

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING OF AXIATA GROUP BERHAD (AXIATA OR THE COMPANY) WILL BE HELD AT THE GRAND BALLROOM, 1ST FLOOR, SIME DARBY CONVENTION CENTRE, 1A JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR, MALAYSIA ON WEDNESDAY, 25 MAY 2016 AT 2.00 P.M. FOR THE FOLLOWING PURPOSES:**

## **AS ORDINARY BUSINESS:-**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Report of the Directors and the Auditors thereon.
2. To declare a final tax exempt dividend under single tier system of 12 sen per ordinary share for the financial year ended 31 December 2015. **(Ordinary Resolution 1)**
3. To re-elect Dato' Sri Jamaludin Ibrahim who retires by rotation pursuant to Article 93 of the Company's Articles of Association and being eligible, offers himself for re-election. **(Ordinary Resolution 2)**
4. To re-elect Bella Ann Almeida who retires by rotation pursuant to Article 93 of the Company's Articles of Association and being eligible, offers herself for re-election. **(Ordinary Resolution 3)**
5. To re-appoint Tan Sri Ghazzali Sheikh Abdul Khalid pursuant to Section 129 of the Companies Act, 1965. **(Ordinary Resolution 4)**
6. To re-appoint Datuk Azzat Kamaludin pursuant to Section 129 of the Companies Act, 1965. **(Ordinary Resolution 5)**
7. To approve the payment of the following Directors' fees with effect from the 24th Annual General Meeting until the next Annual General Meeting of the Company:-
  - (i) Directors' fees of RM30,000.00 per month for the Non-Executive Chairman (NEC) and RM20,000.00 per month for each Non-Executive Director (NED);
  - (ii) Directors' fees of RM4,000.00 per month for the NEC and RM2,000.00 per month for each of the NEDs who are members of the Board Audit Committee;
  - (iii) Directors' fees of RM1,200.00 per month for the NEC and RM800.00 per month for each of the NEDs who are members of the Board Nomination Committee; and
  - (iv) Directors' fees of RM1,200.00 per month for the NEC and RM800.00 per month for each of the NEDs who are members of the Board Remuneration Committee;

(each of the foregoing payments being exclusive of the others). **(Ordinary Resolution 6)**
8. To re-appoint Messrs PricewaterhouseCoopers having consented to act as the Auditors of the Company for the financial year ending 31 December 2016 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

## **AS SPECIAL BUSINESS:-**

To consider and, if thought fit, to pass the following Ordinary Resolutions:-

### **9. PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**"THAT**, in accordance with paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (Main LR), approval be and is hereby given for Axiata and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, as set out in 'Appendix I' of the Circular to Shareholders dated 26 April 2016 (Circular) despatched together with the Company's Annual Report 2015, which are necessary for the day-to-day operations in the ordinary course of the business of the Company and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;

**THAT** such approval will continue to be in force and effect until:-

- (i) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (ii) the expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) to give effect to the aforesaid shareholders' mandate and transactions contemplated under this resolution." **(Ordinary Resolution 8)**

**10. PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES OF RM1.00 EACH IN THE COMPANY (AXIATA SHARES) IN RELATION TO THE DIVIDEND REINVESTMENT SCHEME THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN NEW AXIATA SHARES (DRS)**

**"THAT** pursuant to the DRS approved by the shareholders at the Annual General Meeting held on 28 May 2014 and subject to the approval of the relevant authority (if any), approval be and is hereby given to the Company to allot and issue such number of new Axiata Shares pursuant to the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company **PROVIDED THAT** the issue price of the said new Axiata Shares shall be fixed by the Directors at not more than 10% discount to the adjusted 5-day volume weighted average market price (VWAMP) of Axiata Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price; and not less than the par value of Axiata Shares at the material time;

**AND THAT** the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company." **(Ordinary Resolution 9)**

**11. AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR DIRECTORS TO ALLOT AND ISSUE SHARES IN THE COMPANY**

**"THAT** pursuant to Section 132D of the Companies Act, 1965, full authority be and is hereby given to the Directors of the Company to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting, and upon such terms and conditions, and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory authorities, if required, being obtained for such allotment and issue." **(Ordinary Resolution 10)**

**12. PROPOSED ESTABLISHMENT OF A LONG TERM INCENTIVE PLAN OF UP TO SEVEN PERCENT (7%) OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF AXIATA GROUP BERHAD (AXIATA) (EXCLUDING TREASURY SHARES) AT ANY POINT IN TIME OVER THE DURATION OF THE PROPOSED LTIP, FOR THE ELIGIBLE EMPLOYEES AND EXECUTIVE DIRECTORS OF AXIATA AND ITS SUBSIDIARIES (EXCLUDING SUBSIDIARIES WHICH ARE DORMANT) (PROPOSED LTIP)**

