Governance

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Our Board of directors

Sunil Bharti Mittal
Chair, non-executive director, and chair of Nominations Committee

N

Date appointed to Board:
October 2018

Independent: no

Age: 62

Nationality: Indian

Skills, expertise and contribution

Sunil is the founder and chairman of Bharti Enterprises, one of India's leading conglomerates with diversified interests in telecoms, insurance, real estate, agriculture and food, renewable energy and other ventures. Bharti Airtel, the flagship company of Bharti Enterprises, is among the world's largest telecoms companies, offering mobile, fixed broadband and digital TV solutions to over 400 million customers across India, South Asia and Africa.

Sunil is the pioneering force behind the mobile revolution in India – he revolutionised the business model at Bharti Airtel to make affordable voice and data services available to all. As chair of the Board, his leadership has brought immense value to Airtel Africa through his futuristic vision, vast knowledge and industry expertise.

External commitments

- Founder and chairman of Bharti Enterprises and Bharti Airtel
- Honorary chairman of the International Chamber of Commerce (ICC)
- Member of the International Business Council, World Economic Forum (WEF)
- Member, Global Board of Advisors, Council of Foreign Relations (CFR)
- Commissioner of the Broadband Commission
- Trustee at the Carnegie Endowment for International Peace (CEIP)
- Member, Board of Qatar Foundation Endowment (QFE)
- Member of the India-US, India-UK and India-Japan and India-Sweden CEO Forums
- Co-chair of the India-Africa Business Council

Previous roles

Sunil has served on the boards of several international bodies. He was the chairman of the International Chamber of Commerce (ICC) from June 2016 to June 2018 and the chairman of GSM Association (GSMA) from January 2017 to December 2018. He was the president of the Confederation of Indian Industry (CII) from 2007 to 2008. Sunil is closely associated with spearheading the Indian industry's global trade, collaboration and policy – he has served on the Prime Minister of India's Council on Trade and Industry.

Sunil has also served on the boards of several multinational companies including Unilever PLC, Standard Chartered Bank PLC and SoftBank Corp.

Raghunath Mandava
Chief executive officer

M

Date appointed to Board:
July 2018

Independent: no

Age: 53

Nationality: Indian

Skills, expertise and contribution

Raghu has held a variety of sales, marketing, customer experience and general management roles in the FMCG and telecoms industries. Raghu joined Airtel Africa Group as chief operating officer in 2016 and took over as CEO in January 2017. To his role as CEO, he brings a deep understanding of telecoms and a strong belief that connectivity can accelerate growth by helping to bridge the digital divide and advance financial inclusion. Raghu takes an innovative problem-solving approach to achieve disruptive growth and profitabiity. He has guided Airtel Africa in building a modernised 4G network. In his last role in Airtel India, he helped deliver a substantially improved customer experience while considerably reducing costs. He has an electronics engineering degree and an MBA specialising in marketing.

Other commitments

Board member of Bharti Airtel International (Netherlands) B.V., Bharti Airtel Africa B.V. and Airtel Networks Limited.

Previous roles

Raghu represented the Airtel Africa Group on the Board of Bharti Airtel until January 2019. He held various roles at Airtel India starting in 2003 as chief operating officer for Tamil Nadu, Circle CEO for Rajasthan, chief marketing officer of the Mobile Business, regional operations director for East India Mobile Business, regional operations director for B2C Business for West India, and customer experience director for India. Before joining Airtel India, Raghu held various sales, marketing and business operations roles at Hindustan Unilever.

Raghu is participating in a targeted mentoring programme to enhance his UK listed plc experience.

Andrew Green CBE
Senior non-executive director

AR N M

Date appointed to Board:
April 2019

Independent: yes

Age: 64

Nationality: British

Skills, expertise and contribution

Andy brings many years of global financial and strategic experience to the Board. Through his work with a number of multinational organisations, he is able to draw on a wide knowledge of diverse issues and outcomes to provide constructive challenge and robust scrutiny of matters that come before the Board.

External commitments

- Group chairman of Simon Midco Limited (the holding company of Lowell Group)
- Non-executive director at Link Administration Holdings Limited
- Commissioner at the National Infrastructure Commission
- Trustee of WWF UK and Disasters Emergency Committee

Previous roles

Andy was previously senior independent director of Avanti Communications plc and ARM Holdings plc and chairman of the Digital Catapult and IG Group plc. He was Group chief executive officer of Logica plc until its sale in 2012. His prior roles include those at BT Group plc, including CEO of BT Openworld, CEO of BT Global Services and CEO of Group Strategy and Operations and various roles at Shell and Deloitte. Andy has held a number of non-executive directorships in the US, Hong Kong, Germany and the UK.

Awuneba Ajumogobia (née Iketubosin)
Non-executive director

R

Date appointed to Board:
April 2019

Independent: yes

Age: 61

Nationality: Nigerian

Skills, expertise and contribution

Awuneba is a chartered accountant with broad experience in assurance, taxation, finance and advisory services across several industries. Her expertise as an assurance and finance specialist, garnered at leading professional services firms, make her an asset to Board decision-making.

External commitments

- Executive director at Multistream Energy Limited
- Board chair at CAP Plc
- Board member of UPDC (UACN Property Development Company) Plc
- Governing council chair at Grange School, Lagos
- Board Member of University of Ibadan Research Foundation
- Member of Finance Committee MUSON (Musical Society of Nigeria)
- Executive council member of WIMBIZ (Women in Management, Business and Public Service)

Previous roles

Awuneba was a board member at UAC of Nigeria Plc (UACN) from 2009 to 2019. During her tenure, she chaired the Risk Management Committee and was a member of the Statutory Audit Committee. Prior to this, she developed her career at Peat Marwick, Deloitte and Accenture. Awuneba has also had advisory and implementation roles with a number of national development projects in Nigeria.

Key to committees

- AR Audit and Risk Committee
- N Nominations Committee
- R Remuneration Committee
- M Market Disclosure Committee
- Committee chair

Douglas Baillie

Non-executive director and chair of Remuneration Committee

N R M

Date appointed to Board: April 2019

Independent: yes

Age: 64

Nationality: British

Skills, expertise and contribution

Doug brings vast leadership experience in both private and public sectors to the Board and his role as the chair of the Remuneration Committee. His background in diverse leadership roles and human resources is particularly useful to the Board when considering the Airtel Africa culture, employee management, executive remuneration and other employee-related activities.

External commitments

- Vice chairman of the MasterCard Foundation
- Director of the Leverhulme Trust
- Non-executive director of the Huhtamaki Group

Previous experience

Doug spent 38 years at Unilever, and his roles there included president of Western Europe in the Netherlands until 2011, Group vice president of South Asia, CEO Hindustan Unilever in India until 2008, Group vice president Africa and the Middle East from 2004 until 2006, and chief HR officer from 2011 until 2016.

John Danilovich

Non-executive director

R

Date appointed to Board: April 2019

Independent: yes

Age: 69

Nationality: American

Skills, expertise and contribution

John has held executive leadership roles in international business and government for several decades. As a global business leader and distinguished diplomat, he has extensive experience in regional and international trade-related issues. He brings skills in building international partnerships and advocacy with policymakers, foreign dignitaries and business leaders to Airtel Africa, and provides constructive challenge and robust scrutiny of matters that come before the Board.

External commitments

- Board member at d'Amico International Shipping
- Board and council member at the Harvard Chan School of Public Health, the Center for Strategic International Studies (CSIS) and Chatham House (UK)
- Member of the Council on Foreign Relations (New York) and of the American Academy of Diplomacy

Previous experience

John was Secretary General of the International Chamber of Commerce (ICC) in Paris from 2014 to 2018 and CEO of the Millennium Challenge Corporation in Washington from 2005 to 2009. He has been the US ambassador to Brazil and to Costa Rica. While on the board of the Panama Canal Commission, he acted as chairman of the Commission's Transition Committee prior to the handover of the canal by the US to Panama. In his distinguished career, he also played a significant role in the Central American Free Trade Agreement (CAFTA).

Annika Poutiainen

Non-executive director

AR

Date appointed to Board: April 2019

Independent: yes

Age: 49

Nationality: Finnish

Skills, expertise and contribution

Annika's wide-ranging experience in audit and regulatory engagements contributes to her role as the member of the Board and Audit and Risk Committee. With her legal background and deep knowledge of auditing, accounting and financial reporting, she brings a keen scrutiny to all governance and regulatory matters.

External commitments

- Working chair of the Council for Swedish Financial Reporting Supervision
- Member of the Swedish Audit Academy
- Member of the Nasdaq Helsinki Listing Committee
- Board member of the Carpe Diem Foundation, which runs the top-ranked Swedish elementary school, Fredrikshovs Slott Skola

Previous experience

Annika has been a board and audit committee member of listed companies eQ Abp, Hoist Finance AB, Saferoad AS (delisted in September 2018) and Swedbank AB, as well as industry advisor to strategic communications firm JKL Group. She advised the Swedish government on the national implementation of the reformed EU market abuse regime and was head of market surveillance Nordics at Nasdaq and head of unit, prospectuses, exchanges and clearing houses at the Swedish Financial Supervisory Authority. She was also an associate in the Capital Markets Group at Linklaters London and has been a practising solicitor in both the UK and Finland.

Ravi Rajagopal

Non-executive director and chair of Audit and Risk Committee

AR N M

Date appointed to Board: April 2019

Independent: yes

Age: 64

Nationality: British

Skills, expertise and contribution

With experience in diverse industries such as healthcare and consumer brands, Ravi brings a wealth of recent and relevant financial experience and cultural insight to the Board and our Audit and Risk Committee.

External commitments

- Chairman of Fortis Healthcare, India
- Independent director and chair of the Audit Committee of Vedanta Resources, UK
- Chairman of JM Financial, Singapore Pte Ltd
- Trustee of the Science Museum Foundation (UK)

Previous experience

Ravi held financial leadership roles at Diageo until retiring in 2015, such as group controller in the UK with responsibility for the spirits business across sub-Saharan Africa and global head of mergers and acquisitions. Starting in 1979, Ravi held various roles at ITC India, including a secondment to West Africa with BAT. He has held numerous positions on various joint venture boards and Diageo's India advisory board, and was non-executive director of United Spirits in India.

Our Board of directors continued

Arthur Lang
Non-executive director

Date appointed to Board: October 2018

Independent: no

Age: 48

Nationality: Singaporean

Skills, expertise and contribution

Arthur brings powerful global telecoms experience and strong financial acumen to the Board. As CEO International at Singapore Telecommunications Limited (Singtel), he oversees the growth of regional associates across Africa, India, Indonesia, the Philippines and Thailand. This includes strengthening relationships with overseas partners and driving regional initiatives such as mobile, financial and gaming businesses.

External commitments

- CEO International at Singtel
- Board member of Globe Telecom, Bharti Infratel, NetLink NBN Trust, the Land Transport Authority of Singapore, the National Kidney Foundation and the Straits Times School Pocket Money Fund
- On the advisory board of the Lee Kong Chian School of Business, Singapore Management University

Previous experience

Arthur was Group chief financial officer of CapitaLand, where he also ran the real estate fund management business. Before this, he was co-head of Morgan Stanley's Southeast Asia investment banking division and chief operating officer of its Asia Pacific investment banking division.

Akhil Gupta
Non-executive director

Date appointed to Board: October 2018

Independent: no

Age: 64

Nationality: Indian

Skills, expertise and contribution

Akhil brings vast financial, strategic and telecoms expertise to our Board. He has played a pivotal role in the Bharti Group's phenomenal growth in the telecoms sector, both organically and through various acquisitions. With innovative thought leadership, he has helped Bharti Airtel to achieve healthy margins while offering some of the lowest tariffs in the world.

External commitments

- Vice chairman of Bharti Group
- Executive chairman of Bharti Infratel
- Chairman of Tower and Infrastructure Providers Association (TAIPA)
- President of Telecom Sector Skill Council (TSSC)

Previous experience

Akhil led the formation of various partnerships for Bharti with operators like British Telecom, Telecom Italia, Singapore Telecom and Vodafone, as well as with financial investors such as Warburg Pincus, Temasek, KKR, Qatar Foundation Endowment, AIF and Sequoia. He was behind the separation of passive mobile infrastructure and the formation of one of the largest tower company in the world – a notable example of collaborating at the back end while competing at the front end. He also executed the acquisition of Zain Group's mobile operations in 15 countries across Africa, the second largest outbound deal by an Indian company.

Shravin Bharti Mittal
Non-executive director

Date appointed to Board: October 2018

Independent: no

Age: 32

Nationality: British

Skills, expertise and contribution

As the youngest Board member and the entrepreneurial founder of a top-performing global technology investment firm, Shravin brings a diversity of view and expertise in the tech sector to our discussions and decision-making.

External commitments

- Founder of Unbound, a long-term investment firm aiming to build and back technology companies
- Managing director of Bharti Global Limited
- On the Board of Softbank Energy
- Board member of technology companies mPharma, Cars24, Syfe, Paack and FreightHub

Previous experience

Shravin was previously at SoftBank Vision Fund, a US$100 billion fund investing in technology companies, and assistant director at Better Capital, a private equity firm in London where he turned around distressed retail and manufacturing businesses. Previously, he was involved in the launch of 3G at Airtel India and on the senior management team at Airtel Africa, where he spearheaded the post-acquisition integration of Zain. Before Airtel, he worked with J.P. Morgan investment bank covering technology, media and telecoms.

Board skills %

Financial reporting	45%
Risk management and internal controls	36%
Remuneration	9%
Corporate finance	18%
Strategy	82%
Technology/digital	27%
Governance	55%
Non-executive director	91%

Our Executive Committee

Convened and chaired by our CEO, our Executive Committee (ExCo) brings together the heads of our main business areas to help him fulfil his responsibilities. The committee meets fortnightly to ensure the ongoing success of our strategy and culture. It also monitors our operating and financial performance, assesses risk, allocates resources and looks after day-to-day operational management across the business.

Jaideep Paul

Chief financial officer

Jaideep brings 30 years of leadership and financial experience to our committee, with over 17 of those in the telecoms industry. Before becoming our chief financial officer in 2014, he was CFO at Airtel Nigeria, Fairtrade LLC Muscat and Bharti Retail. He held prior financial roles at Mumbai Circle and Bharti Airtel Delhi Circle, as well as senior roles at HCL, Telstra V-Com and Caltex. Jaideep started his career at Pricewaterhouse and is a qualified chartered accountant.

Jaideep is invited to all Board meetings and is participating in a targeted mentoring programme to enhance his UK listed plc experience.

Segun Ogunsanya

Managing director and CEO, Nigeria

Segun has over 26 years' business management experience in banking, consumer goods and telecoms. Before joining Airtel, Segun held leadership roles at Coca-Cola in Ghana, the US, Nigeria and Kenya (as CEO). He has also been the managing director of Nigerian Bottling Company Ltd (Coca-Cola Hellenic owned) and Group head of retail banking operations at Ecobank Transnational Inc, covering 28 countries in Africa. Segun is a chartered accountant.

Ian Ferrao

Regional director – East Africa

Ian has spent the last 14 years leading telecoms organisations in Africa, both as an entrepreneur and a corporate CEO. He joined Airtel Africa in September 2019 to lead the East Africa business segment, comprising Airtel operations in Kenya, Tanzania, Uganda, Rwanda, Zambia and Malawi. Before Airtel Africa, Ian was the CEO for Vodacom Tanzania PLC, where he led the company's IPO onto the DSE. He's also served as CEO of Vodacom Lesotho, CCO for Vodacom Business Africa and commercial director and shareholder of AfriConnect Zambia.

Michael Foley

Regional director, Francophone Africa

Over the last 35 years, Michael has led telecoms, consumer goods, fintech and gaming businesses in the US, Asia and Africa, as well as in his native Canada. His most recent role was as CEO of Telenor's operations in Pakistan, Bulgaria and Bangladesh.

Razvan Ungureanu

Chief technology officer

Razvan has 27 years' experience in telecoms and has worked in Romania, Belgium, Luxembourg and the Dominican Republic. Before joining Airtel Africa in 2016, he was chief technology and information officer for Digicel, with responsibility for 29 countries in the Caribbean and Central America.

Olivier Pognon

Chief legal officer

Before joining Airtel Africa in June 2014, Olivier worked as senior legal counsel at MTN Group in Johannesburg. He has also held roles in corporate law and project finance at Agence Française de Développement, CMS BFL and Mayer Brown in Paris. With postgraduate degrees in business law, project and structured finance and executive education in finance, Olivier brings his sharp legal acumen to our affairs at Airtel Africa.

Neelesh Singh

Chief information officer

Neelesh defines and implements the IT strategy across our business, including our operating subsidiaries in 14 countries. He specialises in defining and revamping operating models, delivering on complex business transformations, setting up greenfield operations, cloud infrastructure and architecture simplification. He brings over 19 years of international experience in IT across the public sector, independent software vendors and communications service providers to his role at Airtel Africa. Before joining us in 2017, he held a senior IT leadership role at the Telenor group, handling various aspects of IT across 13 countries in Scandinavia, Central and Eastern Europe and Asia.

Daddy Mukadi

Chief regulatory officer

Before becoming our chief regulatory officer in early 2015, Daddy was executive head of international regulatory affairs and executive head of international commercial legal affairs at Vodacom Group. He has also held previous legal and regulatory leadership roles at Gateway Communications Group, MHA Attorneys (South Africa), the Communication Users Association of South Africa and the Cabinet M.T. (DRC).

With a master's degree in communications law and as the author of a handbook for media law practitioners, Daddy brings a broad understanding of legal and regulatory affairs to his role at Airtel Africa.

Ramakrishna Lella

Chief supply chain officer

Ramakrishna has spent more than 30 years in the telecoms industry, with more than half of this time at Airtel. Before becoming our chief supply chain officer in 2016, he led the team setting up various types of networks (including mobile, NLD/ILD, Enterprise and DTH) and was the director of supply chain management for Airtel Nigeria. He has also held different roles in the telecoms sector covering research and development, manufacturing (Alcatel and Indian telephone industries) and telecom service providers (Airtel and Reliance Jio).

Rogany Ramiah

Chief human resources officer

Rogany has more than 22 years' experience in retail, media and consulting, including as senior director with Walmart's International People Division and as an executive in Massmart (a division of Walmart). To her role as CHRO, she brings global expertise in supporting businesses on strategy, cultural transformation, business process re-engineering and organisational redesign. She also has experience in talent acquisition, talent planning, remuneration strategy, and developing and leading HR transformations.

Stephen Nthenge

Head of internal audit and risk assurance

Stephen has over 24 years' experience in audit, enterprise risk and information security management, having worked for Deutsche Bank AG, JP Morgan Chase and KPMG in senior management roles in Australia, Singapore, London and New York. In addition to leading regional and global audit teams, he helped to establish risk and governance frameworks for new products and services as well as regulatory governance frameworks. He has also led strategic risk mitigation and transformational programmes. Stephen is a certified information systems auditor.

Luc Serviant

Group enterprise director

Luc has more than 25 years' international experience in marketing and implementing core network and ICT solutions for the enterprise sector. He has held various roles at Orange Business Services – from head of global services in Switzerland to head of consulting and solutions integration APAC in Singapore, and most recently as vice president Middle East and Africa, based in Dubai. He has also held a variety of positions at SITA (Société Internationale de Télécommunications Aéronautiques), Global One Telecommunications and Alcatel-Lucent.

Chair's introduction

Committed to strong governance and transparent reporting against the 2018 UK Corporate Governance Code

"I believe we are set apart by our commitment to good governance, our entrepreneurial energy and our vision to enrich the lives of our customers."

SUNIL BHARTI MITTAL CHAIR

Governance highlights for the year ended 31 March 2020

- Substantially met all the requirements of the UK Corporate Governance Code applying to Airtel Africa for 2019/20 – see page 74
- Began to set out our strategy for improving diversity and inclusion at all levels of our business – see page 87
- Conducted a comprehensive externally facilitated Board evaluation – see page 77
- Enhanced our succession and contingency planning processes – see page 88

The past year has been transformative for Airtel Africa. On 3 July 2019, Airtel Africa became a dual-listed company in London and Lagos, operating in 14 unique and growing markets in Africa and a challenging regulatory and governance environment. In these highly competitive markets, I believe we are set apart by our commitment to good governance, our entrepreneurial energy and our vision to enrich the lives of our customers.

