



General Mandate Circular

Information in respect of General Mandate

In accordance with the Rules on Transactions with Related Parties recently issued by the Nigerian Stock Exchange, the Company intends to seek a general mandate from shareholders at the Annual General Meeting slated for Thursday, 26th September 2019, in line with the provisions of the NSE Rules on Related Party Transactions.

This mandate covers the total value of all transactions entered into with related companies during the financial year as stated in the Annual Report and Accounts that is more than 5% of the current net tangible assets or the issued share capital of the Company.

In order to ensure smooth operations, the Company will continue to procure goods and services and engage in other transactions that are necessary for its operations from related parties in the next financial year and hereby seeks a general mandate from shareholders for the related company transactions of trading nature and those necessary for the day-to-day operations, that are more than 5% of the latest net tangible assets or the issued share capital of the Company. Relevant items for the consideration of the shareholders are stated below:

The classes of interested persons with which the Company will be transacting during the next financial year are its associated companies;

- The transactions with the related companies are transactions of trading in nature and those that are necessary for the day-to-day operations;
- The rationale for the transactions is that they are indispensable for the operations of the Company to be competitive;
- The method and procedure for determining transaction prices are based on the transfer pricing policy;
- Ascension Consulting Services, the transfer pricing consultants of the Company issued its opinion based on the transfer pricing compliance exercise it earlier conducted confirming that the method and procedure are sufficient to ensure that the transactions shall be carried out on normal commercial terms and shall not be prejudicial to the interests of the issuer and its minority shareholders;
- The Audit Committee of the Company confirms that the transfer pricing method and procedure for determining the transaction prices as earlier reviewed by Ascension Consulting Services are adequate;
- The Company shall obtain a fresh mandate from shareholders if the method and procedure become inappropriate; and
- The interested persons shall abstain, and have undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transactions.