**"THAT** subject to the approvals of Bursa Malaysia Securities Berhad (Bursa Securities) and any other relevant authorities being obtained, approval be and is hereby given to the Company and to the extent permitted by law and the Memorandum and Articles of Association of the Company:-

- (i) to establish, implement and administer the Proposed LTIP for the benefit of the Executive Directors and the employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the conditions of eligibility for participation in the Proposed LTIP, in accordance with the Bye-Laws of the Proposed LTIP (Bye-Laws), a draft of which is set out in Appendix II of the Circular to Shareholders dated 26 April 2016 (Circular);
- (ii) to allot and issue fully paid ordinary shares of RM1.00 each in the Company (Axiata Shares) from time to time as may be required by the committee appointed and authorised by the Board of Directors of the Company (Board) to implement and administer the Proposed LTIP in accordance with the Bye-Laws, provided always that the total number of Axiata Shares to be allotted and issued upon the vesting of Axiata Shares shall not in aggregate exceed 7% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time over the duration of the Proposed LTIP;
- (iii) to add, modify, alter, delete and/or amend the Proposed LTIP, the Bye-Laws and/or all rules, regulations and administration relating to the Proposed LTIP and/or the administration thereof, from time to time as may be required or permitted or deemed necessary by the authorities or the Board, provided that such additions, modifications, alterations, deletions and/or amendments are effected and permitted in accordance with the provisions of the Bye-Laws; and
- (iv) to do all such acts, execute all such documents and to enter into all such transactions, arrangements and agreements, deeds or undertakings and to make such rules or regulations, or impose such terms and conditions or delegate part of its power as may be necessary or expedient in order to give full effect to the Proposed LTIP and terms of the Bye-Laws;

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**THAT** the proposed Bye-Laws, as set out in Appendix II of the Circular, which is in compliance with the Main Market Listing Requirements of Bursa Securities, be and is hereby approved;

**THAT** such new Axiata Shares issued pursuant to the Proposed LTIP shall, upon allotment and issuance, rank pari passu in all respects with the then existing Axiata Shares and shall be entitled to any dividends, rights, allotments and/or distributions attached thereto and/or which may be declared, made or paid to the Company's shareholders, provided that the allotment date of such new Axiata Shares is prior to the entitlement date for any right, allotment and distribution;

**AND THAT** the Board be and is hereby empowered and authorised with full power to amend and/or assent to any conditions, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed by the relevant regulatory authorities and to take all steps as it may consider necessary or expedient to implement, finalise and give full effect to and in connection with the above.”

**(Ordinary Resolution 11)**

### 13. PROPOSED AWARD OF AXIATA SHARES TO DATO' SRI JAMALUDIN BIN IBRAHIM PURSUANT TO THE PROPOSED LTIP (PROPOSED AWARD)

“**THAT** subject to the passing of Ordinary Resolution 11 and the approvals of all the relevant authorities for the Proposed LTIP, the Board of Directors of the Company (Board) be and is hereby authorised to, at any time and from time to time subject always to such terms and conditions and/or adjustments which may be made in accordance with the provisions of the Bye-Laws, grant Dato' Sri Jamaludin bin Ibrahim, Managing Director/President & Group Chief Executive Officer of the Company, up to 13,032,600 Axiata Shares to be issued to and/or vested in him pursuant to the Proposed Award.

**AND THAT** the Board be and is hereby authorised to allot and issue new Axiata Shares pursuant to the Proposed LTIP to him from time to time pursuant to the vesting of the Proposed Award.”

**(Ordinary Resolution 12)**

### 14. To transact any other ordinary business for which due notice has been given in accordance with Section 151 of the Companies Act, 1965.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a Member who shall be entitled to attend, speak and vote at this 24th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd (Bursa Depository) in accordance with Article 66 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA) to issue a General Meeting Record of Depositors as at 17 May 2016. Only a depositor whose name appears in the General Meeting Record of Depositors as at 17 May 2016 shall be entitled to attend speak and vote at the said meeting or appoint proxies on his/her behalf.

**By Order of the Board  
AXIATA GROUP BERHAD**

**Suryani Hussein** (LS0009277)

Group Company Secretary  
Kuala Lumpur, Malaysia

26 April 2016

**NOTES:****Proxy and/or Authorised Representative**

1. A Member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company and the restrictions provided in Section 149(1) (a), (b), (c) and (d) of the Companies Act, 1965 shall not apply to the Company.
2. The Company shall be entitled to reject any instrument of proxy lodged if the Member is not shown to have any shares entered against his name in the Register and/or subject to Article 34A of the Company's Articles of Association in relation to the Record of Depositors made available to the Company.
3. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
4. Where a Member is an authorised nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominees may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall:-
  - a) in the case of an individual, be signed by the appointer or by his/her attorney; or
  - b) in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".