As chair of the Board, I'm pleased to be able to make a personal statement on our approach to corporate governance. We have embraced the rigorous requirements of listing in London as part of our commitment to strong governance and transparent reporting, identifying three areas of non-compliance pursuant to the 2018 UK Corporate Governance Code, which are explained in this report.

The Board's priority over the last 12 months has been two things. One, to move towards a position where our business has the appropriate structure and quality of capital, debt and liquidity. And two, to make sure we have a suitable and effective governance structure in place for a premium listed company.

To strengthen the adequacy of our governance, the Board has been working, since our UK listing, on a financial position and prospects procedures (FPPP) review. This has focused on post-IPO priority areas impacting the financial reporting environment, which will embed good governance and corporate reporting processes throughout the business. Both the Board and our employees have been through a robust compliance training programme. In addition to putting in place an effective governance and financial structure for a company listed in both the UK and Nigeria, we have also focused this year on the performance and continuing development of Airtel Africa.

I strongly believe that the opportunities of operating in Africa outweigh the risks, given our strategy, appetite for risk and risk management, strong culture and commitment to good governance.

In this governance report, we explain how our Board has sought to comply with the principles of good governance, applied these to the business and addressed the challenges in doing so.

A responsible business

We recognise the importance of considering our responsibilities to our shareholders and believe that strong corporate governance benefits all our stakeholders.

The Board has taken a number of steps to ensure that these legal and regulatory obligations become part of our culture and decision-making processes. For example, the directors' duties under section 172 of the Companies Act 2006 help to underpin the good governance at the heart of how we work. Details of how the Board takes into account shareholder and wider stakeholder interests when making decisions and strategic planning are set out on pages 32-33.

The Board receives regular briefings and updates on corporate governance at Board and committee meetings. In this report on corporate governance, we aim to clearly explain the governance-related processes and procedures we have in place and which are so critical to our long-term success. We are always very pleased to engage with our shareholders and appreciate their constructive input.

I firmly believe that a responsible business has a duty to give back to the communities in which it operates. More on this is set out on pages 53-54.

Board and governance

The first independent board evaluation confirmed that our Board functions effectively. It's well balanced and diverse, with a strong mix of relevant skills and experience. With the help of the company secretary, I've drawn up a list of action points for the Board – these include a more sustained focus on business and strategic issues, continuing to improve our engagement with stakeholders, and developing board knowledge of regional markets. The Board will also keep its composition under review, with a view to bolstering the Group's technology expertise and understanding of technological developments. Related to this will be a cybersecurity deep-dive exercise conducted by our Audit and Risk Committee.

A strong culture

We firmly believe that good governance should be focused not only on how the Board operates, but importantly, on the culture that informs our business and affects how our employees do their jobs. There have been some challenging discussions around the boardroom table during the year, particularly after the adverse judgment by the Honourable Supreme Court of India on 24 October 2019 affecting telecoms service providers in India including our parent company Bharti Airtel Limited. I'm pleased to report that all discussions have been resolved amicably and with mutual respect.

Our three company values are alive, inclusive and respectful – and we expect all employees across our business to reflect these every day.

I'm grateful to all the members of the Board for their individual contributions, and particularly to the chairs of each committee for establishing and steering their committees during the year. The Audit, Remuneration and Nominations committee chairs have provided their own report on their committee's activities – see pages 80-89 and 100.

In conclusion

I am confident that your Board is effective and works well. We have the right balance of skills, expertise and professionalism to continue to deliver strong governance, while allowing the CEO and CFO to implement and deliver our strategy (as set out on pages 21-43) within the culture we've worked so hard to establish. Although I'm pleased with the Board's activities and approach when it comes to corporate governance, we continually look for ways to learn and improve.

I very much look forward to meeting with shareholders at the AGM on Wednesday 24 June 2020, which will be livestreamed from London and Lagos. Along with all of your directors (who will be at the AGM), I am available to respond to your questions, concerns and suggestions at any time.

SUNIL BHARTI MITTAL
CHAIR
13 MAY 2020

Our leadership

Our governance structure

Our Board of directors is the primary decision-maker at Airtel Africa. Its members are responsible for our operational and financial performance, for setting our strategy and for making sure that we manage risk effectively. See pages 66-68 for details of our Board members. As shown below, the Board has delegated certain responsibilities to specialist committees while maintaining overall accountability.

Board committees

In addition to the formal schedule of matters the Board considers, it delegates certain key aspects of governance to its committees. We have four main governance committees: Audit and Risk, Remuneration, Nominations and Market Disclosure. Each committee has written terms of reference which are available to view on our website: www.airtel.africa.

Board

Governance committees

Audit and Risk Committee

Monitors the integrity of financial reporting and helps the Board in reviewing the effectiveness of our internal controls and risk management

Meets at least three times a year

Chair:
Ravi Rajagopal

Members:
Andy Green and Annika Poutiainen

All independent non-executive directors

» See Audit and Risk Committee report **page 80**

Remuneration Committee

Determines the overall and specific remuneration for executive directors, officers and senior management

Meets at least twice a year

Chair:
Doug Baillie

Members
Awuneba Ajumogobia
John Danilovich

All independent non-executive directors

» See Remuneration Committee report **page 100**

Nominations Committee

Advises on appointments, retirements and resignations from the Board and its committees and reviews succession planning and talent development for our Board and senior management

Meets at least twice a year

Chair:
Sunil Bharti Mittal (NED)

Members:
Doug Baillie (independent NED)
Andy Green (independent NED)
Ravi Rajagopal (independent NED)

» See Nominations Committee report **page 87**

Market Disclosure Committee

Oversees our disclosure of information to meet our obligations under the Market Abuse Regulations (MAR) by determining whether information is insider information, when it needs to be disclosed and whether it needs to be announced; also monitors compliance with our MAR disclosure, controls and procedures. Other responsibilities include monitoring the release of information under the Information Protocols and Services Agreement with Bharti Airtel

Meets as necessary

Chair:
Andy Green (independent NED)

Members:
Doug Baillie (independent NED)
Raghu Mandava (CEO)
Ravi Rajagopal (independent NED)

Administrative committees

The Board also delegates certain responsibilities to our Finance Committee and Share Scheme Committee.

Finance Committee

- Approves funding and other financial matters in line with our delegated authorities
- or as requested by the Board. Initiates and manages key policies and major operational decisions relating to treasury and direct taxes

Chair:
Jaideep Paul, CFO

Members:
Ravi Rajagopal (independent NED)
Annika Poutiainen (independent NED)
Raghu Mandava (CEO)
Pier Falcione (deputy CFO and treasurer)
Akhil Gupta (NED) attends to represent the interests of Bharti Airtel in proposed treasury transactions affecting the parent group and to convey actions of Bharti which may affect Airtel Africa

Share Scheme Committee

- Administers our share schemes
- Composed of any two directors, including at least one non-executive director

Executive Committee

Our CEO oversees the operation of our business with advice and support from our Executive Committee (ExCo). Convened and chaired by our CEO, this committee helps him to fulfil his responsibilities by, for example, developing and implementing our strategy, monitoring our operating and financial performance, assessing risk, allocating resources and day-to-day operational management. The committee meets fortnightly.

» More details on the ExCo can be found on **page 69**.

The Board's focus in 2019/20

Regular items at our Board meetings include:

- Reviewing the activities of our Audit and Risk, Nominations and Remuneration Committees
- Reports from the CEO on our progress towards strategic objectives
- Reports from the CFO on our financial position and prospects
- Reports and compliance updates from senior executives on legal and corporate governance matters

Other presentations received during the financial year included human resourcing and wider employee matters, updates on our FPPP progress, and updates from our Investor Relations team and brokers on shareholder movements, market and peer activity, and share price performance.

Preparing for our 2019 listing

2019 was a milestone year for Airtel Africa with our listing in both London and Nigeria. While becoming a listed entity took considerable effort, with good planning, effective execution and sheer hard work by our Board and company project teams, Airtel Africa plc is now a standalone and independent business. As part of this process, the Board established some new teams, including Treasury and Investor Relations, and a robust conflicts of interest framework. We have a services agreement in place to regulate a limited number of services, including global procurement and corporate advice, which Bharti Airtel may provide at our request. The agreement also regulates shared service centre teams which are part of day-to-day finance team activity.

Ahead of our listing, the Board formalised future arrangements for the limited sharing of information with our parent company, Bharti Airtel. This was necessary for three reasons:

1. Bharti Airtel's Group-wide policy and approach to ongoing monitoring, governance and oversight of subsidiary investments, which is informed in large part by its own regulators, the Securities Exchange Board of India and Reserve Bank of India
2. The legal requirement for Bharti Airtel to publish quarterly consolidated financial results
3. Bharti Airtel's obligations during the year arising from various bond covenants

We have protocols in place to make sure information is shared with Bharti Airtel in a way that complies with our legal and regulatory obligations. None of these arrangements in any way influences our Board's discretion or ability to make independent decisions. These separation and information-sharing protocols and our mutual adherence to them were externally audited by ANB Global in early 2020 and found to be in order.

The Board is fully aware of our obligations under the Listing Rules and Market Abuse Regulations (MAR) obligations in making these arrangements.

Becoming listed on the London Stock Exchange brought new compliance and regulatory requirements to our business, in particular:

- Financial Conduct Authority's (FCA) Disclosure and Transparency Rules sub-chapters 7.1 and 7.2 which set out certain mandatory disclosure requirements (handbook.fca.org.uk)
- FCA's Listing Rules 9.8.6R, 9.8.7R and 9.8.7AR which include the 'comply or explain' requirement pursuant to the 2018 UK Corporate Governance Code (frc.org.uk)
- BEIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations contained in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

In order to meet these requirements and transform Airtel Africa to a standalone listed business, the Board undertook several key activities in 2019, including:

- Reviewing and approving the prospectus prepared for the admission of our shares to trading
- Appointing a senior independent director to support the Board chair and act as a liaison for shareholders
- Working since our UK listing to embed good governance and corporate reporting processes and controls throughout the business
- Appointing a corporate legal adviser and corporate brokers
- Establishing an Investor Relations team and beginning market consensus reporting with analysts, in addition to the company and consensus reports included in standard Board reporting packs

The Board also benefited from a series of pre-IPO training sessions, including:

- Introductory meetings between our chair, chief executive and company secretary and our auditors, brokers and legal advisers covering Board processes, corporate governance requirements and shareholder views
- An induction by our then legal adviser, Freshfields, providing insights into the wider legal and regulatory responsibilities of a listed company director
- A longer briefing by JPM, our listing sponsor, giving an external perspective on market and shareholder views

Our CEO and CFO are also participating in targeted mentoring programme to enhance their UK listed plc experience.

While we have made good progress in moving towards full compliance with the 2018 UK Corporate Governance Code, we do still have three areas of non-compliance. The following table sets out these areas at listing as compared to our position today.

Our leadership continued

The Company complied with the provisions of the Code during the financial year save as set out below:

Code provision	Explanation
Provision 9: the chair should be independent on appointment when assessed against the circumstances set out in provision 10	The Board has concluded that Sunil Bharti Mittal did not on appointment meet the independence criteria of the Code due to his interests in the company. However, in view of his extensive involvement with the company and the Bharti Airtel Group over many years, the Board considers that he has made a major contribution to our growth and success and unanimously agrees that his continued involvement is crucially important to the ongoing success of Airtel Africa. The Board recognises a number of safeguards in place to ensure robust corporate governance during his tenure as chair. The Board believes he continues to effectively oversee our leadership and maintain a balanced shareholder agenda.
Remuneration Committee chair – prior service	The Board acknowledged at the time of listing that we did not comply with the requirements of the Code in this respect, but saw Doug Baillie as a seasoned HR professional with the experience and expertise to effectively manage the committee on its behalf. Having reviewed this appointment, the Board confirms that Doug has since displayed the skills and experience required for the role and has the full support of the Board.
Executive director shareholding	Raghu Mandava is expected to reach the target as soon as reasonably possible. A minimum requirement of 250% of salary will apply while he is in position. The Remuneration Committee is aware of investor guidance around post-employment share ownership. It considers that, in light of the company's unusual circumstances, with senior executives located in Africa where additional requirements on the holding of shares are not market practice, the operation of bonus deferral and post-vesting holding requirements currently provide sufficient alignment after employment has ended. We will, however, continue to keep this aspect of policy under review. For details of our share ownership policy see page 102.

Special matters considered during the year

July 2019 – at the first meeting after our admission to the London Stock Exchange, the Board received a presentation on the share register and market liquidity, assessed the overall success of the listing and identified post-IPO priorities. The Board also approved the appointment of our two corporate brokers. The CEO gave his perspective on the business environment with a performance update.

October 2019 – the Board received information on market dynamics and expectations from our brokers; approved the publication of our half-year financials and RNS announcement; discussed our dividend policy and proposals for the interim dividend; discussed the implications of the Indian Supreme Court's adverse judgment affecting the telecoms providers in India, including our parent company Bharti Airtel, for our working capital requirements; and received a report on people, culture and diversity.

January 2020 – the Board conducted an externally facilitated Board evaluation and considered at its February Board meeting the recommendations for improvement and discussed a plan to achieve this.

May 2020 – the Board approved our full-year consolidated IAS and IFRS financials and RNS announcement, our investor presentation and final dividend.

Selected Board priorities

Strategy and execution

2019/20 objectives

- Ensuring our strategy remains robust in the light of forecast market and economic changes (in line with the disclosure requirement under Provision 1 of the Code)
- Monitoring and overseeing operational performance
- Authorising spectrum purchases and other key capital expenditure
- Discussing and authorising new strategic initiatives

To achieve these objectives, the Board:

- Regularly reviewed performance towards our strategic objectives, together with year-end performance projections
- Reviewed and agreed our 2020/21 budget and received a detailed review of our financial position, borrowing facilities and financing alternatives in relation to our strategic direction and latest forecasts
- Considered our dividend policy in light of performance reports, our strategic direction and outlook, and our financial position
- Received regular briefings on governance and compliance
- Reviewed detailed reports from the executive team on resourcing requirements for capital, finance and people
- In light of this information, and with input and advice from our Audit and Risk Committee:
  - determined the final ordinary dividend for 2020 and the interim dividend for 2019
  - approved in principle the full-year results statement, the half-year results statement and the quarterly statements
- Held additional meetings to discuss our strategic and operational response to the COVID-19 pandemic

Objectives for 2020/21

- To make sure our strategy remains robust in the light of forecast market and economic changes
- To ensure our performance is on track to achieve the strategy
- To develop a plan to act on and close within the financial year the agreed recommendations from the externally facilitated Board evaluation
- Responding to the challenges presented by the COVID-19 pandemic

Governance and values

2019/20 objectives

- Ensuring continued and improved compliance with the UK Corporate Governance Code
- Implementing the improvements recommended by the externally facilitated Board evaluation
- Monitoring and taking account of stakeholder feedback and continuing to actively promote wider engagement
- Launching the Finance Committee, including approved terms of reference
- Monitoring and reviewing the effectiveness of the information-sharing and separation protocols between Airtel Africa and Bharti Airtel
- Delivering the annual reporting process to the required timeline
- Resolution of post-IPO priorities for financial reporting processes at the point of listing

To achieve these objectives, the Board:

- Received regular updates on governance, regulatory and remuneration developments during the year from both internal and independent external sources
- Established a Finance Committee
- Approved a remuneration policy and directors' remuneration report to submit to shareholders at our 2020 AGM
- Conducted an externally facilitated Board evaluation and acted on the recommendations for improvement
- Assessed Airtel Africa and Bharti Airtel's adherence to separation and information-sharing protocols as part of an externally facilitated governance audit conducted from February through April by ANB Global and also considered whether additional training is required
- Retained external expertise and trained relevant teams to complete the annual reporting process
- Appointed a corporate legal advisor and broker

Objectives for 2020/21

- Ensuring our continued compliance with the Code and with wider statutory and regulatory requirements
- Considering the articulation of Airtel Africa's corporate purpose – building on our strong vision and values as stated in our business model
- Making sure our remuneration policy is appropriate and able to incentivise our executive team; that it remains flexible enough to adapt to each year's developments and strategy; and that remuneration is implemented in line with our Remuneration Policy
- Developing a plan to act on and close within the financial year the agreed recommendations from the externally facilitated Board evaluation
- Conducting another Board evaluation
- In keeping with our modern slavery statement, establishing processes and detailed guidance around the business and selecting key employees to be trained to identify, assess and report concerns to help reduce the risk of modern slavery and related practices
- Monitoring shareholder feedback and continuing to actively promote wider engagement
- Ensuring the success of the Finance Committee
- Supporting the CEO and CFO in their one-to-one mentoring programme

Board attendance

In addition to the quarterly scheduled meetings, during the 2019/20 reporting period the Board met another five times in connection with our full year financial statements and annual report approvals process. The Board regularly reviews the frequency of its meetings and has concluded that quarterly meetings are appropriate for the time being. The Board has decided to extend quarterly Board and committee meetings from one day to two to allow more time for strategic discussions. In addition to extra Board meetings when necessary, we have processes in place for approving transactions and other matters arising between meetings.

Directors make every effort to attend all Board and committee meetings – there was full attendance at all committee meetings and all but one Board meeting in 2019/20. If a director is unable to attend a meeting, they receive the papers in advance and give their comments to the chair to communicate at the meeting; he/she also follows up with them after the meeting about decisions taken.

Details of each director's attendance at Board and committee meetings are set out in this table.

Board members during 2019/20	Scheduled Board meetings	Number of additional Board meetings[1] attended	Audit and Risk Committee	Remuneration Committee	Nominations Committee	Market Disclosure Committee[7]
Sunil Bharti Mittal[2] (chair)	4 (4)	5 (5)			1 (1)	
Raghunath Mandava (CEO)	4 (4)	5 (5)				9/(9)
Andrew Green[3] (independent non-executive director)	4 (4)	4 (5)	10 (10)		1 (1)	9/(9)
Awuneba Ajumogobia (independent non-executive director)	4 (4)	5 (5)		4 (4)		
Douglas Baillie (independent non-executive director)	4 (4)	5 (5)		4 (4)	1 (1)	9/(9)
John Danilovich (independent non-executive director)	4 (4)	5 (5)		4 (4)		
Annika Poutiainen (independent non-executive director)	4 (4)	5 (5)	10 (10)			
Ravi Rajagopal (independent non-executive director)	4 (4)	5 (5)	10 (10)		1 (1)	9/(9)
Akhil Gupta[2] (non-executive director)	4 (4)	5 (5)				
Arthur Lang[4,5] (non-executive director)	4 (4)	5 (5)				
Shravin Bharti Mittal[6] (non-executive director)	4 (4)	5 (5)				

1 Additional unscheduled Board meetings took place in connection with the approval of the annual report and related matters

2 Appointed as a nominee of AAML in line with the Relationship Agreement

3 Unable to attend an unscheduled Board meeting on 31 March given a previous Board commitment; provided his comments to the chair before the meeting

4 Unable to attend one scheduled Board meeting in October 2019 and sent an alternate director, Koh Boon Chye

5 Appointed as a nominee of Singtel in line with the Relationship Agreement

6 Appointed as a nominee of ICIL in line with the Relationship Agreement

7 Meets on an ad hoc basis via written resolution before releasing information pursuant to the Information Protocols and Service Agreement with Bharti Airtel

Board evaluation

In early 2020, we engaged Lintstock to evaluate the Board's performance since the IPO, and to identify priorities for the coming year to further improve our effectiveness. Lintstock is a London-based advisory firm specialising in board effectiveness reviews and has no other connection with Airtel Africa or its directors.

