

TransCorp Guide for Shareholders.

At Transnational Corporation Plc., our vision is ‘to create a globally competitive diversified business group which will supply world class products and services to local and global markets.’ As a shareholder in our company, your capital and support are critical to the realization of this vision. We believe that the confidence that you repose in our Board and management are built on our clear understanding of your expectations and our ability to deliver on these. Our resolute commitment stems from the goals we share with our shareholders.

Working together with our shareholders, the Board and management are firmly convinced that together we will achieve our common mission ‘to serve the global markets with premier products and services from world-class production facilities based in Nigeria and managed by Nigerians.’

This document, which should be read with our Shareholder Care policy, describes our responsibility to our shareholders. We have made every effort to make this document as comprehensive as possible. However, if there are certain areas of interest to you, as a shareholder, that you feel are not adequately covered or covered at all, please let us know. You may do so by going to the Investor Relations Officer, Obi Tabansi Onyeaso: oonyeaso@transcorpigeria.com .



TransCorp Shareholder Charter.

- The right to receive a dividend
- The right to receive company information
- The right to attend and vote at company meetings
- The right to appoint a proxy to attend and vote at company meetings
- The equality of each common share in TransCorp
 - 1 common share = 1 vote.
- Wealth for our shareholders: At TransCorp we are committed to improving the quality of our earnings, identifying new and sustainable sources of value and the return of the wealth that we generate to our shareholders.
- Shareholder Care: At TransCorp we have created the first dedicated Investor Relations function in Nigeria because we believe that each shareholder's needs are unique. We treat each shareholders' request in a timely manner and with courteousness.
- Investor education: At TransCorp we believe that it is our responsibility to educate our shareholders on our business and the results that we report to them. Shareholders are encouraged to visit the Shareholder 101 page at (www.transcorpigeria.com/ir/shareholder101) to learn more about understanding our financial statements and business. We believe that the fair judgment and support of our shareholders to the direction that we have chosen as a company is grounded on how well they understand our operating environment, context of our business performance and financial results.
- Listening to our shareholders: We understand that communication is a two-way track. We encourage our shareholders to tell us about their concerns, which we do our best to address. We want to be accountable on issues raised by our shareholders that concern TransCorp.
- Transparency: At TransCorp we ensure transparency through a number of means:
 - Regular publication of information on TransCorp
 - Transparency of financial information
 - Accessibility of financial information
 - Consistent accounting methods
 - Timely notice and dispatch of information and invitations to shareholder meetings
 - Healthy atmosphere for constructive discussions at shareholder meetings

Shareholders Glossary.

What are Dividends?

Dividends are one of three means through which TransCorp returns value to our shareholders. The other means are **Bonus dividends** and **Capital gains**. At the end of the financial year, the Board of Directors recommends a dividend based on its earnings and how much it needs to re-invest in the business through retained earnings. At the Annual General Meeting (AGM) the board seeks the approval of the Shareholders for the declaration of the recommended dividend. Dividends are paid on each share owned. Each TransCorp share receives the same dividend, irrespective of when the share was bought or at what price.

Dividends are paid with warrants, which shareholders pay into their bank accounts. These warrants are mailed to the address provided TransCorp by the shareholders.

What happens at the Annual General Meeting?

Annual General Meetings or AGMs for short are held to treat two types of issues: ordinary and special business.

Ordinary business includes: the declaration of dividends, the presentation of financial statements, the report of the directors and auditors, the election of new directors in the place of retiring ones, the appointment and fixing of remuneration of the auditors, and the appointment of members of the Audit Committee.

Other business such as the approval of mergers, acquisitions, the sale of shares by a substantial shareholder, the substantial purchase of shares by an investor, the approval of a new company governing structure, etc. are referred to as **extraordinary business**.

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Prior to an AGM, the registrars send out notices about the meeting by mail to all TransCorp shareholders. In addition, notices are also published in newspapers and the TransCorp website (www.transcorpigeria.com/newsandevents/agm and www.transcorpigeria.com/ir/agm). The notice in the papers and our website appear twenty-one days before meetings.

What happens at Extra-ordinary General Meetings?

Extraordinary General Meetings or EGMs for short may be called in between AGMs when there is pressing company business that requires the vote of shareholders before the next AGM. An EGM is called by the Board but may also be called by any shareholder with substantial holding in the company (at least ten percent of the outstanding shares). Notice for an EGM is published in newspapers twenty-one days before the meeting and the registrars mail out invitations to the meetings. The notice and the mails inform shareholders of the agenda for the meetings.