7. A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 89 of the Company's Articles of Association.
8. The instrument appointing the proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding of the Meeting or at any adjournment thereof.

**Audited Financial Statements for financial year ended 31 December 2015**

9. The Audited Financial Statements under Agenda Item 1 are laid before the shareholders pursuant to the provisions of Section 169(1) and (3) of the Companies Act, 1965 for discussion only and will not be put forward for voting.

**Final Dividend of 12 sen per ordinary share for the financial year ended 31 December 2015**

10. Axiata's existing dividend policy provides that the Company intends to pay dividends of at least 30% of its consolidated PATAMI and endeavours to progressively increase the payout ratio over a period of time, subject to a number of factors including business prospects, capital requirements and surplus, growth/expansion strategy, considerations for non-recurring items and other factors considered relevant by the Board.

As the Company is a holding company, its income and therefore its ability to pay dividends, is dependent upon the dividends received from its subsidiaries, which in turn would depend on the subsidiaries' distributable profits, operating results, financial condition, capital expenditure plans and other factors that the respective subsidiary Board deems relevant.

On 16 February 2016, the Board declared a Final Dividend of 12 sen, implying a total dividend payout ratio of 85 % (based on FY15 normalised PATAMI of RM2.1 billion including the interim dividend of 8 sen per Axiata Share paid last year on 29 October 2015). The total dividend of 20 sen for the financial year ended 31 December 2015 would tantamount to a cash outflow of approximately RM1.76 billion with a dividend yield of 3.1% (based on a 3-month VWAP).

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### **Re-election of Directors who retire pursuant to Article 93 and Re-appointment of Directors pursuant to Section 129 of the Companies Act, 1965**

11. Article 93 of the Company's Articles of Association provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an Annual General Meeting of the Company. All the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Dato' Sri Jamaludin Ibrahim and Bella Ann Almeida are standing for re-election as Directors and being eligible, have offered themselves for re-election.

Being a shareholder, Dato' Sri Jamaludin Ibrahim and persons connected to him will abstain from voting on the resolution in respect of his re-election.

Bella Ann Almeida, who is Independent Non-Executive Director (INED), has reaffirmed her independence based on independence criteria applied by the Company which is also used in the yearly assessment of INEDs independence.

Juan Villalonga Navarro, an INED who also retires by rotation pursuant to Article 93 of the Company's Articles of Association does not offer himself for re-election. Hence, he will retire at the conclusion of the 24th Annual General Meeting in accordance with Article 93 of the Company's Articles of Association.

Section 129 of the Companies Act, 1965 provides that no director of or over the age of seventy years shall be appointed or act as a director of a public company or of a subsidiary of a public company, unless the said director is re-appointed by a resolution of a majority of not less than three-fourths (3/4) of such member and/or proxy of the Company at a general meeting to hold office until the next of Annual General Meeting of Company.

Tan Sri Ghazzali Sheikh Abdul Khalid and Datuk Azzat Kamaludin who both have reached 70 years in March 2016 and September 2015 respectively have indicated their willingness to seek re-appointment.

The Board has recommended the re-election and re-appointment of the above mentioned Directors. Details of the assessment of the Directors seeking re-election and re-appointment are provided in the Statement on Corporate Governance on pages 62 to 63 of the Company's Annual Report 2015. Their profiles are set out in the Profile of Directors' section of the Company's Annual Report 2015 from pages 35 to 38.

### **Payment of Directors' fees**

12. Article 106(i) of the Company's Articles of Association provides that the fees payable to the Directors shall from time to time be determined by an ordinary resolution of the Company in general meeting. Such fees cannot be increased except pursuant to an ordinary resolution passed at the Company's general meeting. Therefore, shareholders' approval is required for the payment of Directors' fees.

Shareholders' approval on the Directors' fees for Board and Board Committees was obtained at the 23rd Annual General Meeting held on 20 May 2015 and there is no revision to any of the fees. Details of Directors' fees and Meeting Allowances to Non-Executive Directors are set-out on page 65 of the Company's Annual Report 2015.

### **Appointment of Auditors**

13. The Board Audit Committee (BAC) had on 16 February 2016 considered the re-appointment of Messrs PricewaterhouseCoopers as Auditors of the Company based on the criteria prescribed under Paragraph 15.21 of the Main LR. Both the BAC and the Board have recommended the re-appointment of Messrs PricewaterhouseCoopers as Auditors of the Company. Details on the assessment and criteria used by the BAC on their review are provided in the Statement on Corporate Governance on page 71 of the Company's Annual Report 2015.

