

Lagos, 20 September 2022

Nigerian Exchange Group Plc (“NGX Group” or “Company”) (and its subsidiaries) is and remains committed to the highest level of corporate governance with the overriding interest of maximising value for its shareholders. While it is the Company's practice to refrain from commenting on frivolous and malicious rumours, we believe it is in the interest of the investing public to correct the errors/misstatements in recent media reports following the release of the Company's notice for its upcoming annual general meeting. Note that its Audited Financial Statements for the year ended 2021 were released in March 2022.

The material misstatements and the NGX Group's responses are detailed as follows:

- i. **Corporate Governance:** The NGX Group's operations are built on an effective corporate governance framework and the highest corporate governance standards. Regarding the tenure of the Chairman and the Group Chief Executive Officer of NGX Group, it is pertinent to note that both esteemed individuals were appointed following due process and with the applicable regulatory approvals. The Chairman is currently serving as such as part of the transition arrangements following the demutualisation of The Nigerian Stock Exchange (“NSE”). His election is in accordance with the Scheme of Arrangement between the NSE and its Dealing and Ordinary Members dated 20 January 2020 (the Scheme) as approved by the members, the Securities and Exchange Commission and the Corporate Affairs Commission which prescribe that the members of the National Council should continue for a transition period on the board of the Group.

Furthermore, the Group Chief Executive Officer of NGX Group exited his role as the Chief Executive Officer of NSE after ten (10) years of meritorious service and in line with good corporate governance practice. Nigerian Exchange Limited (which is now the operating securities exchange), the entity to which the NSE transferred its securities exchanges license, is now managed by a new Chief Executive Officer. Following due process, he was subsequently contracted as the Group Managing Director/CEO of the Group in 2021, after the approval of the National Council and the Securities and Exchange Commission. These appointments do not contravene any law or governance codes.

- ii. **Value of Shares at Listing:** While it is factual and public knowledge that the demutualisation of the NSE (during which it changed its name to Nigerian Exchange Group Plc) was eventually completed when it became a capital market holding company effective 01 March 2021, and NGX Group was listed on Nigerian Exchange Limited in October 2021, the listing price of its shares was NGN16.15 and not NGN27.90 as erroneously reported. Please refer to the cover page of the Listing Memorandum which is a public document.
- iii. **Employee Share Scheme:** The directors were empowered to establish the Scheme further to a resolution of the shareholders at the NSE's Extra-Ordinary Meeting held on 3 March 2020. This approval is consistent with global best practice as adopted by peer demutualised exchanges which operate employee share schemes upon demutualisation.
- iv. **Long Term Incentive Plan:** The resolution for the allotment of 200,419,990 ordinary shares of 50 kobo each for the operation of a Long Term Incentive Plan consisting of a Deferred Bonus Plan (DBP) and an Employee Share Purchase Plan (ESPP), was made at the Company's 2021 AGM on 9 September 2021, for the purpose of operationalising the earlier approval of the establishment of an ESOP in 2020. Furthermore, it should be noted that part of the approval granted by the shareholders at the 2021 AGM was for half of the total number of shares proposed for the LTIP being 100,209,995 ordinary shares of 50 kobo each to be purchased by employees under an Employee Share Purchase Plan. Under the terms of the ESPP, the shares will be offered at a discount of between 15% - 20% of its market price and will be purchased by employees subject to

Board of Directors

Group Chairman: Otunba Abimbola Ogunbanjo | **GMD/CEO:** Mr Oscar N. Onyema, OON | **Independent Non-Executive Directors:** Mr. Apollos Ikpobe, Professor Enase Okonedo, Mrs. Ojinika Olaghere, Dr. Okechukwu Itanyi | **Non-Executive Directors:** Mr. Oluwole Adeosun, Mr. Chidi Agbapu, Mr. Patrick Ajayi, Mrs. Fatimah Bintah Bello-Ismail, Dr. Umaru Kwairanga



the fixed cap per employee and availability of the pool. The other half relates to deferred bonus under the Deferred Bonus Plan (DBP), which is earned when eligible employees meet set performance standards annually. Neither the DBP nor the ESPP are gifts to the employees. Both are multi-year plans.

- v. Dividend Policy: Despite the demutualisation and restructuring of NSE at the height of the COVID-19 pandemic and its ravaging impact on the economy, NGX Group, as a testament of its commitment to its shareholders and in readiness of providing returns to them in a sustainable manner, has published its dividend policy on its website to assist investors and the general public in understanding its value proposition. It is important to stress that as at 2020, when the Company was still a mutual entity, it was not permitted under extant laws to declare a dividend pursuant to the 2020 Audited Financial Statements. It bears emphasising that the demutualisation was completed in March 2021 and the listing in October 2021, which effectively means that the NGX Group's first full year of operations post demutualisation and as a public company is 2022. This will be reflected in the 2022 Audited Financials in due course.
- vi. Proposed Capital Raise: The Company intends to raise additional capital of up to NGN35,000,000,000 to fund (i) the business expansion; (ii) the growth phase for existing business lines/investments; and (iii) investments in identified and carefully curated new targets, in line with the Company's and NGX Group's strategy. As captured in the notice of the AGM, the Company does not intend to raise the entire amount in USD.

NGX Group has also identified viable investment opportunities in line with its strategic expansion plans, including deepening investments in the existing portfolio companies to ensure high and steady dividend returns. NGX Group is therefore on course with its long-term strategy which will ensure it provides competitive returns for its investors.

NGX Group would therefore like to assure the investing public that it will continue to uphold the highest corporate governance standards, as it has historically done. We are extremely mindful of due process, our records are verifiable and we are on course with our long-term strategy execution.

This announcement is made pursuant to Rule 17.10 of the Rulebook of the Nigerian Exchange, 2015 (Issuer's Rule).

Statement on Investors' Relations

Nigerian Exchange Group Plc has a dedicated investors' portal on its corporate website which can be accessed via this link: <https://ngxgroup.com/investor-relations/>. The Company's Investors' Relations Department can also be reached through electronic mail at: ir@ngxgroup.com; or telephone on: +234-1-4489363, +234-1-4489373 for any investment related enquiry.

MOJISOLA ADEOLA
GROUP COMPANY SECRETARY