to the reader.

4.4 INVESTOR PRESENTATIONS

THE WRITTEN PRESENTATION TYPICALLY HAS NO MORE THAN 15-20 SLIDES SO THAT THERE IS TIME FOR QUESTIONS ONCE YOU HAVE FINISHED PRESENTING. DEPENDING ON THE SITUATION, IT MAY BE APPROPRIATE TO HAVE SLIGHTLY FEWER OR SLIGHTLY MORE PAGES THOUGH RARELY MORE THAN 25.

You should consider seeking the advice of a bank or law firm to review the content of the initial presentation (to specifically exclude non-public information) and add relevant disclaimers.

The higher the number of pages, the more critical keeping a disciplined eye on the time spent presenting each page becomes.

If pages of financial or operational data are helpful in answering investor questions, consider including those in an appendix and referring to them during Q&A rather than having them as part of the main presentation.

4.5 ANNUAL GENERAL MEETING (AGM)

THE INTENTION OF THE FOLLOWING SECTION IS TO BROADLY COVER THE PREPARATION AND PROCEDURES WHICH CAN BE FOLLOWED IN ORDER TO ASSIST AN INVESTOR RELATIONS OFFICER STRUCTURE, PLAN AND DELIVER A GENERAL MEETING.

This is based on various international best practice precedents and of course, it must be borne in mind that there will be various nuances to this model dependant on the primary stock exchange on which a Company is listed. It is prudent therefore, to be fully versed in and adapt the following guidelines to, the local market rules, jurisdictional law and as a result develop a local best practice regime in this context. Advice and support in this regard, can be sought from your appointed Registrar, the CSD at the local exchange, and the regulator.

An Annual General Meeting (often abbreviated to AGM or known as the annual meeting) is held on an annual basis, typically within four to six months of the end of a financial year. The AGM is an opportunity for shareholders in a Company to view and approve the annual report including fiscal information for the past financial year and also to listen and ask any questions they may wish, to the Board of Directors, regarding the strategy and direction of the business for the coming year. A publicly-listed Company is generally required by law (or the constitution, charter, by-laws etc governing the Company) to hold the meeting annually and the stipulations for holding a meeting and the proceedings at meetings are usually covered within their charter e.g Articles of Association. There are also regulatory requirements to be aware of, including announcements of such meetings to the exchange, Company Law requirements and the governance requirements of the regulatory body of the stock exchange.

Standard documentation to be compiled and disseminated to shareholders usually consists of the following:

- Chairman's letter, signed by the Chairman
- Notice of Meeting, including all resolutions to be put forward at the meeting and passed by shareholders and associated explanatory notes, explaining content of the resolution.

It is also helpful to explain to shareholders the process for submitting instructions, related cut-off times and a contact point either within the Company itself or of an external party e.g. the registrar, should investors or market participants acting on behalf of investors, have any questions about the Notice. Information regarding postponement of a meeting for various reasons (including if a quorum is not met and in the event that the meeting needs to be rescheduled) should also be addressed in here:

- A copy of the Annual Report (typically this is also made available on the Company's website alongside the rest of the AGM document set)
- Voting/proxy card (for voting in advance if the shareholder cannot attend)
- Request for attendance or similar (it is helpful to provide a map to the venue also for visiting investors to ensure they arrive in a timely manner).

Please note that while it is theoretically possible for a shareholder to submit a proxy vote in advance of the meeting (to be cast at the meeting by the chairman or another duly appointed representative) and also attend the meeting, they should not be allowed to vote twice as this will constitute double-counting of votes. This should be monitored carefully by the tabulation agent (if appointed) or by the Company, as should the attendance and voting process. In this scenario, it is beneficial for the investor to choose the option to vote at the meeting itself, given that the response of the Board to Directors to specific questions may be instructive as to how the investor will vote on certain resolutions.

An ordinary resolution put forward to be passed by shareholders are typically those that involve the general running of the Company – (re)election of the Board of Directors (check rules for retirement by rotation of directors, if any); approval of audited financials; (re)appointment of internal and external auditors; approval of dividend; approval of compensation for Directors (or the approval that the Board of Directors may decide this in their absolute discretion). Ordinary resolutions usually require that 50% or more of votes cast in person or by proxy are in favor of the motion. If the required quorum is not met, then the meeting is usually adjourned and a second AGM date is declared in order to pass the proposed resolutions with the necessary critical mass of votes/attendance required In the event of an adjourned meeting, an IRO may need to actively solicit participation and/or proxy voting from shareholders in order to achieve the votes required to pass the each resolution.

An extraordinary resolution or special resolution is a resolution passed by the shareholders of a Company by a greater majority than is required to pass an ordinary resolution. The precise figures vary in different countries, but commonly an extraordinary resolution must be affirmed by not less than 75% of shareholders casting votes. As above, if the necessary quorum of participation is not reached, then a second meeting may need to be held.

Extraordinary resolutions are generally only required in certain specific situations required by statute, for example, to wind up a Company. In many cases the Articles of a Company will direct what reserved matters must be passed as a special resolution prior to the Company engaging in the said activity. A Company may wish to amend its constitutional documents to provide that an extraordinary resolution needs to be passed for certain activities. This is purely a matter of internal organizational governance and control and gives investors comfort that before engaging in such activities, approval must be sought from the 'owners' of the Company over and above a simple majority.

