

NOTE 21—EARNINGS PER SHARE

Basic earnings per share are computed by dividing net income, attributable to OpenText, by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share are computed by dividing net income, attributable to OpenText, by the shares used in the calculation of basic earnings per share plus the dilutive effect of Common Share equivalents, such as stock options, using the treasury stock method. Common Share equivalents are excluded from the computation of diluted earnings per share if their effect is anti-dilutive.

	Year Ended June 30,		
	2019	2018	2017
Basic earnings per share			
Net income attributable to OpenText	\$ 285,501	\$ 242,224	\$ 1,025,659 ⁽¹⁾
Basic earnings per share attributable to OpenText	\$ 1.06	\$ 0.91	\$ 4.04
Diluted earnings per share			
Net income attributable to OpenText	\$ 285,501	\$ 242,224	\$ 1,025,659 ⁽¹⁾
Diluted earnings per share attributable to OpenText	\$ 1.06	\$ 0.91	\$ 4.01
Weighted-average number of shares outstanding (in 000's)			
Basic	268,784	266,085	253,879
Effect of dilutive securities	1,124	1,407	1,926
Diluted	269,908	267,492	255,805
Excluded as anti-dilutive ⁽²⁾	2,759	2,770	1,371

⁽¹⁾ Please also see note 14 "Income Taxes" for details relating to a one-time tax benefit of \$876.1 million recorded during the three months ended September 30, 2016 in connection with an internal reorganization of our subsidiaries.

⁽²⁾ Represents options to purchase Common Shares excluded from the calculation of diluted earnings per share because the exercise price of the stock options was greater than or equal to the average price of the Common Shares during the period.

NOTE 22—RELATED PARTY TRANSACTIONS

Our procedure regarding the approval of any related party transaction requires that the material facts of such transaction be reviewed by the independent members of the Audit Committee and the transaction be approved by a majority of the independent members of the Audit Committee. The Audit Committee reviews all transactions in which we are, or will be, a participant and any related party has or will have a direct or indirect interest in the transaction. In determining whether to approve a related party transaction, the Audit Committee generally takes into account, among other facts it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; the extent and nature of the related person's interest in the transaction; the benefits to the Company of the proposed transaction; if applicable, the effects on a director's independence; and if applicable, the availability of other sources of comparable services or products.

During the year ended June 30, 2019, Mr. Stephen Sadler, a director, earned approximately \$0.6 million (year ended June 30, 2018 and 2017—\$0.8 million, respectively) in consulting fees from OpenText for assistance with acquisition-related business activities. Mr. Sadler abstained from voting on all transactions from which he would potentially derive consulting fees.

NOTE 23—SUBSEQUENT EVENT

Cash Dividends

As part of our quarterly, non-cumulative cash dividend program, we declared, on July 31, 2019, a dividend of \$0.1746 per Common Share. The record date for this dividend is August 30, 2019 and the payment date is September 20, 2019. Future declarations of dividends and the establishment of future record and payment dates are subject to the final determination and discretion of our Board.