Process

The first stage of the review involved Lintstock working with the company secretary to set the context for the evaluation, and to tailor survey content to our company circumstances. The surveys addressed core aspects of board performance, with a particular focus on:

- The clarity of our strategy, including internal and external communication, and the progress being made around our strategic pillars
- The Board's understanding of the markets and competitive context in which Airtel Africa operates, as well as the opportunities and threats presented to the business by technological developments
- The Board's oversight of succession and talent management processes, as well as company structure at senior levels and the capacity to deliver the strategy
- The Board's engagement with key stakeholders, including employees, and the effectiveness with which the Board monitors culture and behaviours throughout the company
- The Board's focus on risk and oversight of various aspects of the company's risk management, as well as the quality of risk discussions at meetings
- The atmosphere in the boardroom, in terms of encouraging candid discussion and critical thinking, and the extent to which the Board provides effective support and challenge to management
- The appropriateness of the Board's size and composition, including the skills, experience and diversity among members

The Board, each of its committees, all of the directors and the CFO and company secretary were either subject to or took part in the review. The evaluation was conducted using an online questionnaire. The performance of the chair and the Board committees were evaluated, and members were invited to assess their own individual contributions to the Board. All responses were kept anonymous throughout to promote open and honest feedback. Lintstock analysed the survey results and delivered detailed reports on the performance of the Board, the committees, the chair and individual directors.

While the results of the evaluation were positive overall, the Board acknowledged that the process took place relatively early on in the Board's cycle and oversight in certain areas is still developing. We look forward to continuing progress in key areas over the coming year. The chair drew up a list of action points based on the evaluation – these will be implemented by the Board with progress reviewed at each meeting.

Recommended priorities

Strategy, portfolio and positioning – to move beyond the necessary focus on governance in preparation for our IPO to a more sustained focus on business and strategic issues by:

- increasing members' understanding of the primary growth drivers
- developing board knowledge of – and exposure to – regional markets in Africa by, for example, visiting subsidiaries and meeting colleagues in the regions
- focusing on the readiness plan for a digital future

Governance and compliance – this includes developing a clear environmental, social and governance (ESG) policy and continuing to improve board engagement with stakeholders. The Board will also extend its quarterly Board and committee programme to two days, with more meetings in Africa.

Board process and composition – this includes keeping the Board's composition under review, with a view to increasing gender diversity in the near term and bolstering the Group's technology expertise, as well as considering whether the CFO should join the Board.

Talent and succession – increasing engagement with our talent management framework to better understand the internal and external talent pipeline

Key actions

AR **Audit and Risk Committee**	• Consider adding a fourth member to the committee • Additional training and induction on developments in UK regulations, including new codes such as Brydon and Kingman Reports, section 172 requirements and corporate governance standards • Better coordination between internal and external auditors (EY and Deloitte, respectively) while charting out annual plans • Greater understanding of capex controls • Greater independence and the ability to assess systems of internal controls rather than relying on management information • Significant progress on monitoring risk management versus concentrating on controls • Billing controls to avoid leakages, with network configuration hacking seen as a key potential risk • Future planning – agreeing on the agenda with management and external auditors
R **Remuneration Committee**	• Training on different aspects of remuneration, including STIP, LTIP and benchmarking • Deeper focus and discussion on senior management remuneration • Provide updates on emerging and future trends in compensation
N **Nominations Committee**	• Greater engagement with new hires and other senior executives • Robust succession plan for critical roles, with two to three candidates in the two- to four-year readiness bracket
Chair's review	• Support and encourage more strategic discussions in Board meetings • Share his larger vision for Airtel and Airtel Africa in particular • Update the Board on critical conversations with individual members

Engaging with our stakeholders

The telecoms and financial services we provide affect a wide range of people, and we work hard to understand the interests of our many stakeholders and to reflect these in the decisions we make as a Board. Our overall ambition is to proactively engage with our stakeholders in a variety of ways to drive both financial and digital inclusion.

The description here of our Board's efforts to engage with and consider stakeholders in the 2019/20 financial year, taken alongside pages 32-33 of our strategic report, serves as our section 172(1) statement.

How we work to understand our stakeholders

Our directors receive information about our stakeholders through various channels. One is through regular reports and briefings in board and committee meetings, when concerns and initiatives related to stakeholders are presented to directors by, for example, our Investor Relations team or our chief HR officer.

Another is through direct interaction and engagement, something we place much importance on at Airtel Africa. Our directors spend time in our markets and at our businesses meeting with employees, leaders, customers, regulators and other partners. We aim for at least one board meeting each year to take place at a regional location with representatives from the business in the room.

How we consider stakeholder interests

Our directors foreground stakeholder interests when making key decisions for Airtel Africa. Sometimes this means considering the results of a direct consultation, such as the one between our Remuneration Committee and our shareholders. Other times, it involves distilling data and other metrics to inform improvement programmes, such as our move to a 'single screen' service advisor workspace to empower employees to better serve our customers (see side panel).

Our Board has also established clear business standards to which stakeholder interests are integral. Our Code of Conduct, for example, approved by the Board in 2019, encompasses everything from respect for human rights to data privacy to acting lawfully. This sets out our high expectations for how all of us at Airtel Africa should act in ways that create value for – and build trust in – our many stakeholders.

STAKEHOLDERS

Customers

Over the 2019/20 period, our Board objectives were to encourage customer engagement through our 24/7 on-shore call centres, more than 1,500 Airtel stores, and email and social media channels. We also wanted to continue to empower customers and bring all Airtel products and services on to self-service platforms like IVR, USSD, web and MyAirtel app. Our Board is kept informed of significant customer concerns and priorities through the CEO's regular update.

Partners and suppliers

During the year, our business engaged proactively at both Group and operational company level with all of our top vendors. These are mainly mobile brands, IT companies and telecoms infrastructure providers, who collectively contribute around 90% of the value of all procurements. Relevant information from these engagements is communicated to the Board through the CEO's update at quarterly meetings.

Governments and regulators

Over the financial year, we continued to engage with governments to understand key policy considerations and the direction in which governments are driving their countries. We also used a multi-layered approach to engage with regulatory stakeholders around potential changes to licensing frameworks in some countries, proposed policy initiatives that might increase our tax burden, mergers and acquisitions, and change of control issues arising from our listing.

The Board has empowered the CEOs and chief regulatory officers of our operating companies to represent them at various country-level engagements with governments and regulators. Management keeps the Board informed of regulatory developments in the markets on a monthly and quarterly basis. From time to time, we also commission audits to verify levels of regulatory compliance.

Improving the Airtel customer experience

We know that customers want to be able to quickly and easily find information about our services and reach us through various channels. So we're re-engineering our customer journeys to make them quick and seamless – easier onboarding, a more dynamic and contextual IVR system, and self-service through a new app. We've piloted our My Airtel app in four countries and are rolling this out to all markets in 2020. We're also introducing a 'single screen' workspace for our customer service advisors – this will hold each customer's complete details and contact history, making it easier for us to help people effectively.

Staying on top of regulatory requirements

Operating across 14 countries means we work hard to stay ahead of regulatory changes in different markets. Our Board leads the way by maintaining a productive and open dialogue with regulatory bodies and policymakers, and by setting high standards of governance across our business.

In 2019, for example, our directors supported restructuring in our local businesses to better meet evolving regulations around mobile financial services. This involved forming new subsidiaries, appointing directors and injecting the capital necessary to support these changes, which were critical to give central banks confidence in the security of their customers' funds in our system. Our directors have also authorised businesses to add new licences or spectrum bands where necessary for business growth. And crucially, the Board has insisted on the full implementation of a compliance management system across all operations to ensure we're working in line with regulations in all of our markets.

Shareholders

We have an ongoing aim to actively encourage shareholder participation through clear messaging and reporting and careful review of shareholder feedback. Towards this aim, in 2019/20 we took part in a variety of activities, including:

- Holding investor roadshows before listing and after publishing our quarterly results in July, October and January, as well as ad hoc meetings and calls with both existing and prospective shareholders
- Encouraging shareholder attendance at our first AGM (June 2020) and voting on resolutions proposed through briefings to analysts and the press
- Reviewing shareholder feedback on our half year and quarterly results

From these interactions, we know that many shareholders are interested in our outlook on trading and market demand, our guidance for 2020 and beyond, and our financial targets and dividend policy.

All directors have formal briefings during the year about our investor relations programme and receive detailed shareholder and institutional feedback. This enables directors to act on major strategic and operational decisions with a good awareness of the views of our shareholders.

As set out in the remuneration report, our Remuneration Committee consults with shareholders each year on remuneration policy and, as part of this, the committee chair engages directly with shareholders and their representative bodies. More details are set out on pages 100-114.

All shareholders on the register receive any declared dividend, the information they are entitled to receive pursuant to applicable law and regulation, and have the right to receive the Annual Report as well vote at the AGM.

We describe our relationship with our majority shareholders on pages 95-96.

Communities

Airtel Africa works in many ways to support the communities in which we operate, with a particular focus on creating educational opportunities, improving health, providing access to the internet in rural communities and institutions, and using our technology for good in disaster situations.

We run local programmes focused on these areas through our employees, who are best placed to make direct contributions in the places where they live and work. We support charitable work of all types, both individual and through Airtel Africa – and have a formal programme of community initiatives in place. The Board periodically reviews these and approved a Code of Conduct in 2019. This sets out our standards on community work, among other things, emphasising our focus on technology and employee volunteerism and specifying the types of projects we will not invest in, such as ones aligned to a particular political party or religious group.

Our intention from 2020 onwards is to increase our community programmes that focus on sustainability, in line with growing concerns and challenges related to the effects of climate change.

3,300

employees
engaged quarterly through CEO-led town halls

Our people

We know that the almost 3,300 people we employ across 17 countries have made Airtel Africa the success it is, and our Board works in various ways to interact with and understand employees across the business.

Over the 2019/20 financial year, the Board focus was to make sure we are in line with the 2018 Code requirement that companies must adopt one or a combination of three mechanisms (designated NED, workforce advisory panel or employee director) or agree on suitable alternative arrangements to engage with employees. Our Board chair is the Group's designated workforce director, given his regular travel to our operating companies. He will report to each Board meeting on his findings and engagement with our workforce. Over the 2020/21 financial year, we will formally review other ways for Board members to engage directly with employees by appointing more than one non-executive director to better cover each of the 16 markets in which we have offices.

This will be in addition to existing Board engagement with our employees, which includes:

- Quarterly CEO-led town halls and explanations of our performance around quarterly, half-year and full-year reporting announcements
- Regular director visits to local operations
- Board meetings taking place at regional locations with representatives from the business present
- A company-wide employee engagement survey every other year, with the next taking place in 2020
- Quarterly Board reports from the HR Forum and Remuneration Forum chair
- Chief HR officer presentations to directors twice a year and one-to-one meetings as necessary
- A full report on people and culture each quarter to the Remuneration Committee

Audit and Risk Committee report

RAVI RAJAGOPAL
CHAIR, AUDIT AND RISK COMMITTEE

Attendance

	Meetings attended
Ravi Rajagopal Chair	10 (10)
Andy Green	10 (10)
Annika Poutiainen	10 (10)

Committee responsibilities

- Advises the Board on proposed full year, half year and quarterly reporting and connected announcements
- Reviews our annual and half year financial statements and accounting policies, internal and external audits and controls
- Recommends the dividend policy to the Board
- Assesses the effectiveness of our financial reporting procedures
- Oversees our relationship with the external auditor – advising on their appointment, effectiveness, reviewing and monitoring the scope of the annual audit and the extent of non-audit work
- Reviews the effectiveness of our internal audit, internal controls and fraud systems
- Reviews our whistleblowing arrangements, where employees and contractors can raise concerns in confidence
- Reviews our controls for preventing bribery, our code of corporate conduct/ business ethics and our policies for ensuring full compliance with regulatory and legal requirements
- Through the committee chair, engages with shareholder interests relevant to committee responsibilities
- Advises the Board on whether the annual financial statements are fair, balanced and understandable

PART 1

Chair's statement

I am pleased to present the Audit and Risk Committee report for the reporting period ended 31 March 2020. This report gives insight into the committee structure and functions. It explains how the committee has worked during this period to ensure the independence and effectiveness of our internal and external audit functions and the integrity of our financial reporting and narrative statements. As well as our usual matters, including the financial results for each quarter, half year and full year, applicable accounting policies and going concern assumptions, we looked in depth at certain aspects of the control environment.

The committee meets with our external auditor and the head of internal audit, independent of the executive, to make sure our reporting, forecasting and risk management processes are rigorously reviewed throughout the reporting period.

Our committee terms of reference were put in place on listing, and we have determined that they reflect our roles and responsibilities under the Code and other related regulations. We evaluated the committee's performance against these roles and responsibilities and are satisfied that we have complied with them as outlined in the committee's terms of reference.

We will continue to focus on making sure that we work in line with all relevant codes and regulations so that the business is operating in a controlled and managed way. Between 3 July 2019 and 31 March 2020, we complied with all but three provisions of the 2018 Code. For more information on our compliance with the Code see pages 90-92.

Our risk assessment this year included an assessment around the treasury control environment, following which we established a finance committee, and an analysis of the impact of COVID-19 as it stood at 12 May 2020.

RAVI RAJAGOPAL
CHAIR, AUDIT AND RISK COMMITTEE
13 MAY 2020

Committee members and attendance

Our Audit and Risk Committee consists of three independent non-executive directors: Ravi Rajagopal (chair), Andy Green and Annika Poutiainen. The committee as a whole has competence relevant to the telecoms sector, including recent and relevant financial experience and expertise gained over the years through various corporate and professional appointments. For more about Ravi, Andy and Annika, see the directors' biographies on pages 66-67.

Our meetings are also attended, by invitation, by the CEO, CFO, deputy CFO, other non-executive directors, head of internal audit along with internal auditor partners (ANB and EY) and other senior executives. Our external auditor, Deloitte, was invited to and attended all meetings.

Our scheduled quarterly meetings generally take place shortly before Board meetings. At each meeting, we review the summary reports of both internal and external auditors, as well as financial results and details of action taken or proposed in response. The committee chair then reports to the Board on our activities, recommendations and other relevant matters.

Throughout the period during which Bharti Airtel, Airtel Africa Mauritius Limited (AAML) and Bharti Telecom and their associates have a 10% or more interest in Airtel Africa plc ordinary shares, each can appoint one observer (who must be a director) to attend meetings of our committee. This observer can attend and speak at meetings but does not count towards quorum or have a right to vote. As such, Akhil Gupta attends our Audit and Risk Committee meetings.

"We will continue to focus on making sure that we work in line with all relevant codes and regulations so that the business is operating in a controlled and managed way."

2019/20 committee objectives

- To review and agree our risk appetite in line with our strategic objectives
- To make sure risk remains within our agreed appetite and is monitored and reviewed as needed to reflect external and internal changes
- As part of the risk management framework, to continually identify, assess and monitor new and emerging risks
- To regularly review the robustness of our systems for risk reporting, assessment and control

To achieve these objectives, we:

- Reviewed the risk management framework in detail during the committee induction in Nairobi
- Advised the Board on their own risk review at their October meeting, covering reported risks
- Identified climate change and Brexit as emerging risks and COVID-19 as a new risk
- Received quarterly reports from Internal Audit
- Received management reports on the monitoring and updating of post-FPPP priorities, together with comments by the auditor
- Reviewed other internal control environment actions

2020/21 areas of focus

Our committee will adopt a programme of in-depth reviews into specific financial, operational and regulatory areas. As part of these reviews, we'll meet with the business colleagues responsible for each area. Our 2020 priorities will include:

- COVID-19, as per the CEO's statement on page 9
- Discussing and defining the proper level of risk appetite for the company
- Increasing our oversight of various aspects of the company's risk management and improving the quality of risk discussions at meetings
- A deep-dive review of cybersecurity to assess both risks and necessary mitigating actions
- A review of our GDPR and data protection compliance arrangements
- Providing training for committee members on areas such as developments in UK regulations and section 172 obligations
- Supporting the internal audit team in a continuous review of internal financial controls and monitoring

> "Our committee will adopt a programme of in-depth reviews into specific financial, operational and regulatory areas."

Financial reporting

We reviewed the integrity of the quarterly, half year and full year financial statements, as well as other statements containing financial information including trading updates and investor presentations and packs, and recommended their approval to the Board.

We assessed:

- The quality, appropriateness and completeness of the significant accounting policies and practices and any resulting changes to these
- The reliability of underlying processes leading to the integrity of financial reporting
- The clarity, consistency and completeness of the disclosure, including compliance with relevant financial reporting standards and other reporting requirements
- Significant issues where management judgements and/or estimates had been made that were material to the reporting, or where discussions had taken place with the external auditor to arrive at the judgement or estimate
- Whether the Annual Report and Accounts taken as a whole were fair, balanced and understandable and present a good view of the business – taking into consideration all the information available to the committee and whether other information presented in the Annual Report is consistent with the financial statements
- The application of the FRC's guidance on clear and concise reporting

The committee also deliberated and challenged the CFO's reports. These set out the rationale for the accounting treatment and disclosures regarding judgements and estimates, as well as for the sensitivities of the estimates to changes in assumptions. Deloitte also shared their views on the treatment of significant quarterly, half year and full year matters. They summarised each issue and assessed the appropriateness of management's judgements or estimates. In considering whether there was evidence of bias, the committee examined the overall level of reasonableness applied during the year.

Audit and Risk Committee report continued

PART 2

Specific considerations and our response

After considering the following significant issues, judgements and estimates in the context of the financial statements and discussing them with our external auditor, the committee agreed that the response to each was appropriate and acceptable.

Significant issue	Actions taken
Going concern assessment	The committee took into account all factors likely to affect our future performance and financial position, including cash flows under a base case and number of reasonable worst-case scenarios (capturing risks and uncertainties), solvency and liquidity positions, and borrowing facilities, and ensuring appropriate updates to reflect the expected impact of COVID-19. The committee confirmed that the going concern basis of accounting was appropriate for preparing the financial statements. For more details on the basis of going concern assessments performed during the year - see note 2.2 of the financial statements.
Viability statement	The viability statement is a longer-term view of the sustainability of our strategy and business model, including resourcing in the light of projected economic and market developments. The committee reviewed company prospects, the time period under consideration, principal risks, emerging risks, longer-term cash flow forecasts and the related sensitivities included in management's stress-testing mode, including expected impact of COVID-19. The committee was satisfied with the viability statement and endorsed a three-year period as a basis for preparation. More details on the assessment of viability and the statement are on page 63.
Significant one-off transactions Tanzania settlement	In June 2019, Bharti Airtel Tanzania B.V., Bharti Airtel International (Netherlands) B.V. and Airtel Tanzania signed three settlement agreements with the government of Tanzania (see note 5 for settlement details). Prior to this, the committee reviewed and challenged management's assumptions and judgements for: • The issue of additional shares to the government of Tanzania, which was considered a transaction with non-controlling interest shareholders in our consolidated accounts and consequently recorded in equity • Support services – on the basis of the management's assessment, the committee believes that Airtel Tanzania is receiving support services from the government as prescribed in the agreement in the form of a discounted licence fee and lit fibre arrangements. As such, we have capitalised the support service cost to the intangible asset, recognised with a corresponding liability for the deferred element of support service fee payments The committee recommended to the Board that we accept the settlement agreements.

In addition to the significant issues mentioned above, the committee also considered the following accounting and financial reporting issues, judgements and estimates in the context of the financial statements, discussing these with our external auditors.