What if a shareholder cannot attend convened meetings?

If a shareholder cannot attend a convened meeting, he or she may appoint a **proxy** to represent him or her at the meeting. To appoint a proxy, the shareholder fills the proxy form included in the mail packet stating the name of the proxy. Proxies enjoy all the rights accorded shareholders at meetings such as the right to vote and speak at meetings.

What if a shareholder does not appoint a proxy?

If a proxy is not appointed, the shareholders votes are cast by the Chairman of the Board.

What do the terms 'ex-dividend' and 'record date' mean?

The ex- dividend is also known as **XD** or **ex-div** identifies the period after which the buyer of a security does not collect the dividend. Instead, this is collected by the seller of the shares.

After a company declares a dividend, it sets a record date when shareholders' names must have appeared on its record books to receive a dividend. This record date is also used to determine which shareholders would receive financial reports, invitation to convened meetings like the annual general meeting, and proxy nomination forms.

Once the company has set the record date, the Nigerian Stock Exchange fixes the ex-dividend date. If a stock is purchased on its ex-dividend date or after that date, the buyer of the share(s) will not receive the next dividend payment. Rather, the seller of the shares will receive the dividend. Typically, the ex-dividend date is set at two days before the record date. On that day, the book or register is said to be closed.

When a share is bought ex-dividend, it means that the buyer of the share is not entitled to the next dividend payment. However, if the shares are bought before the record date, then the shares are said to be bought **cum-dividend**. When shares are sold ex-dividend, the dividend content or value is factored and deducted from the price of the traded shares.

Other terms that use the prefix ex- include **ex-rights**, **ex-cap**, and **ex-fall**.

What does ex-rights mean?

Ex-rights means that the bearer of the shares is not entitled to the next rights issue.

What does ex-cap mean?

Ex-cap also known as **Xsc** means that the bearer of the shares is not entitled to the next scrip issue.

What is a scrip issue?

A scrip issue which is also known as a bonus issue or capitalization issue is a book keeping transaction that does not affect the value of the shareholders interest or raise any money for the company. It simply means that a company is transferring money from reserves into permanent capital. It is a fractional offer of shares. At the end of the scrip offer, when the shareholder presents the scrip certificate to the registrar, he is given the number of whole shares equal to the total of fractional shares presented. The offer is not open to non-shareholders of the company. Unlike capital gains, scrip issues are not taxed.

What is a rights issue?

A rights issue is the offer of fractional shares to already existing shareholders. Unlike dividends rights issues are not taxed.

What should I do with my share certificates?

If the shares that you are buying have been newly issued, e.g. after an initial public offer (IPO) or at the end of a bonus issue, you may go to the **Central Securities Clearing System Limited** to have the shares captured on the CSCS database. After your shares are captured by the CSCS they become dematerialized. However, if your ownership of the shares is as a result of purchase from an owner of already existing shares which have already been captured by the CSCS, then you do not need to re-register them again with the CSCS. The CSCS ensures that your shares are not stolen or destroyed

Do shareholders pay to have their shares captured in the CSCS?

Yes. However, this is not an explicit charge. Instead, it is included as part of the transaction charges when you buy or sell shares on the floor of the Nigerian Stock Exchange.

What other charges do shareholders bear when they trade shares on the Nigerian Stock Exchange?

How can one buy more shares in TransCorp?