Planning:

It is good corporate governance to ensure that each and every shareholder, irrespective of size of their shareholding is made aware of the meeting and is given an opportunity to attend and/or vote. An official proxy solicitation exercise can be undertaken to solicit votes and attendance firstly to ensure that there is enough of a quorum to proceed with the meeting and

also to ensure there is a sufficient critical mass of votes in order to pass resolutions.
Please see checklist for pointers on the planning process

Active Involvement of Shareholders in Meetings
Participation of investors at general meetings is usually encouraged to initiate an open and active dialogue with the Board of Directors and the senior management of the Company and to allow shareholders the chance to air their view and play a part in the decision-making process. In many markets however, shareholder activism does need to be actively managed. Groups of investors can sometimes join forces to propose counter-resolutions and in some cases, change the course of dividend decisions and nominations of the directors for the Board, (amongst others). An IRO can add value here by consistently engaging actively with major shareholders especially in the lead-up to a general meeting which promotes transparency around the proposal of resolutions and allows an IRO to explain the rationale behind these, whilst encouraging a dialogue between senior management and these investors, should further elaboration be required. The need for a strong corporate governance code to preside over the general day to day running of a company goes without saying. The possibility of shareholder activism really promotes the case for the development of a closely guarded procedural plan for managing the end to end AGM process, this will prevent invalidating the proceedings of meetings and also to manage any proxy fights or activism attempts on the rare occasion that they do occur.

AGM Checklist

VENUE	Venue booked in advance so that it can be incorporated into the AGM documentation. The set-up of the room should ensure that all shareholders can see the Board of Directors and any presentations made by them (such as the CEO, CFO etc). You may also wish to provide refreshments at the start of the meeting, any company collateral and provisions should be made for shareholders to ask questions. You may wish to allow time after each resolution for questions or at the start of proceedings.
AGENDA & DIVIDENDS	Board of Directors meeting held to finalize agenda and make a decision on dividend distribution (if any). The Company Secretary is typically in attendance in order to make note of the resolutions to be put forward.
ANNOUNCEMENT	Announcement made to the stock exchange about the meeting with details of the AGM including dividend information and dates related to eligibility to dividend (eg Record Date and Ex-Dividend Date). If there is a regulatory requirement to post the announcement of the AGM in a newspaper then this should also be done in-line with the stipulated notice period for investors. In the MENA region, often it is necessary to place an announcement in both a local language and an English language newspaper.
DOCUMENTATION	In parallel to the above, AGM documentation is finalized and distributed to shareholders within a designated timeframe (e.g 21 calendar days notice). Check in advance if regulations permit this communication to be wholly by electronic means or if physical copies must be mailed to shareholders.
VOTES & PROXIES	Up to and including the cut-off date for instructions (votes and requests for attendance), response from shareholders are processed and consolidated. Often proxy votes need to be officially lodged with the Chairman of the Meeting in order for him/her to vote on behalf of absent investors, as per their instructions.
REGISTRATION	On the day of the AGM the meeting usually commences at a set time and investors are advised to arrive on time to allow them to register and take their seats before the arrival of the Board and the start of the meeting. Often but not always, when the meeting is in progress the door is closed to show that any latecomers cannot be allowed to join if the meeting has started. In practice, latecomers can be accommodated but should be escorted in by the organizers and chaperoned to their seat. A registration desk is useful to tick off shareholders who have registered to attend and other attendees such as auditors etc. and also a helpdesk where the registration desk can refer and escalate any potential issues. At many AGMs it is mandatory to register to vote in advance so that shareholding can be checked as at the record date and recorded on the poll card (in the event of a poll). For a show of hands it is sufficient to validate that the shareholder was indeed holding shares as at the Record Date.
VOTING PROCEDURES	Voting procedures of the AGM do vary and the Chairman can call a poll (normal or accumulative) or ask for a show of hands from shareholders to vote in favor of a resolution or against it. A lot of companies prefer calling a poll, as this allows weighted voting dependant on size of shareholding. A show of hands in favor and against resolution is a more immediate response of course and results can be announced on the spot, however many shareholders prefer to keep how they vote a private affair. Often, the voting process at the meeting itself can be monitored by the regulator or a third party such as an auditor or registrar to ensure that everything is in order and to prevent invalidating the meeting. To assist with proceedings it is helpful to provide the Chairman with a script and prepare a presentation in advance to announce to the meetings the proxy votes that have been collected in advance of the meeting.
CLOSURE	The meeting should be officially closed and the results announced to the meeting (possible if a show of hands was used for the voting process) or it should be stated that results will be announced as soon as possible after the end of the meeting. Poll cards should either be handed to a designated individual or put in a sealed box that cannot be tampered with. Once the poll cards have been collected then the counting of the votes can begin.

Post-AGM

RESULTS	Once the poll cards have been processed and results counted and consolidated with the proxy votes then the results should be publicly announced to the market stating which resolutions were passed and which were not and the number and type of vote for each resolution. The typical categories are 'In Favour', 'Against' and 'Abstain'.
DIVIDENDS DISTRIBUTION	It is customary for any dividends to be distributed to shareholders shortly after the resolution has been approved at the AGM. It is good practice to execute this within 20 -30 days of the Record Date.

Note about EGMs (Extraordinary General Meetings)
An EGM is a meeting of shareholders which occurs at an irregular time and this is often required if an issue arises or action needs to be taken which cannot wait until the next AGM takes place. The process for planning an EGM should shadow the AGM process wherever possible.