Other issues	Actions and conclusions
Goodwill Impairment	The committee considered the appropriateness of assumptions and judgements used for the annual impairment testing exercise during December 2019 and updated in March 2020 for currency devaluation, discount rates and potential impact of COVID-19, including: • Operating cash flow forecasts over ten years • Discount rates • Terminal growth rates • Resulting headroom of recoverable value over carrying value The committee also reviewed and challenged the recoverable value (of \$8.8bn) and resulting headroom (of \$1.8bn) against a set of sensitivities and concluded that no reasonable possible change in any key business assumption would result in headroom becoming negative. We confirmed that no impairment charge needs to be recorded this year. Given market volatility over March 2020, the Audit Committee assessed management's determination of discount rates at March 2020 and concluded that the discount rates determined were appropriate. Further detail can be found in note 15 in the consolidated financial statements. For more details on COVID-19 see pages 9-10.
Taxation	As part of our assessment of the trigger of a deferred tax asset, the committee reviewed the past profitability and expected future profit projections for the Democratic Republic of the Congo. They assessed that, since it's probable that taxable profit will be available against which the deductible temporary differences can be used, deferred tax assets can be recognised for deductible temporary differences, unused tax losses and unused tax credits; a deferred tax asset of \$58m was recognised during the year. See note 12 in the financial statements for details on deferred tax assets recognised in the current year. This calculation has been reviewed quarterly by the committee. The committee also reviewed and was satisfied with management's analysis of the effective tax rate and level of provisioning for key tax-related demands.
Customer acquisition cost	Until Q2 2019/20, we had recognised customer acquisition costs as upfront sales and distribution expenses, considering the legal contract to be less than 12 months for prepaid customers. With churn percentages having stabilised over the reporting period, we reassessed the expected life of a customer as 18 months on average across Africa. In Q3 2019/20, the committee reviewed and approved that it is now appropriate to recognise the cost of obtaining/fulfilling a contract from 'upfront recognition' to 'deferred amortisation over such expected customer life', in line with the requirements of IFRS 15. The impact of the change in previous periods (amounting to \$26.8m) was considered immaterial, so the committee upheld management's decision not to restate previous periods and to present this as an exceptional item in the 2019/20 financial year's income statement.
Legal and regulatory matters	The committee reviewed the key developments in material legal and regulatory cases during the period, management's estimate of key legal and regulatory disputes, and the basis of rating done by management and was satisfied with the provisioning and disclosures in the financial statements.
Indemnity accounting	Before our IPO, some global investors were given indemnity rights (including minority and other indemnity adjustments) as part of their investment in Airtel Africa. Under a deed between Airtel Africa, AAML and the global investors, the terms of minority adjustments were varied so that existing obligations were assumed by our parent company AAML. Consequently, these minority adjustment liabilities (amounting to \$64m) have been reversed through equity by the company. Other indemnity adjustments expired on the publication of our registration document in line with the original share subscription agreement. As such, the reversal of financial liability was recorded as non-operating income (\$72m) in the income statement. Since this was a one-off material item, this was presented as an exceptional item. The committee reviewed the accounting position and was satisfied that this was reasonable.
IPO cost accounting	As part of our listing process, we incurred various costs including those directly related to issuing equity and other costs related to the IPO as a whole (such as raising fresh equity as well as listing existing shares). Management concluded that all such costs, including legal and accountancy fees, were associated with our primary objective to raise equity so should be debited to equity. Listing and registration costs were linked to the entire equity base (out of which only 18% of new shares were issued). As such, only 18% of the cost linked to the listing of new equity was debited to equity, with the rest considered as a charge against profit presented as an exceptional item. The committee reviewed the accounting position and was satisfied that this is reasonable and correct.

Audit and Risk Committee report continued

PART 3

Risk management and internal controls

Our approach to risk

As highlighted in the strategy and risk sections of the strategic report, risk management is inherent to our management thinking and business-planning processes. The Board has overall responsibility for establishing and maintaining our risk management and internal control systems.

For more information on our risks and mitigation and our risk management framework, see the risk report on pages 56-62.

Progress in 2019/20

Each quarter, our CEO and CFO provide a compliance certificate connected to the preparation of our financial results. This includes the policies and procedures for areas of the business under their responsibility and confirms the existence of adequate internal control systems throughout the year. Our committee reviews any exceptions noted in this exercise.

The key features of our internal control system which assures the accuracy and reliability of our financial reporting are listed on page 99. During the reporting period, we considered the process by which management evaluates internal controls across our business. Key themes for consideration included IT security and KYC procedures across all OpCos. The head of internal audit provided our committee with an overview of the assurance provided by our control framework and related testing.

The Board also reviewed more detailed assessments of risk from our committee. At its meeting in January 2020 , it agreed that our system of internal control continues to be effective in identifying, assessing, and ranking the various risks we face as a business, as well as in monitoring and reporting progress in mitigating potential impact. The Board also approved the statement of the principal risks and uncertainties set out on pages 98-99.

Working to minimise the risk of fraud, bribery and corruption

We apply a range of activities to mitigate the risk of fraud; and minimising the risk of fraud remains one of the key areas of focus for Internal Audit. In doing this, we assess the quality of balance sheet reconciliations, key judgement matters, tenders and quotations, and controls over payments and associated applications.

We continue to focus on limiting our potential exposure to bribery and corruption risks, for example by providing mandatory training, reviewing financial records and developing our policies and procedures. Our contract management system now includes mandatory certification to our Code of Conduct and anti-bribery and corruption policy: each year, every employee must take part in computer-based training on anti-bribery and corruption and our Code of Conduct. Our Internal Audit team reviews our anti-bribery compliance programme to assess its continued effectiveness. We will continue to assess the bribery risks in the markets where we operate to refine and improve our anti-bribery compliance programme.

Our committee also monitors and oversees procedures around allegations of improper behaviour and employee complaints.

Whistleblowing procedures

Our whistleblowing programme is a confidential channel through which employees can report unethical practices or wrongdoing. We have an independent whistleblowing process managed by an external professional services firm from their Centre of Excellence in South Africa. Throughout the reporting period, we received updates on the volume of reports, key themes emerging from these reports and the results of related investigations.

Our Audit and Risk Committee chair provides a report to the Board at each of its meetings on the operation of our Code of Conduct, anti-bribery and corruption and whistleblowing procedures. This report contains enough detail to enable the Board to continue to oversee these areas and ensure that arrangements are in place for the proportionate and independent investigation of related matters and for follow-up action.

Going concern and viability statements

Our committee considered the company's going concern statement. We also challenged the nature, quantum and combination of the unlikely but significant risks to our business model, future performance, solvency and liquidity, which were modelled as part of the scenarios and stress-testing done to support our viability statement. As part of this review, we considered our forecast funding position over the next three years, conducted a principal risk assessment and analysed the impact of sensitivities on cash and headroom availability, individually and collectively in reasonable worst-case scenario. These scenarios considered the mitigating actions we could take.

We are satisfied that the going concern and viability statements have been prepared on an appropriate basis. Our 2019/20 going concern statement is on page 98 of the directors' report and our viability statement is on page 63 of the strategic report.

Internal Audit

Our Internal Audit function adopts a risk-based approach to reviewing the design and operating effectiveness of our internal control systems governing key business processes and risks, including compliance to internal policies, regulatory obligations and minimise the risk of fraud.

The Internal Audit function and its reporting lines enable it to be independent of the executive and to exercise its own judgement. Internal Audit reports to the committee functionally and to the Group chief executive administratively. The head of internal audit has direct access at all times to the chair of the committee, the chair of the Board and also to the chief executive officer.

The annual internal audit plan, and the individual audits conducted in line with the audit plan, are driven primarily by an assessment of the principal and emerging risks faced by the business. Following each review, an internal audit report is provided to both the management responsible for the area reviewed and the Executive Committee. These reports outline Internal Audit's opinion of the management control framework in place together with actions indicating improvements proposed or made as appropriate. The CEO, the Executive Committee and senior management consider the reports on an ongoing basis and are responsible for ensuring that improvements are made within the agreed timelines. Follow-up and escalation processes ensure that such improvements are implemented and fully embedded in a timely manner, and this is reviewed by the committee. The progress of the plan is monitored throughout the year and the plan may be revised during the year as a result of our ongoing assessment of key risks.

A report on all completed internal audit reviews, activities and resulting key issues is presented quarterly to the committee for review and discussion.

The updated internal audit charter, which codifies the aims, processes and outputs of internal audit, was reviewed for ongoing appropriateness and approved by the committee during the year. Given that this was our first year of reporting after listing, there was no independent formal evaluation of the Internal Audit function carried out on behalf of the committee. Based on its experience and the views of senior management, the committee requested a self-assessment by the head of internal audit and internal audit partners focusing on the methodology and planning approach. This resulted in a number of initiatives to ensure our Internal Audit function continues to meet both current good practice and the evolving needs of the Group. These included a revised issue assessment and reporting framework and a risk-based audit planning approach and more concise Board reporting.

To ensure that the internal audits are performed effectively, the Internal Audit function continues to work with two professional firms to enhance our in-house skills and enable access to technical and specialist skills.

Finance Committee

Given the complexity and importance of finance, treasury and tax policy matters, the Board has delegated oversight and governance to a specialist Finance Committee. We established this committee after our IPO on the recommendation of the Audit and Risk Committee and at the Board's direction following a specific treasury control event arising from a cancellation of banking facilities and the operation of the Relationship Agreement. The setting up of the Finance Committee with requirements to pre-approve treasury transactions will strengthen adherence to the Relationship Agreement and treasury and tax controls. This committee frames our finance policies and procedures, creating risk framework mechanisms for treasury and tax to help achieve our strategic financial goals with a balance of initiative and risk control. As this committee is overseen by the Audit and Risk Committee, it will be under the stewardship of the chair of the Audit and Risk Committee for the first 12 months. The continued participation of the Audit and Risk Committee chair and other independent non-executive directors will be reviewed each year.

Finance Committee duties

- Ensures our treasury activities are carried out within an agreed policy framework
- Ensures activities are within agreed levels of risk and that treasury activities will contribute to our financial performance through focused management
- Makes sure operations are appropriately funded and conducted in line with policy
- Ensures the overall treasury objective and the specific objectives for each main treasury activity are consistent with both financial and corporate business objectives
- Recommends the strategic tax policy for approval by the Board
- Ensures adequate liquidity to meet financial obligations based on cash flow forecasts
- Optimises the interest cost on gross debt within prudent risk parameters
- Determines and approves the derivatives policy on swaps, foreign exchange and interest rate hedges
- Generates reasonable commercial returns on investments with approved counterparties to protect investment capital and ensure desired liquidity
- Minimises the adverse impact of foreign exchange movements associated with transactions and our operating exposure in various currencies due to multinational operations
- Maintains diversified access to various local and global debt and borrowings markets
- Determines and approves our strategic tax planning policies
- Approve new debt and the cancellation and modification of borrowing and debt facilities

Finance Committee members

Members were appointed by the Board on the recommendation of the Nominations Committee in consultation with the Audit Committee chair. They are Jaideep Paul, CFO, as chair; deputy financial officer Pier Falcione; and two independent non-executive directors, Ravi Rajagopal and Annika Poutiainen. We review the composition of the committee each year.

Audit and Risk Committee report continued

PART 5

External auditors

Engaging our auditor

Our external auditor is Deloitte. The audit partner is Mark Goodey who has been in place since October 2018 and is due to be rotated in 2023. The appointment of Deloitte as the Group's external auditor is kept under review. Deloitte has audited Airtel Africa Ltd since October 2018.

The Committee has approved Deloitte's terms of engagement and is fully satisfied with the performance, objectivity, quality of challenge and independence of the external auditor.

The Committee will continue to comply with the Code and extant regulations on audit tendering. Accordingly, Deloitte will be subject to a mandatory tender after ten years.

Using our auditor for non-audit services

Where we consider our external auditor to have the most appropriate experience, technical skills and expertise, in addition to appropriate safeguards, we may consider using them for non-audit services in accordance with the available whitelist of acceptable services. Their knowledge of our business may also make such services more cost-effective and ensure confidentiality.

The continued objectivity and independence of our auditor is a priority for us. To this end, we have a non-audit services policy which restricts the provision of non-audit services prohibited by the FRC Revised Ethical Standard 2019 and provides a monetary threshold for approved services. Our committee reviews and pre-approves any non-audit services with fees above the threshold or not stipulated by the policy.

Our review of the auditor's performance during the reporting period included non-audit services and the ability of Deloitte to maintain its independence whilst providing these services. The value of non-audit services work for the year ended 31 March 2020 was $4.4m representing approximately 52% of the total auditor's remuneration as set out in note 8 to the consolidated financial statements on page 152. Of this, $2.5m fees related to pre IPO reporting accounting and $1.9m related to quarterly review and audit work.

Effectiveness of the external audit process

The committee has discussed and reviewed the effectiveness of the external audit throughout the reporting period. It considered the performance of the auditor, based on the committee's own evaluation and feedback of senior finance personnel across the Group, focusing on a range of factors considered relevant to audit quality. Based on these reviews, the committee concluded that there had been appropriate focus, critical analysis and challenge by the auditor on the key areas of the audit and that it had applied robust challenge and scepticism throughout the audit.

We recommended to the Board, which in turn will recommend to shareholders in resolution 15 at our 2020 AGM, that Deloitte should continue as auditor.

Auditor Independence

The Committee believes that the independence of the external auditor is one of the primary safeguards for shareholders. The Committee reviewed audit independence and the scope of the non-audit services and independence safeguards with Deloitte. As part of this review, Deloitte has confirmed that in Deloitte's professional judgement, Deloitte is independent within the meaning of all UK regulatory and professional requirements and the objectivityof the audit partner and audit staff is not impaired.

“The committee concluded that Deloitte had applied robust challenge and scepticism throughout the audit.”

Nominations Committee report

SUNIL BHARTI MITTAL
CHAIR, NOMINATIONS COMMITTEE

Attendance

	Meetings attended
Sunil Bharti Mittal Chair	1/1
Andy Green Senior independent non-executive director	1/1
Ravi Rajagopal Independent non-executive (Audit and Risk Committee chair)	1/1
Doug Baillie Independent non-executive (Remuneration Committee chair)	1/1

Committee responsibilities

- Reviews the balance, diversity, independence and effectiveness of the Board
- Oversees the selecting, interviewing and appointing of new Board members
- Reviews succession and contingency planning for the Board and senior leadership, including training, development and talent management
- Makes recommendations to the Board about the continued service of directors, including suspensions and terminations of service
- Makes sure directors disclose the nature and extent of any actual or potential conflicts of interest, monitors and assesses these disclosures and makes recommendations to the Board as appropriate
- Oversees, with the chair of the Board, an annual evaluation of Board, committee and director performance – in particular, determines with the chair whether this evaluation should be externally facilitated and, if so, the nature and extent of the external evaluator's contact with the Board, committees and individual directors
- Oversees policy and objectives on Board, senior management and employee diversity and inclusion, considering our strategy, objectives and culture, and monitors the implementation of policies and progress towards objectives
- Through the committee chair, engages with shareholders on subjects relevant to committee responsibilities

Chair's statement

I'm pleased to introduce the priorities of our Nominations Committee, to outline the work begun this year and to share our plans for the coming year.

The Board

We're privileged to have a Board of directors with the broad range of skills, experience, age and nationality to perform such a vital role. All our directors have served at senior levels in global organisations and have international experience across a variety of businesses. Most have spent a considerable amount of time living outside the UK, and this diversity is invaluable in developing our business strategy and enhancing our governance capabilities.

The membership of the Board changed during the year as we took steps to establish ourselves ready for listing. Airtel Africa plc (formerly known as Airtel Africa Limited) was incorporated on 12 July 2018. The majority of the pre-IPO directors, being Alok Sama, Sunil Kant Munjal, Vishal Kashyap Mahadevia, Ravi Lambah and Richard Gubbins, resigned on or before April 2019.

Our new Board was formed in April 2019, and there was an immediate focus on the training and induction of all Board members into their new roles before listing in late June. As this was our first year, the committee conducted a light review of the tenure of the directors and of the future Board composition and agreed to review the current and future needs of the Board and its committees more deeply on an ongoing basis. As you will see from the biographies on pages 66-68, the committee chairs and other committee members have recent and relevant skills, experience and expertise.

We're privileged to have a Board of directors with a broad range of skills, experience, age and nationality to perform such a vital role.

> "We're privileged to have a Board of directors with the broad range of skills, experience, age and nationality to perform such a vital role."

Our areas of focus

As part of our corporate governance review each year, we examine the independence and diversity of our Board and the balance of skills and development needs of members. As chair, I've written to the 30% Investor Club in response to their letter on gender diversity at Board level assuring them that the Nominations Committee will actively engage with recruiting another woman to the Board to move towards the 30% target in the near term.

The Nominations Committee also monitors the succession planning for senior management immediately below the Board. One of our priorities is to support and encourage the professional growth of our colleagues. So at our first committee meeting, we began to identify executives with potential and to discuss how to encourage their development.

Another area of focus for the committee is diversity and inclusion across our business. From 2020, we'll report regularly on and discuss this with the Board.

Above all, we'll focus on making sure that the present and future composition of our Board and executive management facilitates the delivery of our strategy, and that we continue to focus on meeting the requirements of the UK Corporate Governance Code.

SUNIL BHARTI MITTAL
CHAIR, NOMINATIONS COMMITTEE
13 MAY 2020

Nominations Committee report continued

About the committee

We met formally once during the 2019/20 financial year, as well as informally around the time of listing, and will meet at least twice a year in future. Our primary focus is on longer-term succession planning for the senior executive team, diversity across the business and the progress of newly appointed directors. Led by the chair of our Board, the committee consists of independent non-executive directors.

Activities during 2019/20

The committee met during the reporting period to:

- Consider the balance and composition of the Board, including the role of the CFO
- Be updated on progress with succession planning and related development plans
- Review plans for developing talent
- Consider the directors' annual re-election at the 2020 AGM
- Receive the external evaluation of the committee and review its performance and effectiveness during the period

During the year, the committee reviewed the composition and performance of the Board and its committees. We believe that our Board has the experience, expertise and appetite for challenge to take Airtel Africa forward in line with our strategy while maintaining good governance. We will, of course, keep this under regular review.

Committee priorities for 2020/21

- To review the Board's composition, balance, diversity, skill sets, individual directors' time commitment and overall effectiveness against future needs
- To review our succession and contingency planning across the business, making sure there's a clear link to individuals' professional development and supporting the development of a diverse pipeline of talent
- To drive our diversity and inclusion agenda across all levels of the business and ensure progress is effectively embedded

During the year, the committee will identify key prospects and tailor development plans for our senior management level to help them demonstrate their potential for progression. As part of our succession planning, Executive Committee members are given direct access to the Board, including the chance to attend Board meetings and other Board-related functions. This gives Board members a good sense of the strength of our management team.

Developing our Board

During the year, the committee reviewed the induction programme for directors and considers this appropriate.

In addition to the pre-IPO training sessions, the Board benefited from a series of sessions after our listing. We held an induction day at our Nairobi head office with our CEO, CFO and members of our Executive Committee focusing on strategy, operating and financial performance, budget and forecasts, human resourcing, diversity challenges and medium-term plans. The day included presentations by the heads of key departments such as Compliance, Internal Audit and HR on their initiatives, challenges and plans.

Spending time with our businesses

To engage with employees and understand the business at all levels, all directors are encouraged to regularly visit our local operations. To this end, we arrange Board visits each year to operations – and at least one Board meeting will take place at a regional location with representatives from the business present.

During 2019/20, Board members visited Kenya, Uganda, Nigeria and Tanzania to speak directly to regional managers about local operations, finance and initiatives.

Annual Board evaluation

See page 77 for details of how this evaluation was conducted, actions taken and plans to address its outcome.

Board and committee balance, diversity, independence and effectiveness

The chair of the Board is responsible for making sure independent non-executive directors are able to constructively challenge executive directors, while supporting them to implement the strategy and run the business effectively. He works with this committee to make sure the Board has the right blend of skills, independence and knowledge.

Appointing and re-electing directors

The Board has the power to appoint additional directors or to fill any vacancy. Every director will seek election or re-election at our annual AGM, starting with our meeting in June 2020. All directors will stand for re-election at each year's AGM while in office.

Each director proposed for re-election at our AGM has been unanimously recommended by other members of the Board. This recommendation was made following the assessment of our annual Board evaluation process.

More information on our appointments process can be found on page 92.

Effectiveness: advice available to the Board

All directors have access to the advice and services of the company secretary. Directors may also take independent professional advice at our expense where this is judged necessary to fulfil their responsibilities.

During the year, the Board took advice from:

- Aon via the Remuneration Committee, as reported in more detail on page 100
- Brokers on the sector and the relative performance of our share price

Diversity

We fully recognise the importance of diversity for our Board. Airtel Africa listed in 2019 with a talented group of directors representing a broad range of skills, experience, age, ethnicity, gender and nationality and fulfilling our immediate business needs. Our youngest director is 32 and the group is ethnically diverse. Most have spent a considerable amount of time living outside the UK, and this diversity is invaluable in developing our business strategy and enhancing our governance capabilities.

Our Board policy which applies to the entire business, including the Board, is to appoint and promote the best person for each role only considering factors such as educational and professional backgrounds as appropriate for the position, and without regard to age, gender, ethnicity or disability. Our objective is to build diversity into our appointment and promotion processes from Board level down.

