



# SCANCOM PLC (MTN GHANA)

## Non-Executive Directors Fee Policy

<b>Business Area</b>	Management-CoSec		
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## 1. EXECUTIVE SUMMARY

This Scancom PLC (MTN Ghana) Non-Executive Directors Fee Policy has been adopted by the Board on the recommendation of MTN Ghana's Compensation, Remuneration and Human Resources Committee (the "Committee") and approved by the shareholders of MTN Ghana.

The objective of this Policy is to define a fair and transparent procedure for the payment of fees to non-executive directors of MTN Ghana. It applies to all matters relating to the determination and payment of fees to non-executive directors and shall guide the Committee, the Board and shareholders of MTN Ghana in the recommendation, adoption and approval of non-executive director fees.

## 2. POLICY APPROVAL

This MTN Ghana Non-Executive Directors Fee Policy is a governance policy and shall take effect upon approval by the shareholders of MTN Ghana.

## 3. DEFINITIONS

	Term	Definition
3.1.	<b>AGM</b>	means the Annual General Meeting of shareholders.
3.2.	<b>Board</b>	means the Board of Directors of the Company, acting either through itself, through any committee of its members appointed by it and/or through a company official.
3.3.	<b>Effective Date</b>	means the date of approval of this Policy by the Shareholders of the Company following approval and recommendation of the Board of Directors.
3.4.	<b>HRRNC</b>	means the Human Resources, Remuneration and Nominating Committee of the Board which when constituted shall take the place of the Compensation, Remuneration and Human Resources Committee (CRHRC).
3.5.	<b>NED(s)</b>	means Non-executive director(s).
3.6.	<b>Policy</b>	means this NED Fee policy.
3.7.	<b>Professional Body</b>	means an organisation with individual members practising a profession in which the organisation maintains an oversight of the knowledge, skills, conduct and practice of that profession.
3.8.	<b>Fees</b>	means compensation payable to NEDs for services rendered.

3.9.	<b>Scancom PLC/MTN Ghana/the Company</b>	means a public listed company registered under the laws of the Republic of Ghana.
3.10.	<b>SEC Corporate Governance Code</b>	means Securities and Exchange Commission's Corporate Governance Code for Listed Companies 2020 (SEC/CD/001/10/2020).
3.11.	<b>Shareholder(s)</b>	means a shareholder of MTN Ghana.
3.12.	<b>Special Project(s)</b>	means any project designated by the Board as a special project.

#### 4. INTRODUCTION

- 4.1. NEDs are responsible for making critical strategic decisions and overseeing the management of the Company without the benefit of observing the business of the Company on a full-time basis.
- 4.2. As NEDs carry significant potential risk and liability, they are required to have and apply particular skills, knowledge, experience and business judgement in their role as directors, for which they need to be fairly paid.
- 4.3. Having the above in mind, it is important to set out the principles relating to the payment of fees to NED directors to be implemented by the Company, for the purpose of clarifying the approach towards the payment of fees to NEDs.
- 4.4. The principles must be consistent with internationally recognised governance practices and must ensure that the Company adheres to the provisions relating to the payment of fees to NEDs contained in the SEC Corporate Governance Code and other statutory and regulatory provisions in Ghana.
- 4.5. Several factors are to be considered when determining what is a fair and equitable fee for NEDs, such as:
  - 4.5.1 the size, extent and nature of the Company;
  - 4.5.2 the industry and complexity of the business;
  - 4.5.3 the number of meetings the NED is expected to attend;
  - 4.5.4 the time commitment required of the NED; and
  - 4.5.5 the level of experience, skill and knowledge the NED brings to the Board.

## 5. PURPOSE

- 5.1.** This Policy is aimed at ensuring that there is a fair and responsible fee policy that promotes the creation of value in a sustainable manner and ensures that NEDs are:
- 5.1.1. Appropriately paid for the services they provide;
  - 5.1.2. Provided with a flexible and externally competitive fee structure benchmarked appropriately against identified comparator companies; and
  - 5.1.3. Paid relative to sustainable contributions within the framework of market conditions, while protecting Shareholders' interest and the Company's financial health.
- 5.2.** The Company is committed to promoting an ethical culture and ensuring that it continues to be a responsible corporate citizen.
- 5.3.** The Company believes that a fair, transparent and consistent fee policy promotes the achievement of its strategic objectives, attracts, motivates, rewards and retains appropriately skilled, qualified and experienced directors who are motivated to perform their duties in the best interests of the Company and its stakeholders.

## 6. SCOPE AND APPLICABILITY

- 6.1.** This Policy applies to NEDs appointed to serve on the Board and Sub-Committees of the Company.
- 6.2.** The Board and the HRRNC shall take into account this Policy, and any other relevant documents such as the HRRNC Terms of Reference (as applicable), when considering matters before it.
- 6.3.** The HRRNC may recommend the appropriate NED fee policies and practices for the Company, including but not limited to, annual fee increases if applicable.
- 6.4.** The HRRNC shall, as deemed necessary, report significant deviations from the principles set forth in this Policy to the Board.
- 6.5.** The ultimate responsibility for this Policy vests in the Board subject to the approval of the Shareholders of the Company.

## 7. KEY PRINCIPLES

- 7.1. Benchmarking of Non-Executive Director Fees**
- 7.1.1. The fees of NEDs of the Company shall be benchmarked against other comparator companies selected and approved by the HRRNC.
  - 7.1.2. The selection of comparator companies may consider the turnover, market capitalisation (where applicable) and the nature of business

(e.g. banking, insurance, retail, mining, telco's, etc) of the comparator companies.