5.
WHAT IS THE RELATION BETWEEN IR AND CORPORATE GOVERNANCE?

INVESTOR RELATIONS IS AN INTEGRAL PART OF A GOOD CORPORATE GOVERNANCE FRAMEWORK - IT MANAGES THE INFORMATION AND CHANNELS BY WHICH THESE EFFORTS OF THE BOARD AND MANAGEMENT ARE COMMUNICATED TO THE OUTSIDE WORLD, AND PERFORMS A CRITICAL LIAISON ROLE FOR THE COMPANY TO UNDERSTAND HOW THESE MESSAGES ARE RECEIVED. INVESTOR RELATIONS SHOULD ALSO PROVIDE AN UNBIASED FEEDBACK ROUTE FOR STAKEHOLDERS TO QUERY AND DISCUSS THE COMPANY'S ACTIVITIES, HENCE THE IR PROFESSIONAL WORKS CLOSELY NOT ONLY WITH THE BOARD BUT ALSO OTHER GOVERNANCE OFFICERS IN THE COMPANY.

The Corporate Governance Environment

The Board of Directors has the primary responsibility to be a steward for the shareholders' interests, review the strategies and risks of operations, and ensure the Company complies with a vast range of legal and regulatory requirements. The Board must also consider the interests of a range of other stakeholders who hold varying influence and interest in the Company. The relevance of the stakeholders' interests continually fluctuate due to regulatory changes, social expectations, economic conditions and competitive activity.

Good corporate governance includes efforts to always do business the right way for customers, clients, shareholders, and in the communities served by the Company; to provide the company's leaders with the knowledge and tools they need to make the best decisions; and to help the company's associates clearly understand the values and ethical standards that guide our company every day.

The Board's ability to control both the internal operations and the external expectations of stakeholders is generally assisted by the creation of an effective Corporate Governance Framework. This is a broad set of processes, systems and documents which Boards and Senior Management use to regulate their activities, ensure the appropriate consideration of stakeholder interests and, more frequently, indicate to external parties how in particular these objectives are achieved.

Whilst not an exhaustive list, the following summarises some of the key elements Boards should consider when developing their Corporate Governance Framework.

- **Board Processes:** A strong Framework clearly defines the respective roles of the Board and management, the delegations and accountability of power, and how the Board will conduct itself.

A clear distinction between Board and Management roles is ideal, but sometimes difficult to achieve in practice. Whilst the legal environment (including the Company Law, Articles of Association, and other Laws) establish key shareholder rights and Company duties, the Board has significantly more discretion in managing the relationship between the Board of Directors and its Senior Management. The nature, scale and complexity of the Company's operations and corporate structure plays a significant role in determining how the Board exercises this discretion. To some extent, Corporate Governance Codes provide rules and guidance, but effective Boards will consider these as a minimum standard which should be comprehensively expanded in the Company's own internal policies.

Typical documents which form the base of the Framework include Board and Committee Charters, Delegations Matrices, Corporate Registers, Codes of Conduct and a toolkit of templates and forms.

- **Control:** The Framework provides the Board with tools and processes for the monitoring of the Company.

The Board cannot delegate its responsibility to monitor and control the Company, which is why key reports such as Financial Statements are approved by the Board before submission to Shareholders. The Board is empowered, and in such cases as Board Committees and Control Departments, is mandatorily required to create control systems to provide additional attention and assurance on particular topics.

Additionally, the Board sets the ethical tone and standards for the Company. This is a complex task, requiring a balance in selection of staff, incentivisation, strategic decisions, and disciplinary actions.

- **Transparency and Disclosure:** The Framework should be designed to enable clear, timely and relevant communication with stakeholders.

A significant portion of any Framework is designed with an internal perspective – Charters, policies and procedures which provide guidance, controls and allow the monitoring of the company by the Board. Shareholders and most stakeholders do not have access to the internal workings of a Company, and hence rely strongly on key communication points (eg, Annual Reports and Annual General Meetings) to gather information and interrogate the Board and Management.

Many of the external activities and communication the Company has with its shareholders and other stakeholders are also quite technical or rigid because they are established by laws and standards, such as audited financial accounts and governance reports. Alternatively, continuous disclosure requirements for significant or price sensitive data may not reiterate previously stated information, hence outsiders need to consider a wide range of information sources. Providing ongoing communication through channels such as Investor Relations Departments enables the Company to both receive and disseminate information effectively.

How IR Interacts with Governance Roles

Investor Relations interact with the Chief Executive Officer, Chief Financial Officer, Company Secretary, Legal Counsel, Auditors and Risk Manager, depending on the size and structure of the Company. Interaction must be two way – IR can be a key source of data about stakeholder issues, trends, concerns and queries for internal staff, whilst at the same time the IR function often has to assemble and interpret a wide range of corporate data into a form which is understandable and legally compliant.

Investor Relations requires a full understanding of the company's activities in order to ensure the right message is conveyed to stakeholders. Sometimes, it's not about what you say, but HOW you say it!

Some points to consider when looking at Corporate Governance and Investor Relations:

- Investor Relations should also, as part of the overall corporate governance framework, have their own code of ethical standards in ensuring that communications and work on behalf of the company is clear, not misleading or ambiguous.
- Another key component of a good corporate governance framework is to review and document the company's position with regards to Corporate Social Responsibility (CSR). Investor Relations will play a key role in ensuring that the work done by the Company in this area is effectively communicated to all stakeholders and the key messages about the company's moral and financial support for CSR are portrayed.
- Investor Relations usually acts as the main point of contact for all external queries with regards to the Company's Corporate Governance activities, its financial and stock prices together with past performance figures for analytical use, and official shareholder communications on such activities as AGM, EGM, Dividend and other corporate actions.
- The sensitivity and complexity of such information and processes require a particular level of professionalism, organizational skill and integrity – hence it is essential that the Investor Relations Department be appropriately resourced and undergo continuous development.
- In conclusion – an Investor Relations function should not be seen as cost centre but a value added to a Company's Corporate Governance Framework.

