



Explanatory Notes to the Resolutions to be proposed at the Annual General Meeting (AGM)

Dear Shareholders,

We welcome you to the Annual General Meeting (AGM) of your Company at the Balmoral Convention Centre, Federal Palace Hotel, 6-8 Ahmadu Bello Way, Victoria Island, Lagos State on Thursday 16 May, 2024 at 11:00 a.m.

Explanatory Notes are provided below to the resolutions set out in the Notice of Annual General Meeting. At the meeting, you will be requested to vote in favour of the proposed resolutions. Please note that if you abstain from voting you will not be counted in the calculation of the proportion of votes for or against a resolution.

A. ORDINARY BUSINESS

Resolution 1: Annual Report and Accounts

"To lay before the members of the Company, the audited Financial Statements of the Company for the financial year ended 31st of December 2023 and the Reports of the Directors, Auditors and the Audit Committee thereon."

Explanatory Note

Pursuant to the requirements of Section 377 (1) of the Companies and Allied Matters Act, 2020 as amended ('CAMA 2020') Directors of the Company are mandated to prepare Financial Statements for each year. In line with this provision, the 2020 Audited Financial Statements have been prepared and included in the 2020 Annual Report and Accounts. The Report also contains the Auditor's Report, the Audit Committee's Report, the Directors' Report and the report of the External Consultants on the 2023 Board Appraisal.

The Directors are required under Section 388 (1) of the CAMA 2020 to lay before the company in General Meeting for each financial year copies of the financial statements of the Company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the Annual Report and Financial Statements.

We urge you to vote in support of the motion to receive these reports and the audited financial statements.

Resolutions 2(1) -2(4): Re-Election of Directors

- 2(1). "That Mr. Ralph Mupita, who having retired by rotation, being eligible and having offered himself for reelection, is duly re-elected a director of the Company."
- 2(2). "That Ms. Tsholofelo Molefe, who having retired by rotation, being eligible and having offered herself for re-election, is duly re-elected a director of the Company."
- 2(3). "That Mr. Muhammad K. Ahmad, who having retired by rotation, being eligible and having offered himself for re-election, is duly re-elected a director of the Company."
- 2(4). "That Mr. Jens Schulte-Bockum, who having retired by rotation, being eligible and having offered himself for re-election, is duly re-elected a director of the Company."

Explanatory Note

Section 285 of CAMA 2020 provides that unless there is a contrary provision in the Articles of Association of a Company, all the directors of the Company shall at the first Annual General Meeting (AGM) retire from office and at subsequent AGMs, one third of the directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire. In line with this provision of CAMA 2020, the directors to retire in every year are those who have been longest in office since their last election.

In accordance with statutory requirements, four directors will be retiring at this meeting. They are Mr. Ralph Mupita; Ms. Tsholofelo Molefe; Mr. Muhammad K. Ahmad; and Mr. Jens Schulte-Bockum. Being eligible, they have offered themselves for re-election. Their profiles are contained in the Annual Report and are also available on the Company's website.

In view of the foregoing, we urge you to vote in support of the motion to re-elect directors retiring by rotation to the Board.

Resolution 3: Approval of Auditors' Remuneration

"That the remuneration and expenses of the Company's Auditor, Messrs. Ernst and Young (EY) be fixed by the Directors in respect of the period ending at the end of the next Annual General Meeting."

Explanatory Note

Section 408(1) (b) of CAMA 2020 provides that the remuneration of Auditors may be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. In line with the referenced provision of CAMA 2020, it is usual practice to ask the General Meeting to authorize the Board to negotiate and fix the remuneration of the External Auditor.

The Board will be guided in this regard by the Audit Committee in line with the provisions of Section 404(7)(e) of CAMA 2020 which provides that the Audit Committee shall make recommendations to the Board regarding the appointment, removal and remuneration of the company's External Auditors.

At the Annual General Meeting of your Company held on May 15, 2020, Messrs Ernst and Young (EY) was appointed as the statutory Auditor of the Company.

We request that you vote in support of the motion to authorize the Directors to fix the remuneration of EY in respect of the period ending at the end of the next Annual General Meeting.

Resolution 4: Disclosure of the Remuneration of the Managers of the Company

"The Directors hereby disclose that the remuneration for the Managers of the business for the 2023 financial year was N8.59 billion."

Explanatory Note

Section 257 of CAMA 2020 sets out the requirement for the disclosure of the compensation of managers of a company to members of the Company as part of the ordinary business to be transacted at an AGM.

For the year ended 31st December 2023, a total sum of N8.59 billion was paid to the managers of the Company. Shareholders will be requested to note the disclosure on the compensation of the managers of the Company as contained in Page 223 of the Annual Report.

No resolution is required to be taken on this item.