We believe diversity underpins the successful operation of our Board and is a key ingredient in creating a balanced culture across our business. The Board regularly reviews its balance and composition taking into account targets and recommendations for gender diversity, as well as the Parker Review and its report into ethnic diversity. We are happy to report that we have met the Parker review targets. While we fully endorse the Hampton-Alexander Review's proposal to increase senior leadership diversity, we have not achieved the target introduced for the proportion of women on FTSE 350 company boards to be 33% by 2020. 18% of our Board are women (2 out of 11), representing 33% of our independent directors (2 of 6). During the coming year the Nominations Committee will actively engage in the recruitment of more women Board members to meet this target.

Diversity and inclusion are, and will continue to be, a key focus for Airtel Africa.

Pay ratio reporting

Quoted companies with more than 250 UK employees are required to report each year on the difference in pay between their CEO and their UK employees. As Airtel Africa is outside the scope of this requirement, we will not be disclosing our pay ratio for this reporting period.

Gender balance

Category	Female	Male	Total	Female %	Male %
Group senior Executive Committee member	1	11	12	8.3%	91.7%
OpCo Executive Committee	30	107	137	21.9%	78.1%
Senior and middle management	109	513	622	17.5%	82.5%
All other employees	783	1,809	2,592	30.2%	69.8%
Grand total	**923**	**2,440**	**3,363**	**27.4%**	**72.6%**

Senior management is all general managers and above, excluding OpCo Executive Committee

Middle management includes all employees at senior manager level

Our diversity policy

Purpose

Diversity and inclusion are a part of who we are and how we do business – wholly in line with our values of being alive, inclusive and respectful.

Policy statement

We recognise that a diverse workforce is key to delivering value to our customers. So we work to create an inclusive environment that embraces our differences and helps employees work to their true potential. Our practices and policies to foster this include global mobility, talent acquisition and focused learning and development. We're particularly focused on developing women in management and leadership roles and across our business.

Initiatives

1. Searching for and using diverse talent pools for all management and senior leadership recruitment
2. Building succession and leadership development plans that encourage the promotion of women
3. Plans to launch a CEO's Women in Leadership council
4. Focused mentoring programmes
5. Facilities for expectant and new mothers, such as reserved parking and mothers' rooms
6. Putting in place a women's entrepreneurship programme to increase the percentage of self-employed women in sales and distribution roles

Policy, training and awareness

1. At the February 2020 leadership meeting with the MDs of our regional businesses, our CEO mandated MDs to work on increasing the number of women at senior levels
2. The rollout of a programme to counter unconscious bias
3. Using town hall sessions as a platform to drive awareness and tone from the top
4. All employees completing annual Code of Conduct training and certification, which covers our commitments on diversity, inclusion and anti-discrimination

Monitoring and reporting

1. Monthly diversity review by our chief HR officer with HR directors of our regional businesses
2. Quarterly progress reports to our Executive Committee
3. Quarterly progress reports to our management Human Resources Committee

Our compliance with the UK Corporate Governance Code

Airtel Africa plc ordinary shares were admitted to trading on the main market of the London Stock Exchange on 3 July 2019. This milestone required us to apply the principles and provisions of the 2018 UK Corporate Governance Code (the Code), and explain any non-compliance. (See the Code at frc.org.uk.) While we have a secondary listing on the Nigerian Stock Exchange, we are permitted by the NSE Listings Requirements to follow the corporate governance practices of our primary listing market in London.

The UK Financial Reporting Council (FRC) promotes high quality corporate governance and reporting through the Code, with which all companies with a premium listing on the UK Stock Exchange must either comply in full or explain why and to what extent they do not comply. Between 3 July 2019 and 31 March 2020, we complied with all but three provisions of the 2018 Code.

This section explains how we have applied the Code principles.

1. Board leadership and company purpose

A. An effective and entrepreneurial board

Our Board is responsible for Airtel Africa's system of corporate governance. As such, directors are committed to developing and maintaining high standards of governance that reflect evolving good practice.

The Board provides strategic and entrepreneurial leadership within a framework of strong governance, effective controls and an open and transparent culture; this enables opportunities and risks to be assessed and managed appropriately. Our Board also sets our strategic aims and risk appetite, makes sure we have the financial and human resources in place to meet our objectives, and monitors our compliance and performance against our targets. And finally, the Board ensures we engage effectively with all of our stakeholders and considers their views in setting our strategic priorities.

Roles and responsibilities

We have well-documented roles and responsibilities for directors, and a clear division of key responsibilities between our chair and CEO to help maintain a strong governance framework and the effectiveness of our Board. Our clearly defined policies, processes and procedures govern all areas of the business, and these will continue to be reviewed and refined to meet business requirements and changing market circumstances.

We re-examine budgets in light of business forecasts throughout the year to make sure they are robust enough to reflect the possible impact of changing economic conditions and circumstances. We conduct regular reviews of actual results and future projections compared with the budget and prior year results, as well as with various treasury reports. Any disputes that could lead to significant litigation or contractual claims are monitored at each Board meeting, with updates tabled by the company secretary.

We have a Board-approved framework of delegated authority to identify and monitor individual responsibilities of senior executives.

B. Purpose, values and strategy and alignment with culture

Our Board believes that a healthy culture protects and generates value and that our employees engagement with our values and culture will lead to the successful delivery of our strategy. It is responsible for defining our values and setting clear standards from the top. Our chair leads the way on this by ensuring our Board operates correctly and with a clear culture of its own which can extend to our wider operations and dealings with all stakeholders. Our CEO, with the help of the CFO and his management team, is responsible for the culture within our wider operations. A report from our chief HR officer on culture, diversity and inclusion will be a standing agenda item at future Board meetings. In 2020, the Board will identify a number of areas to review and will share their findings in next year's report.

To meet their 2019/20 objective of ensuring our training and development plans support continuous improvement and contribute towards better organisational diversity, our Board:

- Reviewed both current and predicted availability of financial, people and supplier resourcing, as well as our financial performance, at each meeting
- Reviewed our strategy for Board and executive-level succession planning and put into place plans for achieving this (Nominations Committee)
- Reviewed arrangements for GDPR compliance, as well as actions to further improve the resilience and security of our information technology systems

In 2020/21, the Board will continue to ensure our resourcing – including capital, finance and people – is sufficient to achieve our strategy while continuously improving performance and diversity.

While our leadership establishes our culture and leads by example, our clear policies and Code of Conduct ensure that our obligations to shareholders and other stakeholders are clearly understood and met, as described in more detail on page 54.

C. Company performance and risk management

Our CEO manages the Group's business in line with the strategic plan and approved risk appetite and takes responsibility for the operation of the internal control framework. Our Audit and Risk Committee oversees potential risks and provides the Board with strategic advice on current and potential future risk exposures. Our risk management framework supports informed risk-taking by our businesses, setting out the risks that we are prepared to be exposed to and the risks that we want to avoid.

More information on risk management can be found on **page 56**

D. Stakeholder engagement

Our Board members take an active role in engaging with shareholders and wider stakeholders. Our director induction process includes directors' duties under section 172 of the Companies Act 2006.

The Board regularly receives feedback on shareholder sentiment and sell-side analysts' views of our business and the wider industry. Our Investor Relations team and management have frequent contact with the five equity research analysts who follow Airtel Africa.

In February 2020, the Board held an additional meeting to review its understanding of the needs of each stakeholder group and to determine how best to consider stakeholder issues during Board discussions. Our aim is to better embed stakeholder issues in Board-level decision-making, as well as through key subsidiary and decision-making committees throughout the organisation.

As a first step, our Board agreed the following:

1. We will develop our stakeholder engagement framework so that we can better understand their perspectives and their expectations of us.
2. Since the February 2020 Board meeting, all Board papers must show that stakeholder considerations have been taken into account as part of the decision-making process.
3. For all major decisions, the Board will make sure it discusses the impact on employees before drawing its conclusion. We will also consider stakeholder impact in relation to material acquisitions and strategic expansion.

The Board factored the needs and concerns of our stakeholders into its discussions and decisions throughout the year, in accordance with section 172 of the Companies Act 2006 (see statement on page 33). More on our approach to stakeholder engagement can be found on pages 32-33 of the strategic report and pages 78-79 of the governance report.

E. Workforce policies and practices

We expect all businesses and employees to work with the highest standards of integrity and conduct at all times. Our Code of Conduct, which can be found on our website, sets out our expectations in detail. We also have policies on areas like anti-bribery and corruption, whistleblowing and data protection (GDPR) setting out the ethical framework that all companies and employees are expected to follow. Each year, our employees receive up-to-date training on legislative and regulatory matters.

Our management processes and divisions of responsibility are detailed in the following documents, which can be seen on our website:

- Schedule of matters reserved for Board decisions, including profit expectations and dividend policy
- Terms of reference for Audit and Risk, Nominations and Remuneration Committees
- Policies covering operational, compliance, corporate responsibility and stakeholder matters, including ones related to the Bribery Act 2010 and anti-corruption – these are updated as necessary in line with developments in corporate governance and legislation
- Our Articles of Association

Our policies are reported against to the Board and/or Audit and Risk Committee by the head of internal audit, chief compliance officer or the company secretary.

Description of our whistleblowing procedures is set out on page 84.

2. Division of responsibilities

F. Role of the chairman

The roles and responsibilities of the chair and the CEO have been clearly defined, set out in writing and signed by Sunil Bharti Mittal and Raghu Mandava.

The chair leads our Board and is responsible for its overall effectiveness in directing the company.

Our chair and the senior independent director hold separate meetings at least once a year with non-executive directors without the CEO present. Each did this once during the 2019/20 reporting period. The chair also met formally with independent non-executive directors without our CEO or other non-executive directors present. Through these meetings, the chair ensures we maintain a fair and open culture where all Board members are able to make a strong contribution.

The Board has concluded that Sunil Bharti Mittal did not meet the independence criteria of the Governance Code when he was appointed, due to his interests in the company. However, in light of the his extensive involvement with Airtel Africa and the Bharti Airtel Group over many years, the Board has considered his major contribution to the company's growth and success and unanimously agrees that his continued involvement is crucially important to our ongoing success. The Board recognises a number of safeguards which are in place to ensure robust corporate governance during his tenure as chair, including Andrew Green in position as a strong senior independent director.

The Board believes Sunil Bharti Mittal continues to effectively oversee our leadership and maintain a balanced shareholder agenda.

G. Composition of the Board and division of responsibilities

Our Board consists of 11 directors: non-executive chair Sunil Bharti Mittal, who is not independent, CEO Raghu Mandava, six independent non-executive directors and three non-executive directors. Andrew Green, CBE, is the senior independent director and Simon O'Hara is our Group company secretary. For more on our Board composition, see page 66.

The Board has an established framework of delegated financial, commercial and operational authorities which define the scope and powers of the CEO and of operational management.

Our compliance with the UK Corporate Governance Code continued

H. Role of non-executive directors

Our independent non-executive directors offer advice and guidance to the CEO and CFO from their wide experience in business and diverse backgrounds. They also provide a constructive challenge and hold management to account – monitoring the overall direction and strategy of the company, scrutinising the performance of the CEO and CFO, and ensuring the integrity of the financial information made available to the Board and our shareholders. They play an important part in general succession planning for the Board and other executive and senior management positions.

The senior independent director and the independent directors also play a critical role in fulfilling the requirements of the separation governance framework and ensuring Airtel Africa's independence.

Following their appointment, each of our non-executive directors (both independent and non-independent) received an induction that focused on the culture, operational structure and key challenges of Airtel Africa. You can see details of this induction on page 88.

I. Board processes and role of company secretary

We have a range of processes in place to make sure the Board is fully informed in a timely manner to be able to meet its duties. Directors receive papers before each Board and committee meeting. This allows them to prepare for meetings and also to send in their views if they're unable to attend.

The CEO also sends updates to members on important issues between meetings; and members receive a monthly report on key financial and management information, as well as regular updates on shareholder issues and analysts' notes. This information is distributed through a secure online portal.

All directors have direct access to the advice and services of the company secretary, and non-executive directors are able to take independent legal advice at our expense when necessary to fulfil their duties to the company.

3. Composition, succession and evaluation

J. Board appointments

As part of our 2019/20 Board evaluation, we reaffirmed that each of our independent non-executive directors is independent in character and that there are no relationships which could affect their judgement.

After the IPO, no new Board or committee appointments were made during the reporting period. The main objective of our Nominations Committee is to ensure that we have the best possible leadership team by overseeing a formal, rigorous and transparent process for appointing and removing directors to or from the Board, our committees and other senior roles. The committee also works with the aim of improving diversity and developing our succession-planning processes.

Our appointment process

When considering the recruitment of new members of the Board, the Nominations Committee adopts a formal and transparent procedure which considers the skills, knowledge and level of experience required, as well as diversity.

The recruitment process begins by evaluating the balance of skills, knowledge and experience of existing Board members, the diversity of the Board and the ongoing requirements and strategic developments of the business. This enables us to focus our search process on appointing a candidate who will complement and enhance the Board's effectiveness and overall performance.

The committee will use the services of a professional search firm to identify appropriate candidates. The committee will only choose firms that have adopted the voluntary code of conduct addressing gender diversity and best practice in search assignments. We retained no such firm during the reporting period.

We review a long list of globally drawn potential candidates and shortlist candidates for interview based on the objective criteria set out in the agreed specification – this addresses the strategic requirements of the Group, the balance of skills, knowledge and experience of current members, and the diversity of the Board. Non-executive appointees must be able to show that they have time available to devote to the role, and before being appointed all candidates must identify any potential conflicts of interest.

Short-listed candidates are interviewed by the committee chair, other committee members and the CEO. The committee then recommends the preferred candidate, who is invited to meet other Board members. Finally, the committee takes up detailed external references before making a formal recommendation to the Board for appointment.

No director took on a significant new appointment during the year.

» For more on our Nominations Committee's activities and processes, see **pages 87-89**.

K. Skills, experience and knowledge of the Board and its committees

We have an engaged and diverse Board who reflect the cultural and ethnic diversity of the countries in which we operate. Our Board members bring a range of practical experience and deep expertise to our business – and at least half of our directors, excluding the chair, are independent non-executive directors, in line with the Code's recommendations. While not an executive director, our CFO attends all Board and Audit and Risk Committee meetings.

The Board acknowledged at the time of listing that the company did not comply with the requirements of the Governance Code in relation to the relevant experience of the Remuneration Committee chair, but saw Doug Baillie as a seasoned HR professional with the experience and expertise to effectively manage the Committee on its behalf. Having reviewed his appointment, the Board confirms that he has displayed the skills and experience required for the role and has the full support of the Board.

The Board considers that each director brings relevant and complementary skills, experience and background to the Board, details of which are set out in the biographies on pages 66-68.

L. Board evaluation

As part of good governance, it's important to make sure our Board as a whole, its committees and each director is operating and performing effectively. While the Code requires an externally facilitated evaluation at least every three years, we have chosen to do this in our first year to enable us to plan effectively for the future.

In 2019, we engaged Lintstock to facilitate this evaluation – a completely independent advisory firm specialising in Board performance reviews. All Board members and our company secretary were invited to complete an online survey on the performance of the Board, its committees and the chair, as well as their own contributions to the Board. The survey was completely anonymous to promote an open and frank exchange of views.

4. Audit, risk and internal control

M. Independence and effectiveness of internal and external audit

During 2019, we enhanced our control environment through a robust risk assessment and review led by our Audit and Risk Committee. This identified the key risks to be reviewed and assessed by Internal Audit as part of its programme of work during the year. For more on the activities and processes of this committee, see pages 80 and 86.

During 2019/20 Deloitee performed an external statutory audit of year end 31 March 2020, and three quarterly reviews. Refer to page 86 for consideration of their independence and effectiveness.

N. Fair, balanced and understandable assessment

Pages 1-64 of the strategic report set out our performance, business model and strategy, as well as the risks and uncertainties relating to the company's future prospects. When taken as a whole, the directors consider the annual report is fair, balanced and understandable and provides information necessary for shareholders to assess our performance, business model and strategy.

The directors made their assessment following the Board's review of the document at its meetings on 31 March, 14 April, 27 April and 12 May 2020.

O. Risk management, internal control and determining principal risks

As highlighted in the strategy and risk sections of the strategic report, risk management is inherent to our management thinking and business planning processes. The Board has overall responsibility for establishing and maintaining our risk management and internal control systems. Our Audit and Risk Committee supports the Board in reviewing the effectiveness of our internal controls, including financial, operational and compliance, as well as our risk management systems. For more on the activities and processes of this committee, see pages 80 and 86.

5. Remuneration

P. Remuneration policies and practices

Our proposed policy is intended to attract, motivate and retain high-calibre directors, to promote the long-term success of Airtel Africa, and to be in line with best practice and the interests of our stakeholders. There are two key principles of our remuneration policy. One, the structure of remuneration packages and, in particular, the design of performance-based schemes, should be aligned with stakeholders' interests and support our business strategy and objectives. And two, the performance-based element of remuneration should be appropriately balanced between the achievement of short-term objectives and longer-term objectives.

Our directors' remuneration policy (DRP) which sets out our policy for paying our CEO, chairman and non-executive directors will be put to a binding shareholder vote at our next AGM.

Raghu Mandava is expected to reach the minimum shareholding target as soon as reasonably possible. A minimum requirement of 250% of salary will apply while he is in employment.

The Remuneration Committee is aware of investor guidance around post-employment share ownership. It considers that, in light of the company's unusual circumstances, with senior executives located in Africa where additional requirements on the holding of shares are not market practice, the operation of bonus deferral and post-vesting holding requirements currently provide sufficient alignment after employment has ended. It will continue to keep this aspect of the policy under review.

Q. Procedure for developing remuneration policy

In 2019/20, we thoroughly reviewed the remuneration arrangements for our directors which had been put in place before our IPO. Our goal was to make sure our new policy would incentivise our management team to deliver longer-term shareholder value. We also wanted to make sure this reflects the latest Code requirements and is in line with UK good practice. As such, we have proposed a number of changes to the policy in the prospectus and consulted on this proposed policy with our largest shareholders who indicated their support.

R. Exercising independent judgement

In the year to 31 March 2020, Aon provided remuneration advice and benchmarking data to our Remuneration Committee. Aon was appointed by the committee in light of their experience and expertise in independent remuneration advisory work.

The committee uses its discretion, within the maximum policy limits, to consider the target bonus taking account of market development opportunities, specific events and evolving roles. While the committee has the discretion to change the choice of metrics and weighting for the bonus plan from year to year, we would normally consult with major shareholders before making any significant changes.

» See our remuneration report on **pages 100-114** for more detail.

Directors' report

About this report

The directors of Airtel Africa present this report together with the audited consolidated financial statements for the year ended 31 March 2020.

This report has been prepared in accordance with the requirements outlined in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of our management report as required under Disclosure Guidance and Transparency Rule (DTR) 4. Certain information that fulfils the requirements of the directors' report can be found elsewhere in this document and is referred to below. This information is incorporated into this directors' report by reference.

The directors' report comprises sections from pages 66-93 and 100-114 of the governance report, and this report on pages 94-97. Other relevant information which is incorporated by reference can be found in the strategic report:

- Financial performance on pages 45-51
- Business environment on pages 14-15
- Outlook and financial management strategies, including particulars of any important events affecting the company since the year-end (with subsidiary undertakings included in consolidated statements) on pages 1-64 and in note 36 on page 188
- Principal risks and risk management framework on pages 56-62

Other relevant information (required by Listing Rule 9.8.4 R) is incorporated by reference to the directors' report and appears in the Annual Report as follows:

Information	Pages
Likely future developments in the business of Airtel Africa and its subsidiaries	34-43
Profit before tax and after tax and minority interests	126
Our viability statement	63-64
The Directors' remuneration report	100-114
Details of our long-term share plans	109-112
Our subsidiary and associated undertakings, including branches outside the UK, affecting our profits or net assets	184
Our treasury management and funding, including information relating to financial instruments that fulfils the reporting requirements of Schedule 7 of the Large and Medium sized Companies and Group (Accounts and Reports) Regulations 2008	180
A statement that this Annual Report and Accounts meets the requirements of Section 4, Principle N, Provision 27 of the UK Corporate Governance Code 2018	93
Engagement with suppliers, customers and others	78

This section contains the remaining matters not covered elsewhere on which the directors are required to report each year.