6.
BENEFITS OF AN EFFECTIVE INVESTOR RELATIONS FUNCTION FOR ISSUERS OF BONDS AND SUKUK

Most institutions, whether corporates, banks, Government related entities or other types are aware that implementing an effective investor relations function is positively viewed by the majority of investors (both equity and fixed income investors). However, something that is not always fully appreciated is the benefits of an effective investor relations function to the institution itself as well as those benefits also applying in the case of debt capital markets, even if the institution's equity is not listed.

Listed below are some of the advantages issuers (or potential issuers) could harness from an effective investor relations programme.

1. Keeps existing bond or Sukuk holders informed on the recent developments and latest updates of an issuer, which can maximise clarity on the credit position. This can have several indirect benefits on secondary market performance as well as primary market demand for these names.

   In an environment where there is constantly updated information about an issuer, a specific industry sector, as well as regulations or macro-economic factors, there are always significant questions raised among investors as to how this information impacts the issuer from a credit perspective. Investors may approach issuers directly with these questions but these may sometimes only be raised when the issuer is actually undertaking a financing transaction and visiting investors physically. Time is often constrained and investors may not have the answers to all of what they are seeking. Engaging with fixed income investors and disseminating key information on an ongoing basis could maximise the investors' familiarity with issuers. The potential advantage is that when the time comes to executing a public debt capital markets transaction, much of the core investor base would already have a good understanding of the latest developments of the issuer, its financial position and its debt capital markets funding plans and objectives. This may allow them to make swift decisions on participating in a transaction and could address outstanding queries that may arise during the transaction in the most efficient way.

   Further clarification on the issuers' latest developments and financial performance also assists in the secondary market performance, allowing investors to make better decisions on their holdings of outstanding paper.

2. Maximises the pool of investors (by type or geographically) that the issuer can potentially access.

   Investor relations is not just about engaging existing investors but also about engaging with potential new investors, both regionally and internationally. Engaging the broadest possible range of investors could open up a specific institution to new pockets of liquidity, either in a market where the issuer already has a presence or in new markets.

3. Enhances the issuers reputation from the perspective of existing or potential fixed income investors.

   An effective investor relations function evidences transparency and the importance that a company places on all stakeholders including creditors in the debt capital markets. These are attributes that are highly valued by international fixed income investors, particularly towards borrowers from emerging markets. A key concern from international fixed income investors is the lack of transparency in the emerging markets, which could be addressed to a material extent via an effective investor relations function.

4. Increases potential opportunities for attractive financing options (e.g. reverse enquiry private placements).

   A well-executed investor relations program will result in a company having a dialogue throughout the year with various fixed income investors across geographies. It will also result in a greater familiarity of a certain company among investors which can translate into new funding opportunities for those companies often in new markets and currencies.

5. Keeps issuers up to date on investors' constantly changing preferences, concerns etc. which is especially important for frequent issuers.

   Only by frequently engaging investors will a Company fully have its finger on the pulse of the target investors and the perception of the Company and its region in the international markets. This is much more important for frequent issuers where this understanding is a key input in the company's plans and strategy to access the debt capital markets.

6. Maximises the return from the investment already made in creating a presence in the debt capital markets (especially for listed companies).

   Establishing a presence in the debt capital markets requires an investment in terms of cost and time. It also comes with certain obligations (e.g. filing financial results with the exchange on which the bonds/Sukuk are listed). Having already made such commitments, there is a strong rationale for a company to maximise the opportunities that the debt capital markets presence brings both in terms of funding as well as profile for the company. There is a great deal of overlap in terms of the required activity between equity investor relations (which many listed companies would typically already have) and debt investor relations. It makes a great deal of sense for any equity investor relations function to expand to a debt investor relations function and take advantage of the synergies in terms of the required activity.

7. More effectively utilises all ongoing investor feedback from multiple touch points with the company.

   On a fairly frequent basis, a company which has issued fixed income securities will interact with investors (both existing and potential). Much of this interaction will include information and feedback on how the company is perceived in the market as well as investor preferences with regards to the specific types of issuance for example. This information is valuable and can easily go unnoticed or unaddressed. Sometimes this feedback can be from some of the most significant investors in the market which could alter a company's future debt capital markets transactions. An effective investor relations function can also centralise the gathering and responses to such investor feedback or investor queries regardless of which part of the company the feedback or the query originated.

8. Could reduce time and resource required from the senior management and allow them to focus on running the company.

   A company with outstanding issuances that does not have an investor relations resource would still need to spend time addressing investor requirements. Given the nature of the investor requirements and queries, and in the absence of an investor relations resource, much of the time spent on any investor relations activity is often undertaken by the senior management (typically CFO or Treasurer). An experienced investor relations resource could be beneficial in relieving much of this activity from the senior management. It is still important for senior management to be involved in investor relations, depending on the specific investor relations activity (e.g. for investor roadshows or investor conference calls).

This list is by no means exhaustive, but highlights the key advantages for a company with a presence in the debt capital markets or even with aspirations to have such a presence. An issuer could relatively quickly take advantage of the potential upside that is possible through an effective investor relations function.

7.
THE UAE SECURITIES AND COMMODITIES AUTHORITY (SCA) INVESTOR RELATIONS GUIDELINES

The UAE Securities and Commodities Authority (SCA) has set up a joint task force of experts consisting of two representatives from each of the SCA, the Abu Dhabi Stock Exchange (ADX) and the Dubai financial Market (DFM), to study several proposals it had received in this regard, tapping in the expertise of international professional investor relations practitioners with the aim of conducting in-depth studies on the issue.

