

COVER PAGE

smartcash
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DISCLOSURE ON SHARED
SERVICES BETWEEN
**AIRTEL NETWORKS
LIMITED AND SMARTCASH**

BROCHURE

In compliance with relevant sections of the Code of Corporate Governance for Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria, Smartcash Payment Service Bank Limited makes the following disclosures on its shared services.

SHARED SERVICE

To enable the PSB achieve its stated objectives, enjoy economies of scale in its pricing and cost structure, the PSB as identified by the Management and approved by the Board entered into shared services with its ultimate parent company Airtel Networks Limited (AIRTEL) and any member of the group for the provision of a number of services.

SHARED SERVICES

1. Human Resources:

The PSB entered into shared service agreements with AIRTEL with the objective of developing policies and procedures on various Human Resource (HR) subjects including, but not limited to, international recruitment, job classification, HR Policy and Procedures, performance management, monthly payroll processing and extensive training programs.

2. Legal Services:

The PSB on an as-needed basis will access the legal expertise available at AIRTEL to review and coordinate all major contractual commitments to be entered into by the PSB either with suppliers, vendors, partners and/or bankers.

3. Call Centre:

When and where determined to be the most cost effective route, the PSB will enter into a shared service agreement with AIRTEL to manage its call centres and call centre infrastructures.

4. Office Infrastructure:

The PSB entered into a shared service agreement with AIRTEL for the provision of workspace. AIRTEL shall allocate space within its premises for PSB's personnel to conveniently carry on their duties. The space shall be allocated according to the head count of PSB's personnel.

5. Supply Chain Management:

The PSB entered into a shared service agreement for the supply side activities to maximize value and gain competitive advantage in the marketplace. This will cover all processes in procuring goods and services and shall suffice until such a time that the PSB can internally provide this service in a cost-effective manner.

6. Information and Communications Technology:

The PSB entered into shared service agreements for the provision of shared infrastructure and services for the communication of information.

7. Senior Management:

The PSB entered into shared service agreements for the utilization of senior management skills and experience.

NON-EXCLUSIVITY AND/OR MINIMUM COMMITMENT

The shared service agreement that has been entered into with AIRTEL will not constitute an exclusive agreement with AIRTEL.

The PSB makes no commitment to always use AIRTEL for the provision of the same or similar service.

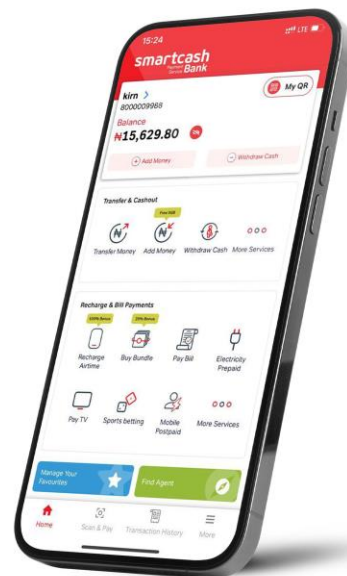


PRICING METHODOLOGY AND REMUNERATION

In consideration for the provision of shared service, the PSB shall pay a market determined fee for the shared services provided by its parent company. The fee and the pricing methodology shall be detailed in a Master Shared Service Agreement to be entered into with the parent company. The pricing methodology shall be in compliance with the pricing methodologies adopted by the transfer pricing regulation of the Federal Inland Revenue Service. Shared service fees shall be documented for all transactions between AIRTEL and the PSB as if they were between unrelated parties.

GOVERNANCE STRUCTURE OF POLICY

A shared service policy has been issued and approved by the Board of Directors of the PSB and it shall guide all shared service agreements to be entered into by the PSB. The board shall ensure the reasonableness of all fees paid in fulfillment of this policy. The Board of the PSB shall set performance goals and metrics. The Shared Service agreement has been approved by the Central Bank of Nigeria.



THANK YOU