Responsibility statement

As required under the DTRs, a statement made by the Board regarding the preparation of the financial statements is set out on page 98. This also gives details on the disclosure of information to our auditors and management's report on internal control over financial information.

Profit and dividends

Statutory profit for the Group after tax for 2019/20 was $408m (2018/19: $426m, and for the Company after tax was $383m 2019/20 (2018/19 $2m). Details of our dividend distribution during the year are set out on page 169 – note 28.1 to the consolidated financial statements.

Subject to the approval of our shareholders, the directors have recommended a final dividend for the financial year ended 31 March 2020 of 3 cents per ordinary share, which will be paid out of distributable reserves. You can find more about the dividend, including key dates, at www.airtel.africa. On 25 October 2019, the Board declared an interim dividend of 3 cents per ordinary share. This was paid on 29 November 2019 to shareholders who were on the UK and Nigerian share registers on 15 November 2019.

Directors

The names of our current directors, along with their biographical details, are set out on pages 66-67 and are incorporated into this report by reference. Those who served during the year are identified on pages 87.

Details of directors' interests in our share capital are in our remuneration report on page 113.

Our Articles of Association govern the appointment, removal and replacement of our directors and explain the powers given to them.

Avoiding conflicts of interest

The Board regularly reviews each director's interests outside Airtel Africa and considers how the chair ensures he is applying objective judgement in his role, as required by the UK Corporate Governance Code. To help directors avoid conflicts (or possible conflicts) of interest, the Board must first give clearance to any potential conflicts, including directorships or other interests in outside companies and organisations. This is recorded in a statutory register kept for this purpose.

If a director considers they are, or might be, interested in any contract or arrangement in which the company is or may be involved, they must give notice to the Board in line with the Companies Act 2006 and our Articles of Association. In this instance, unless allowed by the articles, the director cannot take part in any discussions or decisions about the contract or arrangement.

Re-registration and name change

On 13 June 2019, we re-registered as a public limited company and changed our name from Airtel Africa Limited to Airtel Africa plc.

Articles of Association

The Articles of Association can be amended in line with the provisions of the Companies Act 2006 through a special shareholder resolution. We adopted two new sets of Articles of Association during the year in preparation for our listing. The information below sets out the provisions in the Articles of Association in place at the date of this report.

Share capital and control

We have two classes of shares:

1. **Ordinary shares of $0.50** – each carrying the right to one vote at our general meetings and other rights and obligations as set out below.
2. **Deferred shares** – these carry no voting rights.

Details of our share capital movement during the year are set out in note 27 on page 168.

Voting rights of members

There are no restrictions on the size of a holding, the exercise of voting rights, or the transfer of shares. The directors are not aware of any agreements between shareholders that might restrict the transfer of shares or voting rights.

Rights under the employee share scheme

We operate an Employee Benefit Trust (EBT) for some employee share plans. The trustees of the EBT have all rights attached to Airtel Africa shares unless specifically restricted in the plan's governing document. It's the trustees' policy to abstain from exercising voting rights on Airtel Africa shares held in trust.

Purchase of own shares

The articles do not restrict Airtel Africa purchasing its own shares. No one person has any rights of control over our share capital and all issued shares are fully paid.

Major shareholders

Major shareholders have the same voting rights as other shareholders. We publish information given to us by substantial shareholders through the regulatory information service and on our website www.airtel.africa, in line with the FCA's Disclosure Guidance and Transparency Rules. At 31 March 2020, we had been notified, in keeping with Rule 5, of the following holdings of ordinary share voting rights:

Shareholder	Number of voting rights at 31 March 2020	% of capital[1]	The company has not received any notifications in accordance with DTR5 from 1 April 2020 to the date of this annual report
Airtel Africa Mauritius Limited	2,105,108,805	56.01	
Indian Continent Investment Limited	292,424,330	7.78	
Singapore Telecom International Pte Ltd	208,093,705	5.54	
Warburg Pincus LLC	187,907,574	5.00	
Hero Inc Limited	145,720,186	3.88	
Qatar Holding LLC	134,726,964	3.58	
Bharti Global Limited	127,147,531	3.38	

1 % interest in voting rights attaching to issued shares

Significant agreements (change of control)

Airtel Africa's borrowing and bank facilities contain the usual provisions which could potentially lead to prepayment and cancellation by the other party if there's a change of company control. There are no other significant contracts or agreements that would take effect, change or come to an end on a change of control following a takeover bid. All our share plans contain provisions for a change of control as summarised in the directors' remuneration report on page 105.

We do not have agreements with any director or employee that would compensate for loss of office or employment resulting from a takeover bid.

Details relevant to the relationship agreement follow.

Relationship agreement

Airtel Africa entered into a relationship agreement with Bharti Airtel, Airtel Africa Mauritius Limited (AAML), our majority shareholder and an indirect subsidiary of Bharti Airtel, and Bharti Telecom on 17 June 2019. This agreement regulates the ongoing relationship and ensures that transactions and arrangements between parties are conducted at arm's length and on normal commercial terms, and contains the independence undertakings and provisions required by the Listing Rules (the 'Listing Rule Independence Undertakings'). During the financial year, Airtel Africa has complied with the terms of the Listing Rule Independence Undertakings contained in the relationship agreement.

So far as Airtel Africa is aware the majority shareholder and its associates have complied with Listing Rule Independence Undertakings contained in the relationship agreement.

Board and meeting participation

As long as Bharti Airtel and/or AAML are a controlling shareholder, Board meetings and certain committee meetings must include a non-executive director nominated by Bharti and/or AAML (subject to certain exemptions) to be valid (quorate). Each Board and committee meeting must include three directors including two independent directors to be valid.

As long as Bharti Airtel and/or AAML and their associates hold (directly or indirectly) ordinary shares in Airtel Africa, they are entitled to appoint non-executive directors to the Board as follows:

- One non-executive director for 10% or more interest in the ordinary shares
- Two non-executive directors for 15% or more interest in the ordinary shares

The first two Board members appointed under this agreement were Sunil Bharti Mittal and Akhil Gupta on 23 October 2018.

For every 10% or more interest (directly or indirectly) in the ordinary shares above 15% in aggregate, Bharti Airtel and/or AAML can nominate one additional non-executive director to the Board, up to a maximum of four directors. Independent non-executive directors must form the majority of the Board.

Similarly, as long as Bharti Airtel and/or AAML and Bharti Telecom and their associates have a 10% or more interest in Airtel Africa ordinary shares, each can appoint one observer (who must be a director) to attend meetings of the Audit and Risk Committee and Remuneration Committee. This observer can attend and speak at meetings but does not count towards quorum or have a right to vote. As such, Akhil Gupta attends the Audit and Risk Committee meetings.

Other provisions

The agreement provides that Airtel Africa will not make any market purchases that would cause Bharti or Bharti Telecom to have to make a mandatory offer under rule 9 of the Takeover Code, unless Airtel Africa has the necessary consents and waivers to prevent a mandatory offer obligation.

Amendments can only be made to this relationship agreement in writing and with the recommendation of a majority of the independent directors. The relationship agreement will come to an end upon the earlier of:

- Ordinary shares of Airtel Africa no longer being listed on the premium listing segment and traded on the London Stock Exchange (LSE)
- Bharti Airtel, AAML and Bharti Telecom Limited, together with their associates, ceasing to be interested (directly or indirectly in aggregate) in at least 10% of issued ordinary shares

The relationship agreement will terminate upon the shares ceasing to be listed on the LSE's main market or the principal shareholders and their associates ceasing to be interested in at least 10% of the issued shares.

We believe that the terms of this relationship agreement enable Airtel Africa to carry out its business independently of Bharti Airtel, AAML and Bharti Telecom.

Services agreement

Bharti Airtel Limited provides services to Airtel Africa and its subsidiaries including Bharti Airtel International (Netherlands) B.V. (BAIN) under a services agreement.

Provision of information

To provide services to Airtel Africa under the services agreement, Bharti Airtel Limited will have access to information related to the Airtel Africa Group which may include sensitive or confidential information. Bharti Airtel will ensure its affiliates comply with the terms of the information flow protocol to the extent that it is legally able to do so. Airtel Africa will provide Bharti Airtel with service-related information necessary for it to provide services under the agreement.

Future developments

The strategic report contains details of likely future developments within Airtel Africa.

Group policy compliance

Each Group policy is owned by a member of the Executive Committee to ensure clear accountability and the authority to make sure the associated business risk is adequately managed. The senior leadership team member responsible for each Group function has primary accountability for ensuring compliance with all Group policies by all our markets and entities. Our Group compliance team supports the policy owners and local markets in implementing policies and monitoring compliance. All of the key Group policies have been consolidated into our Code of Conduct which applies to all employees and those who work for or on behalf of Airtel Africa. It sets out the standards of behaviour expected in relation to areas such as insider dealing, bribery, and raising concerns through our whistleblowing process.

Directors' indemnities

We have agreed to indemnify directors for certain losses and liabilities in connection with their duties, powers and office. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 March 2020. We also hold directors' and officers' liability insurance covering our directors for any legal action against them. We took legal advice on this subject.

Branch and representative offices

Bharti Airtel International (Netherlands) B.V. has a branch office in Nairobi, Kenya. It was issued a certificate of compliance on 7 October 2010 with number CF/2010/33117.

On 2 October 2019, the Kenyan branch of Netherlands-based Bharti Airtel Services B.V. registered in Nairobi under number F97/2007 was deregistered.

Anti-bribery and anti-corruption

In line with the Bribery Act 2010, we have written policies on avoiding and not tolerating bribery or corruption. These apply across all our businesses and can be found on our website. All employees are trained in anti-bribery and anti-corruption to help mitigate the risk of reputational damage, financial penalties and possible exclusion from certain approved partnerships.

Charitable donations

We support charities and local community causes relevant to our business, communities, partners and people. We aim to make a positive impact through donations of time, money and materials, as well as through encouraging our employees to get involved. See page 96 for more about our donations, activities and community initiatives.

Political donations

In line with our policy, we have not made any donations to political parties during the year.

At our next AGM, our directors will be asking for the authority to make political donations of no more than £25,000 in total. This is to strengthen our corporate governance by making sure that neither Airtel Africa nor our subsidiaries inadvertently breach the wide definitions in Part 14 of the Companies Act.

Employing people with disabilities

It is our policy that people with disabilities should be fairly considered for any job vacancy.

We are committed, wherever possible, to making sure people with disabilities are supported and encouraged to apply for employment and able to work successfully at Airtel Africa.

Important events since the end of the financial year

Details of those important events affecting the Group which have occurred since the end of the financial year are set out in the Strategic Report and note 36 to the consolidated financial statements on page 188. Information related to COVID-19 is set out on pages 9-10.

Our auditor

Deloitte LLP have confirmed their willingness to continue as our auditor. Following our Audit and Risk Committee's review of their effectiveness (described on page 85), we will propose at our AGM that we reappoint Deloitte.

Our policy is that our auditor will not carry out non-audit services, except where appropriate and in line with our policy for doing such work. Our Audit and Risk Committee also considers the ethical and auditing professional standards related to non-audit services by our external auditor. Deloitte provided limited non-audit services during the year in line with our policy as described in the Audit and Risk Committee report – see page 80.

Audit and Risk Committee recommendations and statements of compliance

The committee has completed its review of the effectiveness of internal controls, including risk management, during the year and up to the date of this Annual Report. The review covered all material controls including financial, operating and compliance. As such, we can provide assurance to the Board under the 2018 UK Corporate Governance Code. This is covered in more detail in the Audit and Risk Committee report – see pages 80-86.

Airtel Africa has complied throughout the reporting period with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee responsibilities) order 2014.

Annual general meeting (AGM)

Our AGM will be live-streamed on Wednesday 24 June 2020 at 11:00 hrs BST from 53/54 Grosvenor Street, London W1K 3HU. Details of the business to be transacted at the AGM are included in our 2020 Notice of the AGM available on our website at www.airtel.africa.

In line with recent practice and good governance, we'll conduct all voting on resolutions at this year's AGM by poll. The Board believes that this way of voting gives as many shareholders as possible the opportunity to have their votes counted.

The Directors' Report has been approved by the Board and is signed on its behalf by:

SIMON O'HARA
GROUP COMPANY SECRETARY
13 MAY 2020

Directors' statement of responsibility

Financial statements and accounting records

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Consequently:

- The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU), the Companies Act 2006 and Article 4 of the EU IAS Regulations
- The company only financial statements are prepared in accordance with FRS 101 "Reduced Disclosure Framework"

Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
- The strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy

This responsibility statement was approved by the Board of directors on 13 May 2020 and is signed on its behalf by:

RAGHU MANDAVA
CHIEF EXECUTIVE OFFICER
13 MAY 2020

Disclosing information to our auditors

The directors have made the requisite enquiries and are not aware of any relevant audit information (as defined by section 418(3) of the Companies Act 2006) that our auditors are unaware of. The directors have taken all the necessary steps to make themselves aware of any relevant audit information and to establish that our auditors are also aware of that information.

Going concern

Based on our assessments, the directors have concluded that Airtel Africa plc should continue to adopt a going concern basis of accounting in preparing the financial statements. See the directors' statement of responsibilities for more details.

Business planning process and performance management

Our forecasting and planning cycle consists of preparing forecasts for one year and three year and long-range plans. These generate income statement, cash flow and net debt projections for assessment by our Board and Executive Committee.

Each forecast is compared with prior forecasts and actual results to identify variances and understand the drivers of changes and their future impact so that management can take action where appropriate. The key assumptions underpinning the forecasts are also reviewed.

Cash flow and liquidity reviews

The business-planning process provides outputs for detailed cash flow and liquidity reviews to ensure that we maintain adequate liquidity throughout the forecast periods. The prime output is a rolling liquidity forecast prepared and updated on a periodic basis which highlights the extent of the Group's liquidity based on projected cash flows and the headroom.

The key inputs into this forecast are:

- Cash generation from operations
- Bond and debt maturities
- Change in working capital, etc.
- Periodical cash flow forecast

We also continue to manage our foreign exchange and interest rate risks within the framework of policies and guidelines authorised and reviewed by the Board, with oversight provided by our Finance Committee.

The Group has $2.35bn in intermediate parent guaranteed bonds. In May 2019 and ahead of our UK listing, we executed a bank facility agreement (the 'new Airtel Africa facility') for up to $2bn, which was available to draw down for a period of six months. We expressed an intention at IPO to refinance the bonds through various suitable means, including a drawdown on the facilities by December 2019, where the bonds had not been refinanced or unless alternate committed liquidity had been put in place.

After receiving $680m in IPO proceeds, in October 2019 we further reassessed the requirement for the bank facility agreement amounting to $1.2bn ($0.8bn already having been cancelled after the IPO). Having considered our business performance, free cash flows and liquidity expectation for the next 12 months, together with other existing drawn and undrawn facilities, we cancelled the remaining $1.2bn of the agreement. As part of this evaluation, we have further considered committed facilities of $814m as of date of authorisation of financial statements, which should take care of the Group's cash flow requirement under both base and a number of reasonable worst-case scenarios.

On 24 October 2019, the Honourable Supreme Court of India made an adverse court judgment on Bharti Airtel in relation to a long outstanding industry-wide case. In light of this, we've also considered whether any events are likely to arise that would result in the need to repay the balance of the bonds early. We have also assessed any material restrictions that may be imposed on Airtel Africa due to the actions or inactions of Bharti Airtel.

In January and February 2020, Bharti Airtel successfully raised approximately $3.25bn through a combination of qualified institutional placement of shares and an overseas sale of convertible bonds, as well as other bond offerings. This has significantly reduced the level of uncertainty about their ability to comply with the judgment. In light of this long-term financing, the available liquidity and facilities with the Bharti Airtel Group and other developments, including payment made towards adjusted gross revenue (AGR) dues, Bharti Airtel's management has concluded that the previously reported material uncertainty during the period ended 30 September 2019 around its ability to continue as a going concern no longer exists.

Therefore, the likelihood of early repayment of the balance of the bonds as a consequence of the actions or inactions of Bharti Airtel is considered remote. We have also removed the previously reported material uncertainty during the period ended 30 September 2019 around our ability to continue as going concern. The directors have taken into account all factors likely to affect our future performance and financial position, including:

- Our cash flows under both base and a number of reasonable worst-case scenarios
- Our solvency and liquidity positions
- The availability of committed and uncommitted facilities
- The risks and uncertainty relating to our business activities
- Bharti Airtel's actions to comply with the Court judgment
- The potential impact arising from the spread of COVID-19 in Africa

At the time of this report, there has been no material impact from COVID-19 on our business. Given the rapidly changing global dynamics, it's extremely difficult to predict with any accuracy what the impact of COVID-19 will be on our profitability, solvency and liquidity positions. We have applied various levels of stress tests by way of revenue decline, increase in costs and the possibility of currency devaluation to the cash flows as part of the sensitivities applied to both base and reasonable worst-case scenarios.

Conclusion

The Group has considerable financial resources, and the directors believe that we are well placed to manage our business risks successfully. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Controls over financial reporting

Our Executive Committee and the Board are responsible for establishing and maintaining adequate internal control over financial reporting, emerging risks and principal risks for the Group.

Our internal control over financial reporting includes policies and procedures that:

- Relate to the maintenance of records that accurately and fairly reflect transactions and dispositions of assets in reasonable detail
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with IFRS as issued by IASB as adopted by the EU, and that receipts and expenditures are being made only in line with authorisation by management and directors
- Provide reasonable assurance around prevention and timely detection of unauthorised acquisition, use or disposition of our assets that could materially affect the financial statements

Any internal control framework, no matter how well designed, has inherent limitations including the possibility of human error and the circumvention or overriding of controls and procedures – and may not prevent or detect misstatements. Also, projections of any evaluation of future effectiveness are subject to the risk that controls may become inadequate because of changes in conditions or because of reduced compliance with the policies or procedures.

Our Board and Executive Committee have assessed the effectiveness of our internal control over financial reporting at 31 March 2020. During the period covered by this document, there were no changes in the Group's internal control over financial reporting that have materially affected or are reasonably likely to materially affect the effectiveness of our internal controls over financial reporting.

On behalf of the Board

SIMON O'HARA
GROUP COMPANY SECRETARY

Directors' remuneration report

This report sets out our remuneration policy for our executive directors, what they've been paid since IPO and how this is linked to the performance achieved.

There are three sections to the report:

1. An introduction from our committee chair – this explains our approach to remuneration, and summarises the key decisions made by the committee during the year (also part of the annual remuneration report) and an overview of 2019/20 approach and policy.
2. The directors' remuneration policy (DRP) – this sets out our remuneration policy for our CEO, chair and non-executive directors. This policy will be put to a binding shareholder vote at our next AGM. We've prepared our policy taking into account our strategy, geography and markets, as well as market practice and the latest developments in the UK Corporate Governance Code (2018 Code). It also includes a summary of key changes we're proposing compared to our June 2019 prospectus for admission to the London Stock Exchange (LSE).
3. Our Annual Report on Remuneration – this sets out in detail how we've applied our remuneration policy in 2019/20, the remuneration received by directors for the year and how we'll apply the policy in 2020. This report will also be put to an advisory shareholder vote at the AGM.

All amounts in this report are in US dollars ($) unless stated otherwise.

DOUG BAILLIE
CHAIR OF THE REMUNERATION COMMITTEE

Chair's introduction

I'm pleased to present the Remuneration Committee's report for 2019/20, and to propose our first directors' remuneration policy for shareholder approval at our 2020 AGM to be held on Wednesday 24 June 2020.

Work of the committee

As this is our first remuneration policy report, the committee spent considerable time fully understanding the UK and London Stock Exchange (LSE) requirements, as well as those of key shareholders and shareholder representative groups. We did this in the context of Airtel Africa's current practices, the environment that we operate in and the importance of getting this right – for shareholders and other stakeholders, including our executive director and all of our colleagues.

We also spent time understanding the pre-IPO executive remuneration schemes and agreeing executive awards, the targets set and the discretion applied in relation to the awards are detailed in this directors' remuneration report.