## **EXPLANATORY NOTES ON SPECIAL BUSINESS**

### **I. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The proposed Ordinary Resolution 8, if approved, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next Annual General Meeting unless authority for its renewal is obtained from shareholders of the Company at such general meeting. Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 26 April 2016 which is despatched together with the Company's Annual Report 2015.

## **II. Proposed Renewal of the Authority for Directors to allot and issue New Axiata Shares in relation to the DRS**

The shareholders had, at the 23rd Annual General Meeting held on 20 May 2015, approved the renewal of the authority for the Directors to allot and issue new Axiata Shares in relation to DRS and such authority will expire at the conclusion of this Annual General Meeting. The DRS provided shareholders with the opportunity to reinvest the whole or part of cash dividends in new Axiata Shares in lieu of receiving cash subject to the determination by the Directors, shareholders may be offered an option to reinvest such dividends in new Axiata Shares and where applicable, the portion of such dividends to which the option to reinvest applies. Axiata had on 17 February 2016 announced to Bursa Malaysia Securities Berhad on the decision of the Board for the shareholders to be given an option to elect to reinvest the whole or part of the proposed final dividend of 12 sen per Axiata Share for the financial year ended 31 December 2015 (Final Dividend) into new Axiata Shares in accordance with the DRS. This proposed Ordinary Resolution 9, if approved, will renew the Directors' authority to issue new Axiata Shares in respect of the above Final Dividend and subsequent dividends to be declared, if any, under the DRS, until the conclusion of the next Annual General Meeting. A renewal of this authority will be sought at subsequent Annual General Meeting.

## **III. Authority Under Section 132D of the Companies Act, 1965 for Directors to allot and issue Shares in the Company**

The Company has not issued any new shares under the general mandate for allotment and issuance of shares up to 10% of the issued and paid-up capital of the Company, which was approved at the 23rd Annual General Meeting held on 20 May 2015 and which shall lapse at the conclusion of the 24th Annual General Meeting to be held on 25 May 2016. The proposed Ordinary Resolution 10 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 obtained from the shareholders of the Company at the previous Annual General Meeting. This resolution, if approved, will give the Directors the mandate to allot and issue new shares in the Company (not exceeding 10% of the issued and paid-up share capital of the Company) and flexibility to the Company in respect of any possible fund raising activities by not having to seek shareholders' approval via a general meeting subsequent to this 24th Annual General Meeting, which may delay the capital raising initiatives and incur relevant cost in organising the general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will be valid until the next Annual General Meeting of the Company.

## **IV. Proposed LTIP**

The proposed Ordinary Resolution 11, if passed, will enable the Company to, amongst others, establish, implement and administer the Proposed LTIP for the benefit of the Executive Directors and the employees of the Company and its subsidiaries (excluding subsidiaries which are dormant) who fulfill the conditions of eligibility for participation in the Proposed LTIP, in accordance with the Bye-Laws for the Proposed LTIP (Bye-Laws).

Detailed information on the Proposed LTIP is set out in Part B of the Circular to Shareholders dated 26 April 2016 and the draft of the Bye-Laws is set in Appendix II of the Circular.

## **V. Proposed Award**

The proposed Ordinary Resolution 12, if passed, will enable the Company to award Dato' Sri Jamaludin Ibrahim (Dato' Sri Jamaludin), the Managing Director/President & Group Chief Executive Officer of the Company, up to 13,032,600 Axiata Shares to be issued to and/or vested in him pursuant to the Proposed LTIP over the a period of ten (10) years commencing from the date on which the Proposed LTIP takes effect which shall be the last day on which full compliance with the relevant requirements under the Bye-Laws and the Main Market Listing Requirements of Bursa Securities have been obtained or met.

Dato' Sri Jamaludin and persons connected to him shall abstain from voting on this resolution. He has also abstained from all deliberation and voting on this resolution at the Board of Directors' Meeting.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) MAIN LR

## **DIRECTORS STANDING FOR RE-ELECTION AND RE-APPOINTMENT AT THE TWENTY-FOURTH ANNUAL GENERAL MEETING**

The following are Directors retiring pursuant to Article 93 of the Company's Articles of Association and Section 129 of the Companies Act, 1965:-

Article 93 : Retirement by rotation

1. Dato' Sri Jamaludin Ibrahim
2. Bella Ann Almeida

Section 129 : Re-appointment

3. Tan Sri Ghazzali Sheikh Abdul Khalid
4. Datuk Azzat Kamaludin

The profiles of the above Directors are set out in the Profile of Directors' section of the Company's Annual Report 2015 from pages 35 to 38.

Save for Dato' Sri Jamaludin Ibrahim, none of the above Directors has any interest in the securities of the Company and its related corporation. The securities holdings of Dato' Sri Jamaludin are disclosed on page 250 of this annual report.