The board also reviewed a number of international practices on this subject, which show that companies listed on advanced markets have a similar task force taking care of investor relations.

The task force also studied the companies which have no investor relations service facility and the results show that implementing such a program and having a competent task force for this purpose would enhance ties between investors and representatives of the companies.

This initiative was introduced to improve availability, reliability and comparability of listed companies, attract institutional investors and foreign investors after the reclassification of the UAE markets to emerging market status. It outlines initial parameters that would reinforce existing executive governance in line with corporate access and investor transparency requirements.

1. IR Charter Objectives:

- Enhance IR best practices in DFM and ADX listed companies thus improving accessibility of institutional investors to listed companies.
- Outline 5 key principles to drive best practices in IR as a standard benchmark for listed companies to aim for and achieve over time.
- The 5 key principles are benchmarked each year so companies can track their IR progress, this benchmarking can take place with a committee formed in DFM and ADX each to assess their listed companies.

2. Five key principles of the IR Charter:

- Dedicated IR (CIRO)
- Transparency Standards
  a. Results presentation
  b. Results Release
  c. Conference Calls
  d. IR Website section
  e. Financial Calendar
- Full Regulatory Compliance
- Investor Conference participation
- Effective PR planning and Crisis management

All companies wishing to list or remain listed on the exchanges will employ a dedicated Investor Relations officer, supporting the CFO and CEO.

The objective is to:

- Increase consistency and quality of response to external (investor/analyst) enquiries
- Improve stakeholder understanding of a company performance data through better access and briefings
- Structure more efficient senior management/executive engagement with the market
- Improve international investment and commitment in the market

3. Mandatory Requirements:

- **Dedicated IRO:** listed companies will recruit a dedicated IRO, responsible for all investor relations duties. Management structure should be: Board - CEO - CFO - IRO.
- **IR website section:** listed companies will create and maintain an up-to-date best practice investor relations section within the company website. This must include:- Contact details: for the IR section with dedicated telephone and email address - All Financial results: archival and as published - Financial Calendar: with dates for results announcements, AGM/EGMs, and other important events.
- **Regulatory compliance:** listed companies must adhere to results disclosure deadlines, and ensure that any price sensitive information (mergers, acquisitions, project backlog etc.) is released strictly in line with international standards. All of the above should be followed by both a Stock Exchange Announcement and a press release to the market.
- **Investor Presentations:** companies should aim to publish a basic presentation highlighting financials, strategy and outlook at least once a year. Ideally this should be updated following each results release (quarterly, half and full year, as per regulatory requirements).
- **Crisis Management:** as part of core Corporate Governance, listed companies should form a crisis management team (inc: CEO, CFO, IRO, Corporate Communications, IT and Marketing), with a spokesman to address investor concerns, and control any impacts on reputation or valuation.

4. Optional/Secondary Requirements:

- **Conference calls:** companies should conduct regular conference calls with analysts and investors following performance updates and in line with their reporting calendar
- **Investor conference participation:** Companies should attend at least 7 days (consecutive or non-consecutive) of roadshows or conferences per year
- **Analyst coverage:** companies should seek to have a minimum of 2 to 3 analysts covering the stock.

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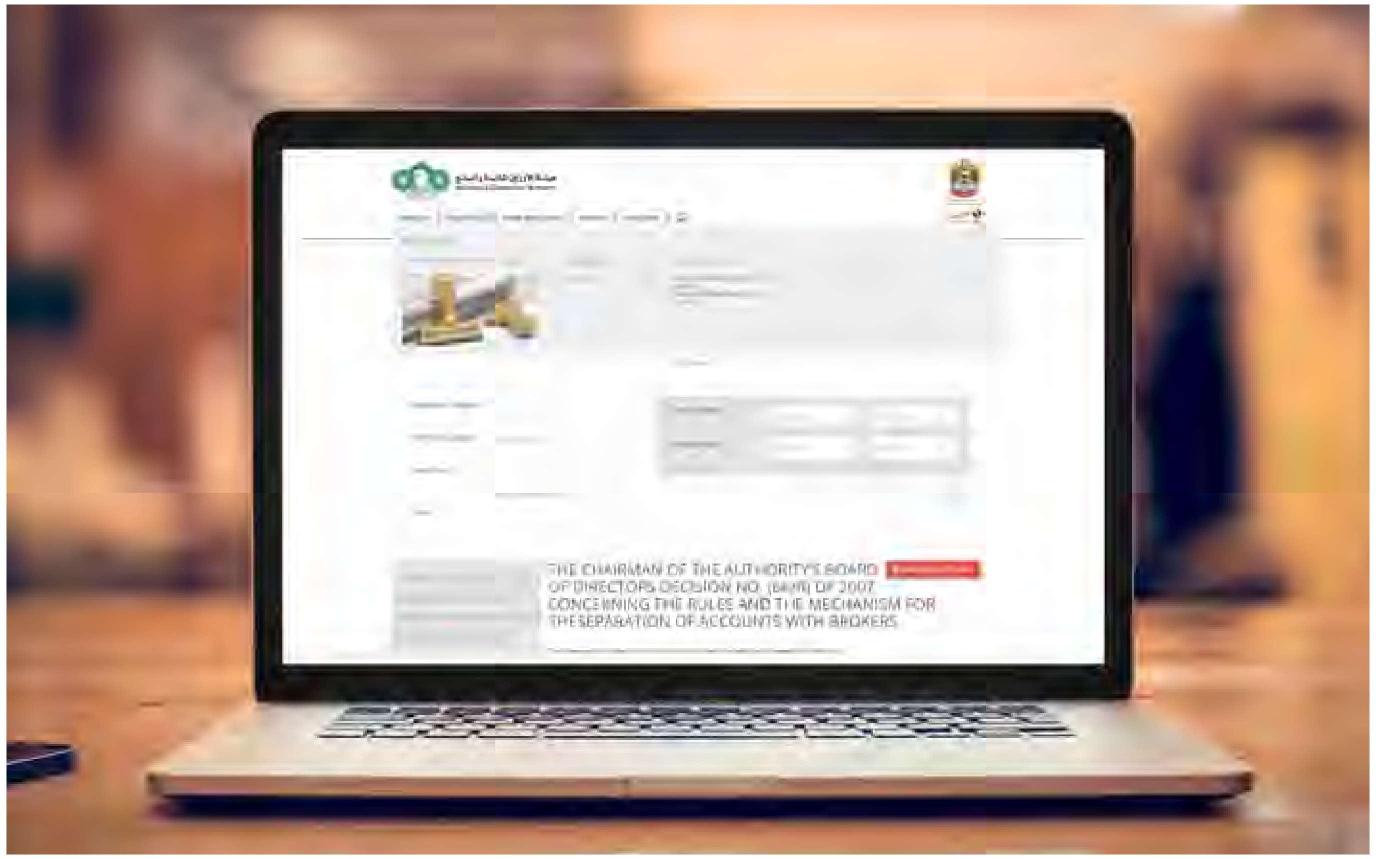