Policy overview

Remuneration for our executive directors is based on the key principles of simplicity, pay for performance, and alignment with shareholders and other stakeholders. At present, our CEO is the only executive director of Airtel Africa and the only executive formally subject to this policy.

The new policy contains elements of balance, given that we're listed on the London Stock Exchange (with a secondary listing on the Nigerian Stock Exchange) and operate in 14 countries in Africa from headquarters in Nairobi. We reviewed our remuneration arrangements at the time of IPO and made some revisions to bring them in line with UK good practice.

Proposed changes and key features

- Executive salary – salary increases will be generally guided by the level of increase for the broader employee population. Increases above this level may be made in specific situations – for example, to recognise development in the role or a change in responsibility, material changes to the business or exceptional company performance
- A total variable pay opportunity set at or below the median for listed companies of our size
- The introduction of an annual bonus deferral for a period of two years
- The introduction of three-year performance periods for the long-term incentive plan (LTIP)
- An LTIP comprising performance shares and restricted stock units with stretching performance measures and a financial underpin
- A new total shareholder return (TSR) peer group comprising the constituents of the MSCI Emerging Markets Communication Services Index
- A two-year post-vesting holding period on the LTIP
- A new minimum shareholding for the executive director
- Malus and clawback provisions applying to both the bonus and LTIP

The policy is consistent with the requirements of the 2018 Code and subsequent updates. We'll maintain a disciplined approach to executive remuneration so that we incentivise and reward the right behaviours to support our overall strategy and good governance principles. We developed our remuneration arrangements following discussions with our main shareholders, and these are intended to reflect current market and good practice.

We hope that you welcome and support our proposed policy. This is designed to create a clear link between performance and reward for our executives, and to support our continued growth in the interests of our shareholders and other stakeholders.

Applying our policy in the current climate

As I write this, it's not yet clear what the true impact of COVID-19 will be on our employees, the more than 110 million subscribers we serve, and the partners that make up the broader Airtel ecosystem. We know through dialogue with African governments that the mobile industry is seen as essential in keeping people connected and the wheels of the economy turning. We are a resilient company and all our employees will be all playing their part to ensure Airtel plays its role in seeing this crisis through.

As a Remuneration Committee, we recognise the difficulty in reviewing salaries and setting targets and metrics until the impact of COVID-19 is clear. We will hold a review in June and, if necessary, again at the end of September and will keep our shareholders posted with developments.

This past year has been a period of considerable change and challenge, and I would like to thank my fellow committee members for their diligence and dedication. We look forward to seeing solid support for our new remuneration arrangements at the 2020 AGM – and, more importantly, seeing the benefits of our work to all our stakeholders over the coming years.

DOUG BAILLIE
CHAIR, REMUNERATION COMMITTEE
13 MAY 2020

> "As Airtel Africa is newly listed, the committee spent considerable time understanding the key regulatory requirements in the context of our current business practices, the environments we operate in and the importance of getting our policy right – for our shareholders, executive directors, and all our other stakeholders."

Remuneration Committee

- Advises the Board on remuneration for Board members, executive directors, the company secretary, the Executive Committee and other senior employees
- Makes sure that remuneration arrangements identify and mitigate reputational and other risks from excessive rewards and inappropriate behaviour linked to target-based incentive plans
- Ensures that targets are appropriate, geared to delivering our strategy and enhancing shareholder value
- Makes sure that rewards for achieving or exceeding agreed targets are not excessive
- Promotes the increasing alignment of executive, employee and shareholder interests through appropriate share plan participation and executive shareholding guidelines
- Reviews employee remuneration and policies and the alignment of incentives with culture, particularly when setting the executive directors' remuneration policy
- Through the committee chair, engages with shareholders on remuneration-related matters

Main activities in 2019/20

During the financial year, the committee:

- Agreed the committee's terms of reference
- Formulated our first directors' remuneration policy as a listed company
- Implemented and made awards under our new share plans
- Determined the level of bonus payments for this financial year
- Drafted our first directors' remuneration report as a listed company

Review of directors' remuneration policy and shareholder consultation

In 2019, we thoroughly reviewed the remuneration arrangements for our directors which had been put into place before the IPO. Our aim was to make sure that our new policy incentivises our management team to deliver longer-term shareholder value and reflects the latest UK Corporate Governance Code requirements and UK good practice. To this end, we are proposing a number of changes.

Proposed changes

- Introducing an annual bonus deferral
- Requiring a minimum shareholding for executive directors
- Simplifying the LTIP structure to include only performance shares and restricted stock units (RSUs)
- Introducing three-year performance periods for all LTIP measures
- Introducing a new TSR peer group comprising the constituents of the MSCI Emerging Markets Communication Services Index and retaining net revenue and EBITDA
- Implementing a two-year post-vesting holding period on the LTIP

We have consulted on the proposed policy with our largest shareholders who have indicated their support.

Engaging with employees

The report on page 79 sets out some of the activities undertaken during the year and explains our work on diversity and employee engagement. Going forward, together we will work to ensure that employees are appropriately represented in the boardroom and when making Remuneration Committee decisions.

PART 1

Performance and remuneration for 2019/20

Business performance context

To recap on the performance as described in the strategic report (see pages 1 to 64), this year Airtel Africa delivered a strong performance, with double-digit revenue and Underlying EBITDA growth.

- Annual bonuses depend primarily on financial measures, with 35% linked to non-financial measures covering Airtel Money expansion, talent development and compliance in 2019/20 (reducing to 20% for 2020/21). Bonuses related to 2019/20 reflect our pre-IPO practices and are payable in cash. From 2020/21, any bonus paid of more than 100% of annual base salary will be deferred into Airtel Africa plc shares for two years.
- Raghunath Mandava, our CEO, received a bonus of 60% of maximum. This recognises Airtel Africa's overall financial performance as well as his individual performance against personal objectives set at the start of the year. In assessing the annual bonus outturn the committee has exercised its discretion by taking account of the unanticipated regulatory changes in Nigeria which saw the removal of the Unstructured Supplementary Service Data (USSD) charges. These negatively impacted revenue in Airtel Money from October 2019 onward by approximately $3.71m. You can see bonus performance outcomes against targets in our remuneration report.
- The committee reviewed the formulaic outcomes against the bonus and LTIP targets and decided that these were a fair reflection of the overall performance achieved for shareholders.
- LTIPs granted in 2019 are subject to relative TSR measured over a three-year period ending in 2022 and net revenue and Underlying EBITDA measured over three consecutive annual periods.
- As a result of Airtel Africa's strong net revenue and underlying EBITDA growth in 2019/20, the conditions related to performance against these metrics during the year were partly achieved. Details are provided later in this report.
- IPO share options with a face value of 300% of salary were granted to the CEO shortly before our listing to create a mutual interest with IPO investors in the performance of our shares. Similar share options with a lower face value were also granted to other senior executives. These options will vest in three equal tranches in June 2020, 2021 and 2022 subject to continued employment.
- Replacement stock awards were granted shortly after our listing to replace the incentive arrangements used before the IPO. These consisted of awards over shares with an aggregate value of $515,078 for the CEO and are subject to conditions based on Airtel Africa's performance over two years.

Applying our policy in 2020/21

Salary

Due to the exceptional global circumstances around COVID-19 and its impact, the timing and level of increase will be reviewed by no later than the end of the second quarter of the financial year. The current salary for Raghunath Mandava is therefore the same as in 2019/20 at $825,000.

Benefits

No pension is payable to the CEO. Taxation equalisation benefits and other benefits, including car and expatriate living allowances, will be provided on the same basis as to other employees.

Variable pay

Due to the exceptional global circumstances around COVID-19, we will review targets and metrics within the guidelines of our policy by no later than the end of the second quarter of the financial year.

Maximum bonus opportunity will be capped at 200% of base salary. The 2020/21 target bonus will be set at 75% of base salary. Any bonus of more than 100% of salary will be deferred into shares for two years.

For 2020/21, LTIP grants for the CEO will consist of performance shares with a face value of 90% of salary and restricted stock units (RSUs) with a face value of 40% of salary. The mix of performance shares and RSUs reflects practices in the markets in which executive directors are located, as well as the challenges involved in setting robust performance targets given the locations of our operations.

We strongly support the principle that pay should be tied to performance. We will continue to set robust and challenging performance targets for both the bonus and the performance shares component of the LTIP, with vesting of restricted stock units (RSUs) dependent on the satisfaction of a financial underpin. It is intended that three performance conditions, as in 2019/20, will apply to the performance shares – relative TSR (20%), Underlying EBITDA (40%) and revenue (40%), with each being measured over three years. The underpin applying to the grant of RSUs will require a positive operating free cash flow over the three financial years ending with the year before the RSUs vest.

Non-executive directors' fees

Non-executive directors' fees will remain unchanged in 2020/21.

Proposed changes to directors' remuneration policy

Annual bonus

While the 2019 bonus is payable entirely in cash, annual bonus deferral has been introduced from 2020, with any bonus of more than 100% of base salary deferred into shares for two years.

The maximum bonus opportunity is set at 200% of base salary.

Long-term incentive plan (LTIP)

Performance for future grants of long-term incentives will be measured over a three-year period, with a compulsory two-year post-vesting holding period.

In 2020, we will continue with a balanced approach to long-term incentives. The LTIP will be delivered up to 100% of salary in performance shares and 50% of salary in RSUs. The use of RSUs reflects the difficulty with setting targets in some of our markets, combined with our strong desire for continuity below Board level, and talent retention.

Share ownership requirements (SORs)

SORs have been introduced at 250% of base salary for all executive directors, who will have to achieve the SOR requirement over a five-year period.

The Committee is aware of investor guidance in relation to post-employment share ownership. It considers that, in light of the Company's unusual circumstances, with senior executives located in Africa where additional requirements on the holding of shares are not market practice, that the operation of bonus deferral and post-vesting holding requirements currently provide sufficient alignment after employment has ended. However, it will continue to keep this aspect of the policy under review.

Dividend equivalents

Any dividend equivalents delivered on the deferred bonus or under the LTIP will be in shares and will only vest to the extent the award vests.

Directors' remuneration policy

This policy applies to our directors. It has been developed taking into account the principles of the UK Corporate Governance Code and the views of our major shareholders. Shareholders will be asked to approve this policy in a binding shareholder vote at our first AGM on Wednesday 24 June 2020.

Our proposed policy is intended to attract, motivate and retain high-calibre directors, to promote the long-term success of Airtel Africa, and to be in line with good practice and the interests of our shareholders.

Key principles of our remuneration policy

- Proportionality: remuneration packages should be set at competitive levels to ensure our ability to attract and retain premium talent.
- Clarity, simplicity and alignment to culture: the structure of these packages and, in particular, the design of performance-based remuneration schemes, should be aligned with stakeholders' interests, be easy to explain, and support our business strategy and objectives.
- Predictability and risk: a significant proportion of the remuneration of executive directors should be performance-based. The performance-based element of remuneration should be appropriately balanced between the achievement of short-term and longer-term objectives and not reward poor performance or encourage inappropriate risk-taking.
- Reflect the diversity of our business: the structure of the package, in particular benefits, should reflect local practices and employment conditions in the countries in which executive directors are based.

Executive directors' remuneration policy table

	Purpose and link to strategy	How we assess performance	Maximum opportunity
Base salary	To recruit and reward executive directors of a suitable calibre for the role and duties required	Reviewed annually by the committee, taking account of Group and individual performance, changes in responsibility and levels of increase for the broader employee population. Reference is also made to market levels in companies of similar size and complexity. The committee considers the impact of any base salary increase on the total remuneration package. Salaries (and other elements of the remuneration package) may be paid in different currencies as appropriate to reflect the geographic location.	There is no prescribed maximum salary or annual increase. However, increases will generally be guided by increases for the broader employee population. Increases above this level may be made in specific situations to recognise development in the role, changes in responsibility, material changes to the business or exceptional company performance.
Benefits	To provide market competitive benefits	Benefits for existing directors include a number of cash benefits, reflecting an expatriate package in a Kenyan environment. Future executive director appointments may be provided with an equivalent package reflecting their country of residence. Expatriate benefits include a housing allowance, education allowance and home leave tickets. Car allowances, life and medical insurance are also provided. Existing directors do not receive pension benefits. We may also equalise for double taxation between the UK and Kenya if required.	Maximum values are determined by reference to market practice, avoiding paying more than is necessary.

Directors' remuneration report continued

PART 2

	Purpose and link to strategy	How we assess performance	Maximum opportunity
Bonus plan	To give an incentive and reward for annual performance achievements. To also provide sustained alignment with shareholders through a component deferred in shares	Awards are based on annual performance against a scorecard of metrics aligned with our strategy, KPIs and other yearly goals. Financial measures have the highest weighting. Performance against strategic financial and non-financial objectives may also be measured, but will not normally account for more than 20% of the total. The policy gives the committee the authority to select suitable performance metrics aligned to our strategy and shareholders' interests, and to assess the performance outcome. Any award in excess of the annual base salary is normally delivered in deferred shares for a further two years. Any dividend equivalents accruing on shares between the date when the awards were granted and when they vest will normally be delivered in shares. Malus and clawback provisions apply to both the cash and share-based element of awards for a period of two years from the date of payment (cash) or date of release (shares) if there is: • Misstatement of the company's accounts • An error in calculating performance • Gross misconduct resulting in dismissal • Material failure in risk management • Reputational damage	The policy maximum annual bonus is 200% of base salary. The committee will use its discretion within the maximum policy limits to consider the target bonus opportunity taking account of market development opportunities, specific events and role expansion. For 2020/21, the CEO's target bonus opportunity will be set at 75% of his base salary. Dividend or dividend equivalents may be earned on the deferred bonus component.
Long-term incentive plan (LTIP)	To provide an incentive and reward for the delivery of the company's strategic objectives and provide further alignment with shareholders through the use of shares	Awards may comprise performance shares (PSP) or restricted stock units (RSUs). Individuals are considered each year for an award of shares that normally vest after three years to the extent that performance conditions are met and in line with the terms of the plan approved by shareholders. PSP awards are made subject to continued employment and the satisfaction of stretching performance conditions normally measured over three years set by the committee before each grant. For PSP awards to be made in 2020 it is intended that the metrics will comprise relative TSR against the MSCI Emerging Markets Communication Services Index (20%), net revenue (40%) and Underlying EBITDA (40%). The committee will have discretion to change the metrics and weighting from year to year. Major shareholders will normally be consulted before any significant changes. Awards of RSUs depend on continued employment and a financial underpin set by the committee prior to each grant. Awards granted in 2020 will require positive operating free cash flow over three financial years. The LTIP vesting outcome can be reduced, if necessary, to reflect the underlying or general performance of Airtel Africa. A two-year post-vesting holding period also normally applies for LTIP awards that vest (net of tax) after the adoption of this policy. Any dividend equivalents will normally be delivered at the end of the vesting period in shares based on the proportion of the award that vests. Malus and clawback provisions apply to awards made for three years from the date on which the award vests when there has been: • A misstatement of the company's accounts • An error in calculating performance • Gross misconduct resulting in dismissal • Material failure in risk management • Reputational damage	The maximum annual grant limit is 200% of base salary (face value of shares at grant), of which normally not more than 50% of annual salary may be granted as RSUs to any individual in a single year. PSP awards with a face value of 100% of salary and RSUs with a face value of 50% of salary will normally be awarded. 25% of the PSP award is available for threshold performance, rising on a straight-line scale to 100% of the grant for performance at the 'stretch' level.
Share ownership policy	To further align the interests of executive directors with those of shareholders	Executive directors are required to build up and retain shares worth 250% of base salary within five years of being appointed to the Board. Post-vesting holding periods and bonus deferral continue to apply post-employment to create continued alignment with shareholders after employment at Airtel Africa has come to an end.	Not applicable

Discretion in operating the incentive plans

To make sure these plans are operated and administered efficiently, the committee has discretion in relation to a number of areas. Consistent with market practice, these include (but are not limited to):

- Selecting the participants
- The timing of grant and/or payment
- The size of grants and/or payments (within the limits set out in the policy table)
- The extent of vesting based on the assessment of performance
- Determining a 'good leaver' and, where relevant, the extent of vesting for share-based plans
- Treatment in exceptional circumstances such as a change of control, when the committee would act in the best interests of our business and its shareholders
- Making the adjustments required in certain circumstances (such as rights issues, corporate restructuring, variation of capital and special dividends)
- The form of settlement of awards in accordance with the discretions set out in the plan rules
- The annual review of performance measures, weightings and targets for the discretionary incentive plans from year to year

The committee has the right to amend or substitute any performance conditions if something occurs that would mean the condition would not achieve its original purpose. Any amended condition would not be materially less difficult to satisfy in the circumstances.

Choice of performance measures and approach to target setting

Targets for each year's annual incentive and long-term incentive award are determined by the committee, taking a range of factors into account. These include the annual budget, the relevant three-year strategic plan, analysts' consensus factors, wider economic facts and affordability for the business.

Bonus plan

The annual bonus is based on performance against a stretching combination of financial and non-financial performance measures aligned with our KPIs and operational goals for the year. As such, they typically include measures of revenue, profitability and cash flow, which reflect our focus on profitable growth, cash generation and satisfying our debt and other capital commitments. Executive directors and members of our senior management team are also assessed on personal objectives, as agreed by the committee at the start of each year. The committee reviews and adapts the objectives as appropriate to reflect the priorities for the business in the year ahead. As noted in the introduction, the metrics and proposed weightings will be reviewed no later than the second quarter to ensure they are still appropriate in light of COVID-19.

2020 metrics and rationale

Metric	Weighting	Why chosen	How targets are set
Net revenue	80%	Key indicator of our growth, market penetration and customer retention	Set each year by the committee taking account of prevailing market conditions and progress towards strategic goals
Underlying EBITDA		Measure of our profitability and cash-generating ability from year to year	Set each year by the committee taking account of prevailing market conditions and progress towards strategic goals
Operating free cash flow (OFCF)		Measure of the underlying profitability from our operations, as well as our ability to service debt and other capital commitments	Set each year by the committee taking account of prevailing market conditions and progress towards strategic goals
Non-financial	20%	Indicator of the performance of the organisation in key non-financial areas. For 2020, the non-financial measures relate to people and regulatory objectives	Set each year by the committee based on the priorities and responsibilities of each role

We set a sliding scale of targets for each financial measure to encourage continuous improvement and to stretch performance. The policy gives the committee the authority to select suitable performance metrics, aligned to our strategy and shareholder interests.

Long-term incentive plan (LTIP)

The performance conditions for the LTIP in 2020/21 are based on financial growth and total shareholder return (TSR). We set a sliding scale of challenging performance targets for each measure – for more on these targets, see page 105. The committee reviews the choice of performance measures and the appropriateness of the performance targets and TSR peer group before each PSP grant.

While different performance measures and/or weightings may be applied for future awards, the committee will consult with major shareholders before making any significant changes.

Directors' remuneration report continued

PART 2

2020 metrics and rationale

Metric	Weighting	Why chosen	How targets are set
TSR, relative to a peer group of competitors	20%	Measures the total returns to our shareholders, providing close alignment with shareholder interests	The committee sets the performance requirements for each grant. For grants in 2020, we intend to use a peer group of international emerging market communication services organisations (MSCI Emerging Markets Communication Services Index constituents).
Net revenue	40%	A key indicator of long-term growth achieved in the market	The committee sets threshold and stretch levels aligned to our strategic targets.
Underlying EBITDA	40%	A key indicator of long-term growth in profitability from operations	The committee sets threshold and stretch levels aligned to our strategic targets.

Legacy arrangements

Airtel Africa has the authority to honour any commitments entered into with current or former directors before this policy is approved or before their appointment to the Board. Details of any payments to former directors will be set out in our remuneration report for the relevant year.

Executive directors' existing service contracts

Our executive directors have entered into agreements with an indefinite term that may be terminated by either party on three months' written notice. At the committee's discretion, we may make a payment in lieu of notice – this is calculated relative to base salary and benefits only, paid on a phased basis and subject to mitigation.

Entitlement to both annual bonus and LTIP awards will typically lapse on cessation, although in good leaver circumstances we may pay a pro-rata bonus for the period worked. LTIP awards may vest at the normal vesting date subject to the performance conditions and are normally pro-rated for time.