- 7.2.** To obtain market information, the Company shall seek fee trends from externally appointed Remuneration/Fee survey consultants. The HRRNC shall approve such a survey consultant to provide the Company with market information in accordance with the Company's policy on Engaging External Professional Experts.

## **8. NON-EXECUTIVE DIRECTOR FEE STRUCTURE**

### **8.1. Basic Retainer and Attendance**

- 8.1.1. The fee structure shall comprise of two components namely annual retainer and attendance fee.
- 8.1.2. The Annual Retainer fee shall be paid on a quarterly basis i.e. over 4 (four) quarters in a financial period.
- 8.1.3. Attendance fees shall be paid to Directors who attend meetings after the meeting.
- 8.1.4. Over and above the annual retainer and meeting attendance fee, the Company shall pay for ad hoc committee meetings.
- 8.1.5. Special projects shall be paid for at a special hourly rate which will be approved by the Board upon recommendation of the HRRNC; Provided however that payments made in relation to Special Projects shall be tabled at the next occurring AGM for ratification by Shareholders.
- 8.1.6. NEDs shall not be paid for attendance of induction or developmental sessions. This is covered by the annual retainer paid to NEDs.

## **9. OTHER BENEFITS**

### **9.1. Communication devices as tools of trade**

#### Data provision

- 9.1.1. To facilitate the work of the NEDs, including ensuring their ability to connect and receive electronic board documents, NEDs shall be provided with the following:
- a tablet; and
  - a maximum of 2 (two) data SIM cards.
- 9.1.2. The terms of replacement of a device made available to NEDs shall be as per their terms of appointment.

### Voice calls provision

9.1.3. NEDs will also be provided with:

- one Cellphone handset; and
- a maximum of 2 (two) voice SIM cards, if desired by the NED.

## **9.2 Travel, accommodation and other expenses**

9.2.1 Travel, accommodation and business expenses for NEDs incurred in the normal course of business, for example, the attendance of Board and Committee meetings, will be paid for by the Company, including any tax liabilities arising on these business expenses.

9.2.2 Reasonable accommodation and travel expenses shall be paid in line with the Company's travel policy and terms of appointment of the Director.

## **9.3 Long-Term and Short-Term Incentives**

NEDs will not be eligible to participate in the short or long-term incentive plans offered by the Company, unless otherwise determined by the Board.

## **9.4 Retirement and healthcare benefit**

9.4.1 Unless otherwise legislated by law, NEDs will not receive any retirement related benefit (pension or otherwise) or any healthcare related benefit (e.g. medical aid).

9.4.2 There shall be no post-retirement benefits for NEDs.

## **9.5 Per diem**

NEDs who travel on Company business shall be paid per diem allowances in accordance with their terms of appointment.

## **9.6 Membership of Professional Bodies**

For their continued development and exposure, NEDs may at the discretion of the Company be reimbursed for the membership fee of a Professional Body related to the role and scope of work performed for the Company.

## **9.7 Financial assistance**

NEDs shall not be eligible for any type of financial assistance from the Company, in lieu of payment.

# **10. PAYMENT OF FEES**

10.1 The NED fees shall be paid in arrears, at the end of each quarter, taking into account the tax requirements.

- 10.2 NEDs resident in Ghana shall be paid in Ghana cedis while non-resident NEDs may be paid in any currency of the directors' choice, subject to exchange control approvals.
- 10.3 The NED fees shall be paid by Electronic Funds Transfer ("EFT") into the bank account of the NED.
- 10.4 Arrangements for a cession of fees to a third party may be concluded with the consent of the Company.

## **11. REVIEW OF NED REMUNERATION**

- 11.1 All fee rates shall be reviewed annually if necessary by the HRRNC, following which the HRRNC shall make a recommendation to the Board.
- 11.2 The Board shall consider the recommendation made by the HRNC and approve same for recommendation to the Shareholders for final approval.
- 11.3 The fees of NEDs shall be subject to the approval of Shareholders of the Company and shall not be increased except with their approval at a general meeting, where notice has been given of a proposal to increase fees.

## **12. DISCLOSURE OF FEES**

The fees paid to NEDs for the year under review shall be disclosed in the annual financial statements in accordance with the Companies Act, 2019 (Act 992), the SEC Corporate Governance Code and other applicable law.

## **13. POLICY COMPLIANCE**

- 13.1 This Policy shall comply with the Board Charter, all Company policies and statutory and regulatory obligations in Ghana.
- 13.2 Compliance with this Policy by the Company is mandatory and it shall be the duty of the Policy Owner (defined above) to ensure compliance.

## **14. POLICY REVIEW**

- 14.1 This Policy shall be reviewed annually or as may be required for compliance purposes and to maintain its relevance and applicability. Business and/or legislative requirements may necessitate more frequent review(s).
- 14.2 Any reviews to this Policy shall accordingly be facilitated by the Policy Owner.
- 14.3 It is the sole responsibility of the Policy Owner to ensure that any approved Policy changes are accordingly communicated to the various stakeholders using the applicable channels.

14.4 If this Policy is not reviewed within the specified time frame, then the provisions of this Policy shall remain operational and applicable until this Policy is next reviewed.

## 15. REFERENCE DOCUMENTS

Document Name	Publication Date	Published By
Business Travel Policy		Scancom PLC
Companies Act, 2019 (Act 992)	2019	Government of Ghana
Corporate Governance Code for Listed Companies	2020	The Securities and Exchange Commission
Terms of Reference of the Human Resources, Remuneration and Nominating Committee		Scancom PLC