8.
A DAY IN THE LIFE OF…
AN INVESTOR RELATIONS OFFICER

It's 7am and a quick skim read of the blackberry shows a few emails from shareholders, or potential investors in the USA, Asia and Australia wishing to follow up on our recent results announcement – all can be dealt with in the office shortly. The calendar shows a number of conferences calls and a group of investors coming in during the afternoon – I put on a suit, get ready and am out of the house in 30 minutes.

As I drive to work, it is an opportunity to listen to 'Dubai Eye Business Breakfast' on the radio including an update on Asian markets opening and local, regional and international news. I am particularly interested to hear financial results from regional companies as positive news flows into the stock market keeping both local and international investors buying shares in the local markets.

Stopping at Starbucks on the way in, it is coffee at the desk whilst responding to emails. With global shareholders, email is often the most effective way of keeping in contact and this morning's emails are all requests for more detailed understanding of our financial results from as far afield as Hong Kong, Sydney and San Francisco.

I also like to talk to our shareholders, so have organized two calls with Australia and Far East based shareholders to talk through our results announcements. We recently visited our Australian shareholders so chatting to them today provides a good opportunity to hear any feedback, their views on the market and ensure they have picked up and are focused on the key messages from our results.

These calls are followed with a call with a local analyst who is updating their model following our financial results. We talk about the growth assumptions in her forecasts and in particular focus on our capital expenditure program.

Interacting with both analysts and shareholders is a key part of the role throughout the year – but is more time intensive in the period after financial results as analysts are re-aligning their models to tie in with actual financial results and any revised guidance to publish new research. As we hosted a presentation and lunch on results day in Dubai, and a further breakfast meeting with London based analysts following results we have received and are expecting updated analyst research which we review.

In between conference calls I continue writing a monthly investor relations report for the next Board meeting: - this includes feedback from recent shareholder meetings in Europe and the UAE, a review of published analyst research and current analyst consensus forecasts. My colleague puts together all the share price and market performance graphs which we include closer to the date of the Board meeting.

It's then time for an internal meeting with the CEO and CFO to discuss the presentation to shareholders for the forthcoming AGM, to run through likely questions from shareholders and to think about messaging for the first quarter results which we publish on the same day as the AGM.

Lunchtime arrives all too quickly, and it is either a choice of a visit to the staff lunch room upstairs, or a walk in the 'fresh' air to the nearby food-court. Today I opt to go out to the food court – I need to stretch my legs and taking a colleague with me, it gives us the opportunity to catch up on a few things that we are working on between our departments.

At 2pm, my investor group meeting arrives – they are on a whistle stop tour of the region, a day in each country and 6 company meetings a day! I haven't met any of these investors before so I put on our corporate video – this shows far better than words how our operations work. We then run through our corporate presentation and answer questions on our global operations and the UAE region. Following the presentation it's time for a visit around our UAE assets – and investors love the opportunity to see our assets first hand. The tour, which takes us around Jebel Ali Free Zone and along Sheikh Zayed Road, is a great opportunity to show investors first-hand the range and depth of regional and international companies represented in the UAE.

During the day I flick in and out of Bloomberg checking our stock performance, who is trading and how the broader market is trading. I also scan through any news on peer groups or check that there isn't anything unexpected on the Company. As it is industry conference season, it isn't unusual for senior management to be doing media interviews and whilst we approve all materials used for these events, journalists can and do approach management and ask questions on the side line of these conferences which can result in unexpected coverage. Today all appears to be well with some good coverage on the Company including an update on our recently announced financial results.

The second largest project on the agenda is assisting in getting the Annual Report and Accounts published. Following the publication of results we send all the materials to the printers and review and correct drafts. This afternoon we review all the chosen photographs that support the document. We are almost there and it will be a relief when the annual report goes to print.

Whilst the working day draws to a close in Dubai, London is still having lunch and the USA are just about having breakfast – this means that when I pack up to go home, I make sure I take some key results documents with me in the event that I have emails to deal with later. With many of our analysts 'marketing' post results it is important to be able to respond to their questions promptly so they can communicate with our shareholders or potential investors.

Tonight I go home via the beach for a run, a great time to consider some of the things on my to-do list – tonight they include thinking through our forthcoming USA roadshow and ensuring we are prepared for our AGM later this month.