Resolution 5: Election of Statutory Audit Committee

Shareholders are requested to vote to elect three Shareholders to serve on the Statutory Audit Committee for the 2024 financial year. The Board will be represented by two directors.

Explanatory Note

The provisions of Section 404(2) of CAMA 2020 mandate all public companies to establish a Statutory Audit Committee (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee shall have a maximum of five (5) members including three (3) shareholder representatives and two (2) Non-Executive directors.

In accordance with Section 404(6) of CAMA 2020, any shareholder may nominate another shareholder for appointment to the SAC. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the AGM.

The duties and role of the SAC are enumerated in Section 404 (4) and (7) of CAMA 2020. At the AGM, Members will be required to elect three shareholder representatives to serve on the SAC.

We urge you to vote in support of the election of shareholder representatives to serve on the Statutory Audit Committee for the 2024 financial year.

B. SPECIAL BUSINESS

Shareholders will be requested to consider the following special business and pass same as ordinary resolutions of the Company.



Explanatory Notes to the Resolutions to be proposed at the Annual General Meeting (AGM) - continued

Resolutions 6: Approval of Directors' Fees

"That the Directors Annual fees for the financial year ending 31 December 2024, and for succeeding years until reviewed by the Annual General Meeting be and are hereby fixed at N54,120,000 for the Chairman, and N36,285,000 for each of the other Non-Executive Directors respectively. Such fees shall be payable quarterly in arrears or at such other intervals as approved by the Board."

Explanatory Note:

The Board has reviewed and recommended the fees payable to the Chairman of the Board and other Non-executive directors having due regard to the findings of a remuneration survey conducted by external consultants. The fees paid to the Chairman and other non-executive directors were reviewed against those paid to the non-executive directors of a comparator group of listed companies. The particular skills, experience and capabilities of the non-executive directors were also considered. The fee levels proposed in resolution 6 are to ensure that their remuneration remains market-related and accords with the increasing level of responsibility placed on them.

In view of the foregoing, we urge you to vote in support of the motions to fix the fees of the Board Chairman and Non-Executive Directors.

Resolution 7: Approval for General Mandate for recurrent transactions with Related Parties (specifically, the procurement of goods and services on normal commercial terms and indemnity for Directors)

"That a general mandate be given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, (including without limitation, the procurement of goods and services on normal commercial terms and the indemnification of directors whether directly by the Company or by obtaining appropriate insurance in accordance with the Company's Articles; in compliance with the Nigerian Exchange Limited ("NGX") Rules Governing Transactions with Related Parties or Interested Persons and other applicable Nigerian statutory and/or regulatory requirements. The Directors be and are hereby authorised to take all steps and do all acts necessary to give effect to this resolution."

Explanatory Note

The resolution is proposed in accordance with Rule 20.8 of the NGX Rulebook 2015. Rule 20.8 of the NGX Rulebook provides that a company may seek a general mandate from securities holders for recurrent transactions of revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

VOTING BY INTERESTED PERSONS

In line with the provisions of Rule 20.8 (c) (8) of the Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to abstain, and ensure that their proxies, representatives, or associates shall abstain from voting on resolution 7 above.

Kindly vote in favour of the motion to grant a general mandate to the Company.

Shareholders will be requested to consider the following special business and pass as special resolutions of the Company.

Resolutions 8(1) and 8(2): Alteration of the Memorandum and Articles of Association

- 8 (1) "That the Memorandum and Articles of Association of the Company be and are hereby amended by altering same in the manner indicated in Annexure 1 and the Explanatory Notes to this resolution; and
- (2) That the Company Secretary be and is hereby authorised to file the requisite returns at the Corporate Affairs Commission and make all such other filings and/or submissions as may be necessary and/or incidental to give effect to the foregoing resolution".

Explanatory Note

"The proposed amendments to the Memorandum and Articles of Association ("MemArts") of the Company are intended for the MemArts to better reflect the provisions of the Companies and Allied Matters Act No 3 of 2020 (as amended), the Business Facilitation (Miscellaneous Provisions) Act, 2022, the Rules and Regulations of the Securities and Exchange Commission, the Securities and Exchange Commission Corporate Governance Guidelines and the Nigerian Exchange Limited requirements for Memorandum and Articles of Association for listed companies and to also accommodate amendments that may be made to these laws, rules and regulations.

Furthermore, the proposed amendments will introduce more flexibility in the management of the affairs of the Company while maintaining transparency and good corporate governance practices; clarity and ease of decision-making; business continuity and avoidance of disruptions that may negatively impact on the smooth running of the Company's operations.

Further details of the proposed amendments to the MemArts of the Company are on the Investor Relations portal on the Company's website <https://www.mtn.ng/investors/>."

In view of the foregoing, we urge you to kindly vote in favour of the motion to approve the proposed alterations to the Memorandum and Articles of Association.