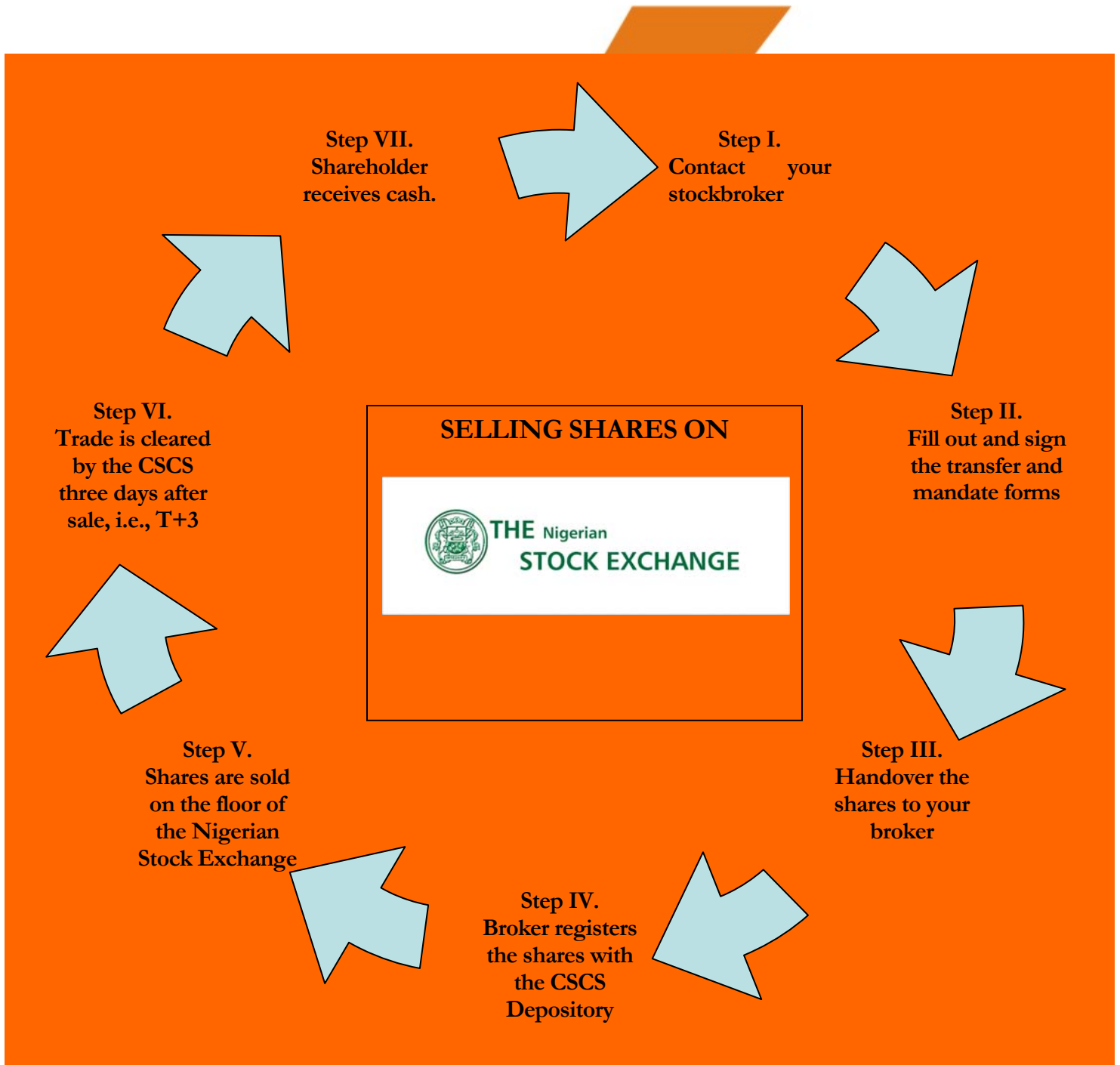
Investors may buy and sell shares through stockbrokers registered with the Nigerian Stock Exchange.

How can one sell TransCorp shares?

The sale of TransCorp shares is a seven step process:

- 1) Contact your stockbroker
- 2) Receive mandate and transfer forms from your stockbroker
- 3) Fill and sign the mandate form authorizing your broker to sell your shares
- 4) Your stockbroker registers the shares with the Central Securities Clearing System (CSCS) depository

- 5) Shares are sold by your stockbroker on the floor of the Nigerian Stock Exchange
- 6) CSCS contacts you to inform you of the sale of your shares
- 7) Three days after the sale (T+3) you receive the cash from the sake.