Another hour or so responding to emails from London based investors and analysts and I can relax – tomorrow is the end of our week so I have a weekend to look forward to.

A DAY IN THE LIFE OF…
A FINANCIAL JOURNALIST

It has all the makings of a very busy day. Wednesdays often are. Many UAE companies chose to report financial results that day; Gulf and western markets are in sync and inter-reacting again after the staggered weekend; and you can never discount the possibility of some big off-diary news breaking at some stage. That's the nature of news.

By the time the reporter sits at his screen around 9.30am, the main item on the news schedule is the preliminary financial statement from one of the big companies. The financial journalist covering the story is constantly briefed by the company's IR team on the strategy and the most recent developments of this company, and therefore has a good idea of market expectations. When the financial figures are published on the market website at 10am, they come in exactly as expected, bang in line with the consensus of analysts' forecasts.

A conference call with the chief executive – with print media, newswires and broadcast all participating – adds some flesh to the bare financial bones. The trading outlook is good, despite some worries about global economic factors. An upbeat news story, covering the jump in profits, is tempered by a comment on the possible downside risk from world economic problems. All pretty straightforward. The journalist files copy by 3pm, it goes on the website in an hour or so, and will be printed in the following day's edition.

Western markets are now beginning to move. European equities are nervous and jittery ahead of some economic data due from the USA later on. The worries are transmitted to the regional markets just ahead of closing, and the main local indices all tail downwards at the end of trading. The reporter files a shorter news report on the day's activity in the UAE's stock markets. That looks like it for the day. The news from the USA will come in too late for the following day's edition, which closes at 10pm. Of course, if it is big enough it will be immediately covered on the newspaper website. Such are the benefits of the internet age; old-fashioned print deadlines, special editions in the early hours of the morning, "catch up" editions the next day; all disappear with internet coverage.

By 6pm, the reporter has checked his copy in print and on-line, suggested some changes, consulted with sub-editors about headlines, pictures and graphics. All is good, and it is time to think about a quick preview of the following day's news diary before heading off home.

Then, Reuters, Bloomberg and other newswires start blinking news with striking alerts. It's back to the keyboard, urgent calls to spokespersons from the concerned parties, off-the-record briefings with bankers and analysts, reactions from the international markets.

By 10pm, the story is published online, and copy is being edited for the following day's edition. This is front page news, not just in the Gulf but around the world. The Western press will have longer to work on it, and the reporter knows, as he finally clicks on "shut down" for the night, that he will read all about it in the Financial Times and Wall Street Journal, or at least read a fuller account of the story.

But that's all work for tomorrow, another day and another day's news. The cycle is never-ending. Markets never sleep. But reporters must.

A DAY IN THE LIFE OF… A FUND MANAGER

It's 6.55am and the train platform is freezing cold, a cup of tea in one hand and the blackberry in the other. The day starts with a frantic scroll through the already received 100 emails to check that something major hasn't happened overnight. With most middle eastern markets already open at 7am London time the next destination on the blackberry is Bloomberg to see if any stocks have had a major move in early trading - again a check that nothing out of the ordinary has happened or been missed. With no major moves noticed other than the usual retail favorites showing their +/- 4% moves on nothing other than speculation that the next best deal is around the corner. It meant that on the surface the day looked like it wasn't going to be unduly distracted!

Next blackberry destination was the calendar to check what meetings were scheduled for the day - it looked like a typical day with 2 different analysts coming in one to talk about a GCC petrochemical company and one to talk about the MENA banks. This was to be followed by the management of a healthcare company coming in and finally an internal meeting to discuss in more detail the conclusions from the various meetings and research undertaken by the team over the last week. There were of course also numerous invitations to conference calls arranged by the multitude of brokers covering different subjects. Twenty minutes later having scanned the numerous 'dailies' to get an understanding of what's happening in the region, the train pulls into London Waterloo and time to jump on 'the drain' - the underground from Waterloo to Bank (City of London). This is the only time in the day where there is complete radio silence – it's 15 minutes of bliss because the blackberry doesn't work underground!

It's 8am and I am now in the office the PC is booting up and the phone says that I have only missed 15 calls since last night! Time to check the voicemail which is mainly full of blast voicemails from analysts summarizing their latest pearls of wisdom, much of which has been deduced by reading the summaries on the blackberry on the way in to the office. A quick check of Bloomberg to see if we are having a good day and in aggregate it looks like the stocks we own are rising a little bit more than the markets as a whole. Time for the daily meeting at 8.30. This is a 30 minute meeting with colleagues from Sydney, Hong Kong, Singapore, Tokyo, and London which summarizes everything going on in the world and then zooms in on the main areas of interest defined by key news on companies owned or summaries of recent investment trips.

Back at the desk and I have received an email to confirm how I want to vote at a forthcoming AGM of one of the companies we invested in the GCC - in the email it has the management proposals, the ISS proposal of how the investor should vote and our internal analyst's proposal. For each of the items I select my decision and submit the vote. I then receive a pop-up on my screen inviting me to a chat via the Bloomberg system. It's my Morgan Stanley broker based in Dubai who has an investment idea for me to consider. We engage in a 10 minute 'chat' and he makes some good points as to why it is the right time to start building a position and I make a mental note to do some more work on the company.

My first meeting has turned up and we discuss at length the outlook for the petrochemical sector and then drill down into each of the companies as the analyst has just returned from a 4 day trip to the GCC where he met them all. Being based in London this is a vital service that sell-side analysts provide relaying up to date information directly from the companies. The conclusion is that we own the correct company for the time being and the investment case remains intact.