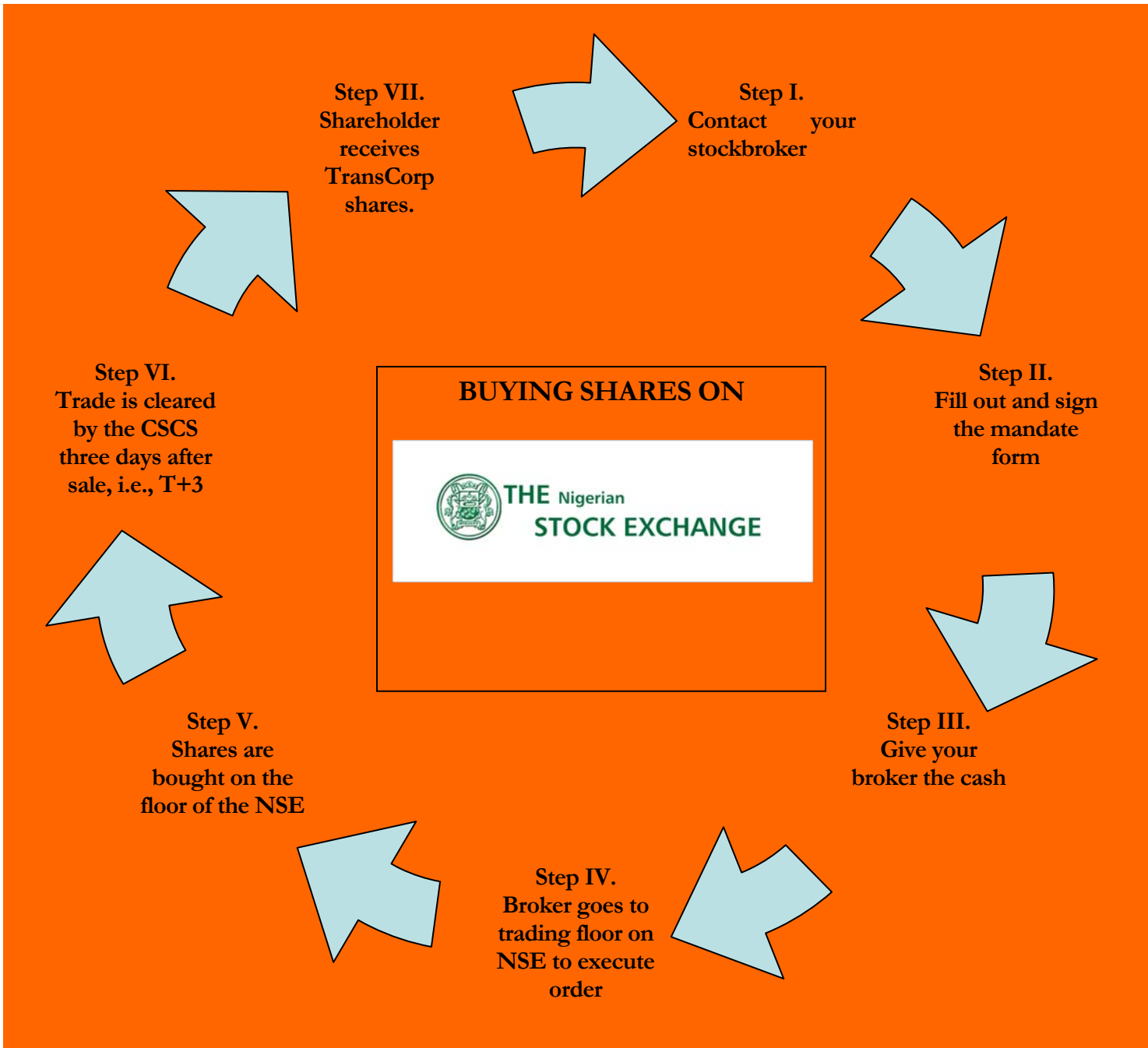
How can one buy TransCorp shares?

The purchase of TransCorp shares is a five step process:

- 1) Contact your stockbroker
- 2) Receive mandate from your stockbroker
- 3) Fill and sign the mandate form authorizing your broker to buy shares for you
- 4) Your broker executes the order on your behalf
- 5) The purchase is reflected in the CSCS depository and the shares are transferred to your name
- 6) Three days after the sale (T+3) you receive the shares from the sake.

Please see the diagram on following page.





Who fixes the dividends paid to Shareholders?

One section of the business treated at AGMs is that of dividends. The Board makes a recommendation on the dividends that should be paid to shareholders, who in turn vote to pass or reject this amount.

What is the Trade Alert?

The Trade Alert system is an investor protection scheme launched by the Nigerian Stock Exchange (NSE) its subsidiary, the Central Securities Clearing System (CSCS) Limited. Under the Trade Alert scheme each time your shares are sold by your broker, you receive a text message on your mobile phone informing you of the transaction. The Trade Alert system charges 0.1% of the transaction value to buyers of shares and 0.45% of the transaction value to sellers of shares.

What is the minimum number of shares that you can buy after TransCorp shares are listed?

On the floor of the Nigerian Stock Exchange, shares are sold in what are called lots of 100, that is, the minimum number of shares that may be bought is a hundred and after that multiples of hundred. However, after buying shares in lots of hundred, it is common for a shareholder to have a portfolio of odd lots, e.g., 7,986 shares, 6789 shares, 11,223,344 shares, etc. This is because companies still issue bonus shares and shareholders take advantage of rights issues which may not necessarily be sold or offered in lots of one hundred.

Or you may contact:

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We sincerely hope that the topics treated in this guide, and the answers provided, respond to all your questions.