As we wave good bye to the analyst the next analyst has turned up already, 30 minutes early and so we dive straight into the MENA banks. Again this meeting not only serves to confirm our positioning but also points out that one of the banks has de-rated unduly and is perhaps something we should consider initiating a position in - something to consider and research further in the coming days.

After a quick lunch at the desk the healthcare company had arrived. This is a company that we already own and so was an opportunity to meet again the CEO and the CFO who were in London meeting shareholders and potential shareholders after their year-end results. We deliberately focus the meeting on what they have done in the 6 months since we last met with them and compare their answers to what they told us they would do over that period. We get an understanding of how the competitive pressures and the regulatory environment has changed. We focus in on a couple of line items in their results and then discuss their outlook and particularly any initiatives they are working on to increase the top line or margins. All in all a very satisfactory meeting and if the share price was to fall back at all we would definitely add to our position.

It's 3.30pm and time for our weekly EMEA meeting in which anyone with an interest in the region attends or dials in. We discuss in detail all company meetings that have been held over the last week and any subsequent changes to models and investment conclusions. We discuss any major macro developments in any of the countries and whether it warrants caution in terms of our weightings or vice versa.

As the daylight is fading on chilly London it's time to spend some time on the investment ideas that have arisen from the various meetings. I fire off a few questions to key analysts to get some further information and discuss in detail with my internal analysts the investment case for one particular company. Finally I check over a presentation that I am due to give internally on a GCC country later that week.

At 7pm it's time to set off home, pick up the Evening Standard and find out what's been happening in the UK!

A DAY IN THE LIFE OF… A SELL-SIDE ANALYST

No Two Days Alike
For a sell-side, research analyst, no two days are the same: at least not consecutively! The activities of a research analyst are diverse and largely unscheduled. The day, week, month and quarter starts with a set of goals and some hard deadlines but with no clear idea when these will be done (merely an idea by when they must be done). Also research analysts themselves are highly diverse either in terms of what is their focus (e.g. particular sectors or countries) or the style of their analysis (e.g. deep industry analysis looking for disruptive change or shorter-term trading opportunities, more research bias or more marketing bias). There is simply no such thing as a typical day beyond a few fixed points such as a morning meeting with internal sales, the opening hours of the market and, for some, daily calls with overseas internal sales teams.

Morning More Structured Than the Rest of the Day
When not travelling to visit companies or clients the office day usually starts shortly after 8am. The morning is usually more structured than the afternoon because it involves gearing up for the market open. The day starts with a scan of the news websites relevant for the analyst's covered companies and sectors and a rapid skim through of overnight emails.

Very quickly it will be clear if there is a major news event with implications, for example, for a company under coverage. If so, it may take a few minutes to a couple of hours to generate a published reaction in the form of a very short note. In this time, some quick, back of the envelope calculations may be done to quantify the impact (on forecasts or valuation) of the piece of news. Reports as usual, whether short or long, undergo legal review before publication.

Thereafter calls to internal sales and external institutional investor clients spread the word and canvass reaction (a share price recommendation is based on a view of the fundamental picture as well as how much of those fundamentals are baked into the expectations of investors).

The rest of the day is often spread between core research and marketing activities but the priorities between them are in constant flux. This depends on whether coverage of companies is being expanded, how much events have recently changed to challenge existing, published views, how busy institutional investor activity is (which drives the number of inbound inquiries) and how mature the sell-side brokerage is (do they have established customers or are they ramping up).

Core Research and Marketing Activities
The sell-side research analyst's job revolves, at its simplest, around four activities:

- Investigate to develop specific company, industry or regional expertise,
- Crystallise views in the form of published research,
- Market these views to customers (i.e. to institutional investors directly or via an internal sales team) and
- Refine these views in the light of new developments and ideas.

Each activity is equally important
The working day of the analyst often touches all four of these aspects of the job. At all times care is taken to respect the ethical standards defined by internal compliance and external legal regulations.

The investigation mode can involve a call or meeting with investor relations and senior management (CEO- CFO) of a company. It can be digesting as much public information as is available on a specific aspect of a company or sector.

The forming of an investment view can be through building a forecast and valuation model of a company or industry, thinking through the arguments around the investment case (e.g. should this company's shares be bought, held or sold at the current price on a 12-month view) and formalizing these views in a written report (which, after the appropriate review to ensure quality standards and regulatory requirements are met) is ultimately published and made publicly available.

Interaction with clients (e.g. institutional investors) adheres to published views but can vary from phone messages, live phone calls, emails and meetings. The same goes for internal sales teams (these teams then act as a loudspeaker to a broader group of institutional investors for the analyst's message).

Refining views can happen in an ad hoc way in response to material news (e.g. financial results, changes in the macro or competitive climate, changes in relative valuations). Sometimes a rapid response is required and may be followed up by a more considered view later.

Company communications compete for air time and mind share companies should consider this context to ensure that when they have something to communicate to analysts (and investors) they may be best served by providing information at an appropriate time (e.g. outside market hours), in a widely available fashion (e.g. on their own website as well as on that of the stock exchange), in English as well as Arabic, with as much quantitative data as feasible (the job of an analyst in reacting to news is to determine not merely if that news is important but how important) and by having an investor relations team on hand to receive (inevitable) questions.

Particularly, in frontier markets where analyst resources are stretched, one analyst covers multiple sectors and there is not a long history of coverage of a particular company it is highly likely that those companies that make (good and bad) news more easy to track and understand are the ones that will more often than not have their communication paid attention to. Analysts with busy schedules are more likely to best maintain coverage of those companies which disseminate important news in the most thorough and non-chaotic fashion.