If a director commits an act of gross misconduct or similar, he or she may be dismissed without notice and without further payment or compensation, except for sums accrued up to the leaving date.

Name of director	Date of service contract	Unexpired term
Raghunath Mandava	13 June 2019	Rolling contract

Approach to remuneration for new executive directors

The remuneration package for a newly appointed executive director will be set in line with the remuneration policy in force at the time. Variable remuneration will be determined in the same way as for existing executive directors, and is subject to the maximum limits on variable pay referred to in the policy table on page 108.

The committee may also buy out any remuneration and contract features that an executive director may be giving up in order to join Airtel. Such buyouts would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the value foregone and the time over which they would have vested or been paid. Where shares are used, these awards may be made under the terms of the LTIP or under a separate arrangement, as permitted under the UK Listing Rules.

The committee may agree that we will meet certain relocation, legal, tax equalisation and other incidental expenses as appropriate.

For an internal appointment, any legacy pay elements related to the prior role are allowed to pay out according to their terms.

Service contracts for new executive directors and policy on loss of office

Contracts for new executive directors will normally include up to six months' notice by either party. If the contract is brought to an end by the company other than for 'cause' as specified in the contract, the executive director would be eligible for payment of the base salary and benefits relating to the unexpired portion of the notice period. We may choose to continue providing some benefits instead of paying a cash sum representing their cost.

We would try to mitigate the termination payment by, for example, making payments in instalments that can be reduced or ended if the former director wants to begin alternative employment during the payment period. We will pay any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the committee, reimbursement for legal advice and provision of outplacement services) as necessary.

Good leavers may receive an annual bonus related to the period they have served. This would be payable following the relevant year end, subject to the normal conditions for the bonus and normally paid in cash.

Share-based awards held by good leavers will typically vest according to the normal schedule, and are subject to performance conditions and usually pro-rated.

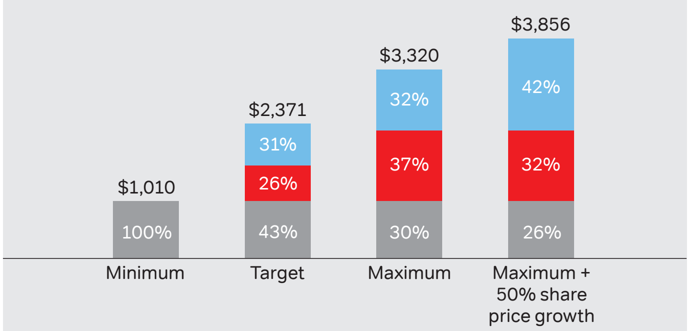
On a change of control of Airtel Africa, outstanding awards will normally vest early to the extent that the performance conditions have been satisfied. Awards would normally be reduced pro-rata to reflect the time between the grant date and the date of the corporate event.

If there is a demerger, special dividend or other event the committee thinks may affect the current or future value of shares, they may decide that awards will vest on the same basis as on a change of control. If there is an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the committee decides that awards should vest on the same basis as on a change of control.

Remuneration scenarios at different performance levels

These charts illustrate the total potential remuneration for the CEO at three performance levels.

Remuneration scenarios ($000)



1 Assumptions:

Minimum = fixed pay only (salary + benefits + pension)

On-target = 50% vesting of maximum bonus and 55% for PSP awards and 100% for RSUs

Maximum = 100% vesting of maximum bonus and LTIP awards

Salary levels (on which other elements of the package are calculated) are based on those applying on 1 April 2020.

2 Benefit values for the CEO exclude the costs of business travel and accommodation.

3 To reflect the impact of a share price increase between award and vesting, the LTIP value in the maximum column has been increased by 50% in the share price growth column.

Remuneration policy for non-executive directors

Element	Purpose and link to strategy	Operation	Maximum opportunity
Non-executive Board chair fees	To attract and retain high-calibre chairs who have the necessary experience and skills. To provide fees which take account of the time commitment and responsibilities of the role.	The chair receives an annual fee, plus a fee for chairing the Nominations Committee. We may also pay fees reflecting additional time commitments or time required to travel to Board meetings. In addition, to assist with the performance of his duties whilst in the UK, the chair has the use of a car and driver with the company settling any tax due.	The committee reviews the chair's fees periodically. While there is no maximum fee level, we set fees by reference to market data for companies of similar size and complexity.
Other non-executive fees	To attract and retain high-calibre non-executive directors, with the necessary experience and skills. To provide fees which take account of the time commitment and responsibilities of the role.	Non-executive directors are paid a basic fee. We may also pay additional fees to reflect extra responsibilities or time commitments, for example, for Board committee chairs, senior independent directors or designated non-executive directors, or time required to travel to Board meetings.	Non-executive directors' fees are reviewed periodically by the chair and executive directors. While there is not a maximum fee level, fees are set by reference to market data for companies of similar size and complexity to Airtel Africa.

We may reimburse the reasonable expenses of directors that relate to their duties on behalf of Airtel Africa (including tax if applicable). We may also provide advice and assistance with directors' tax returns where these are affected by the duties they undertake on our behalf.

All non-executive directors have letters of appointment for an initial period of three years. In keeping with best practice, non-executive directors are subject to annual re-election each year at our AGM. The chair's appointment may be terminated by either party with six months' notice, and the appointments of the other non-executive directors may be terminated by either party with one month's notice. Either appointment can also be terminated at any time if the director is removed by resolution at an AGM or pursuant to the Articles.

Directors' letters of appointment are available for inspection during normal business hours at our registered office and also at our yearly AGM.

All directors have been appointed for a fixed term ending on the date of our 2022 AGM.

Shareholder context

The committee considers the views of shareholders when reviewing the remuneration of executive directors and other senior executives and consults directly with major shareholders about any material changes to policy.

If either the remuneration policy or implementation resolutions receive a significant proportion of votes against, the committee will work with shareholders to understand the reasons behind these votes and the concerns they have.

Broader employee context

The committee considers executive remuneration in the context of our wider employee population. The remuneration policy for executive directors is more weighted towards variable pay than for other employees to make a greater part of their pay conditional on the successful delivery of business strategy. Our aim is to create a clear link between the value created for shareholders and the remuneration received by our executive directors.

Given the diverse spread of geographical locations in which Airtel Africa operates, employees are not directly consulted on the directors' remuneration. However, employees will have the opportunity to express their views on remuneration arrangements through employee surveys and other forms of engagement, and these will be shared with senior management and the Board as appropriate.

PART 3

Annual Report on Remuneration

This report has been prepared by the committee and approved by our Board. As stipulated in the relevant UK regulations, Deloitte LLP have independently audited these items:

- Executive directors' and non-executive directors' remuneration and associated footnotes on page 113
- The table of share awards granted to executive directors and associated footnotes on page 109
- The statement of directors' shareholdings and share interests on page 111

2019/20 remuneration of directors (audited)

The table sets out the total remuneration for the executive directors for the year ended March 2020. This comprises the total remuneration received over the full year from April 2019 to March 2020, including remuneration received from the Group prior to Admission and the incorporation of the Company on 12 July 2018.

All amounts are in $'000		Base salary[1]	Benefits[1]	Pension contribution[2]	Annual bonus	LTIP	Other[4]	Total fixed	Total variable	Total
Raghunath Mandava	2019/20	$817	$184	–	$678	$392[3]	$1,252	$1,001	$1,070	$3,323
	2018/19	$765	$186	–	$546	$554	$349	$951	$1,100	$2,400

Notes
1 Benefits include expatriate benefits ($'000), including: housing allowance of $68, education allowance of $30, car allowance of $58 and home travel allowance of $20.
2 The existing executive directors do not participate in pension arrangements.
3 In accordance with the regulations, the 2019/20 LTIP value has been estimated based on the average price of Airtel Africa's shares in the period between 1 January 2020 to 31 March 2020. This will be restated based on the actual value at vesting in June 2020 in the 2020/21 accounts.
4 Other relates to the payment of the exceptional turnaround bonus of $1m and the one-off deferred cash plan of up to $375,000, both of which were put in place prior to the IPO and disclosed in the Prospectus. Two-thirds of the deferred cash plan was dependent on performance conditions; which were Relative TSR over one year (30% of this element), 2019/20 Net revenue (35%) and Underlying EBITDA (35%) against the targets shown on page 111; and one-third was dependent only on service conditions.

Annual bonus

Airtel Africa has continued to deliver strong performance during the year, with double-digit revenue growth in both reported and constant currency and double-digit underlying EBITDA growth in constant currency. This growth continues to be broad-based across our voice, data and Airtel Money divisions.

Our customer numbers increased by 11.9% this year, contributing to an increase in voice revenue. We're also increasingly seeing the success of the rollout of our modernised 4G networks, with a more than 39% increase in data revenues for the year. Alongside this, our focus on increasing the application of our mobile money services through international partnerships while growing our distribution footprint has driven the expansion of Airtel Money. It's in this context that we have set our incentive awards.

2019/20 bonus outcomes (audited)

	Bonus performance measures				
	Net revenue	Underlying EBITDA	OFCF	Personal	Total
Weighted total	25%	25%	15%	35%	100%
Outcomes (weighted % of maximum)	23%	13%	6%		
Raghunath Mandava (weighted % of maximum)				18%	60%

Financial objectives

Financial performance was assessed against the underlying net revenue, underlying EBITDA and OFCF ranges set for 2019/20.

All amounts are in $million	Weighting (%)	Threshold (30%)	Target (50%)	Maximum (100%)	Actual
Net revenue	25%	$2,815.1	$2,887.3	$2,959.5	$2,947.4
EBITDA	25%	$1,464.9	$1,533.1	$1,605.3	$1,537.4
OFCF	15%	$669.9	$738.1	$810.3	$706.9

All targets and achievements are in AOP constant currency as at 1 March 2019

Personal objectives

Raghunath Mandava

Airtel Money amounts are in $million	Weighting (%)	Target	Performance achieved	Outcome (weighted % of maximum)
Expand Airtel Money to new geographies and products	10%	Threshold: $319.4 Target: $327.6 Maximum: $335.8	$319.4	3%[1]
Build teams for running Airtel Money, Home Broadband & Enterprise	10%	Build teams to run and grow new line of businesses: Airtel Money, Home Broadband and Enterprise	Eight new hires at GM level and 17 new hires at a senior manager and below level	5%
Compliance score	5%	Threshold: 55 Target: 58 Maximum: 61	65.8	5%
Post-IPO listed company compliance	10%	Fulfill necessary compliance and stabilisation post-IPO	Post-IPO activities are on track	5%

All targets and achievements are in AOP constant currency as at 1 March 2019

1 On 23 October, 2019, the Nigerian Communications Commission withdrew the USSD charge which negatively impacted Airtel Money turnover by $3.71m. The actual outturn for Airtel Money revenue was $317.8m, $1.6m below the threshold for this measure. The committee has used its discretion to partially adjust the outturn for the impact of the withdrawal of the USSD charge in its final assessment of the CEO's bonus award.

Annual bonus awarded

Name	Awarded in cash	Awarded in shares	Total
Raghunath Mandava	$678,000	–	$678,000

Long-term incentive plan (LTIP) (audited)

LTIP awards granted in 2019/20

As disclosed in our June 2019 prospectus, the CEO was granted LTIP awards on admission as set out below.

	Type of award (% weighting of maximum award)	Maximum number of shares	Face value[1]	Face value as a % of salary	Threshold vesting	End of performance period
Raghunath Mandava	PSP – Financial (⅓)	297,618	$300,000	36%	25%	Revenue and EBITDA: 31 March 2020, 31 March 2021 and 31 March 2022
	PSP – TSR (⅓)	297,620	$300,000	36%	25%	TSR element 3 July 2022
	RSU (⅓)	297,619	$300,000	36%	100%	n/a

1 Face value is computed using initial offer price of $1.008 (£0.8)

The performance conditions are based on three performance measures – TSR (50%), Underlying EBITDA (25%) and Revenue growth (25%). We measure relative TSR over a three-year performance period and the other two measures over a rolling one-year period. This combination of measures helps to align the operation of the LTIP with shareholders' interests and our business strategy.

Directors' remuneration report continued

PART 3

Targets applying to the performance share plan (PSP) awards

All amounts are in $million Metric	Weighting on total PSP	Performance period	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)
Relative TSR	50%	3 years ending 3 July 2022	<Rank 2	Rank 2 and 5% p.a. TSR	Rank 2 and 10% p.a. TSR	Rank 1 and >10% p.a. TSR
Underlying EBITDA	8.33%	Year ended 31 March 2020	<$1,464.9	$1,464.9	$1,533.1	$1,605.3
	8.33%	Year ending 31 March 2021	Set in current year and therefore commercially sensitive. Subject to Committee confirmation at the end of Q1 2020 in light of COVID-19 implications. Will be disclosed retrospectively in 2021/22 accounts			
	8.33%	Year ending 31 March 2022	Set at the beginning of the 2021/22 financial year			
Net revenue	8.33%	Year ended 31 March 2020	<$2,815.1	$2,815.1	$2,887.3	$2,959.5
	8.33%	Year ending 31 March 2021	Set in current year and therefore commercially sensitive. Subject to Committee confirmation at the end of Q1 2020 in light of COVID-19 implications. Will be disclosed retrospectively in 2021/22 accounts			
	8.33%	Year ending 31 March 2022	Set at the beginning of the 2021/22 financial year			

All targets and achievements are in AOP constant currency as at 1 March 2019

For performance between threshold, target and stretch, awards vest on a straight-line pro-rata basis.

The TSR performance condition is based on our TSR relative to a small group of our competitors. For TSR performance testing for 2019 award, the comparator group is Vodacom, MTN and Safaricom, and we apply an absolute measure of TSR performance to compensate for the small group size.

IPO stock options and replacement stock awards granted in 2019/20

As disclosed in the prospectus, the CEO was granted IPO stock options and stock awards to replace legacy incentive arrangements in place before the IPO. Awards where the performance period ended in the year are shown below.

	Type of award	Maximum number of shares	Face value[1]	Face value as a % of salary	Exercise Price	Threshold vesting	End of performance period
Raghunath Mandava	IPO stock options	2,380,952	$2,400,000	291%	£0.8	100%	n/a
	Replacement stock award – RSU	255,495	$257,539	31%	Nil	100%	31 March 2020 and 31 March 2021
	Replacement stock award – PSU	510,990	$515,078	62%	Nil	25%	31 March 2020 and 31 March 2021

1 Face value is computed using initial offer price of $1.008 (£0.8)

The performance conditions for replacement stock PSU awards are based on four measures – relative TSR (10%), Underlying EBITDA (20%), Net revenue (35%) and Operating free cash flow (35%) – all measured over a rolling one-year period. These measures help to align the operation of the LTIP with shareholders' interests and our business strategy and reflect the company's pre-IPO remuneration policy.

Targets applying to the replacement stock award – PSU awards

All amounts are in $million Metric	Weighting	Performance period	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)
Relative TSR	10%	Two annual periods ending on 31 May 2020 and 31 May 2021	<Rank 2	Rank 2 and 5% p.a. TSR	Rank 2 and 10% p.a. TSR	Rank 1 and >10% p.a. TSR
Underlying EBITDA	20%	Year ended 31 March 2020	<$1,464.9	$1,464.9	$1,533.1	$1,605.3
		Year ending 31 March 2021	Set in current year and therefore commercially sensitive. Subject to Committee confirmation at the end of Q1 2020 in light of COVID-19 implications. Will be disclosed retrospectively in 2021/22 accounts			
Net revenue	35%	Year ended 31 March 2020	<$2,815.1	$2,815.1	$2,887.3	$2,959.5
		Year ending 31 March 2021	Set in current year and therefore commercially sensitive. Subject to Committee confirmation at the end of Q1 2020 in light of COVID-19 implications. Will be disclosed retrospectively in 2021/22 accountss			
Operating free cash flow	35%	Year ended 31 March 2020	<$669.9	$669.9	$738.1	$810.3
		Year ending 31 March 2021	Set in current year and therefore commercially sensitive. Subject to Committee confirmation at the end of Q1 2020 in light of COVID-19 implications. Will be disclosed retrospectively in 2021/22 accounts			

All targets and achievements are in AOP constant currency as at 1 March 2019

For performance between threshold, target and stretch, awards vest on a straightline pro-rata basis.

The TSR performance condition is based on our TSR relative to a small group of competitors based on their size, the nature of their operations and the markets in which they operate. For TSR performance testing for 2019/20, the comparator group is Vodacom, MTN and Safaricom, and we apply an absolute measure of TSR performance to compensate for the small group size.

Share awards vesting in relation to 2019/20

Outcomes against each performance condition for awards made to executive directors on IPO, subject to performance measured to the end of 31 March 2020 against conditions.[1]

All amounts are in US$million Metric	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	% achievement (of maximum)
Net revenue	<$2,815.1	$2,815.1	$2,887.3	$2,959.5	$2,947.4	92%
Underlying EBITDA	<$1,464.9	$1,464.9	$1,533.1	$1,605.3	$1,537.4	53%
Operating free cash flow	<$669.9	$669.9	$738.1	$810.3	$706.9	39%

All targets and achievements are in AOP constant currency as at 1 March 2019

1 10% of the award (for Replacement Stock Awards-PSU) is subject to a TSR performance condition measured at the end of May 2020 and performance against that measure and the value of the award vesting will be disclosed in next year's accounts

For performance between threshold, target and stretch awards vest on a straight-line pro-rata basis.

As a result of this performance, the following awards were capable of vesting:

	Type of award	Earliest date for vesting	Applicable performance conditions	Maximum number of shares comprised in each tranche	Number of shares vesting	Estimated value on vesting[1]	Estimated value attributable to (share price difference)[1,2]
Raghunath Mandava	LTIP awards PSP	1 Jun 2020	Underlying EBITDA, net revenue	99,206	71,719	$59,527	($12,766)
	LTIP awards RSU	1 Jun 2020	N/A	99,206	99,206	$82,341	($17,659)
	Replacement stock awards-PSU	1 Jun 2020	TSR, Underlying EBITDA, net revenue and OFCF	283,770	159,352	$132,262	($28,365)
	Replacement stock awards-RSU	1 Jun 2020	N/A	141,885	141,885	$117,765	($25,256)
Total				624,067	472,162	$391,894	($84,045)

1 The estimated Value on vesting is the average price of Airtel Africa's shares in the period between 1 January 2020 to 31 March 2020 i.e. $0.83 (£0.64). The estimated value attributable to share price difference is the change from the initial offer price of $1.008 (£0.8)

2 Share price on grant date for all awards was the initial offer price $1.008 (£0.8)

This table lists the non-executive directors' remuneration in accordance with UK reporting regulations.

All amounts are in '000		NED fees[1]	Benefits (actual paid)	Total	As at 31 March 2020 $[2]
Sunil Bharti Mittal	2019/20	£90	£67	£157	$194.7
	2018/19	N/A	N/A	N/A	N/A
Awuneba Ajumogobia	2019/20	£80	N/A	£80	$99.2
	2018/19	N/A	N/A	N/A	N/A
Douglas Baillie	2019/20	£90	N/A	£90	$111.6
	2018/19	N/A	N/A	N/A	N/A
John Danilovich	2019/20	£80	N/A	£80	$99.2
	2018/19	N/A	N/A	N/A	N/A
Andrew Green	2019/20	£90	N/A	£90	$111.6
	2018/19	N/A	N/A	N/A	N/A
Akhil Gupta	2019/20	£70	N/A	£70	$86.8
	2018/19	N/A	N/A	N/A	N/A
Shravin Bharti Mittal	2019/20	£70	N/A	£70	$86.8
	2018/19	N/A	N/A	N/A	N/A
Annika Poutiainen	2019/20	£80	N/A	£80	$99.2
	2018/19	N/A	N/A	N/A	N/A
Ravi Rajagopal	2019/20	£90	N/A	£90	$111.6
	2018/19	N/A	N/A	N/A	N/A
Arthur Lang	2019/20	£70	N/A	£70	$86.8
	2018/19	N/A	N/A	N/A	N/A

1 NED fees determined in pound sterling

2 Adjustable closing FX rate of GBP/USD on 31 March 2020 – 1 GBP = $1.24

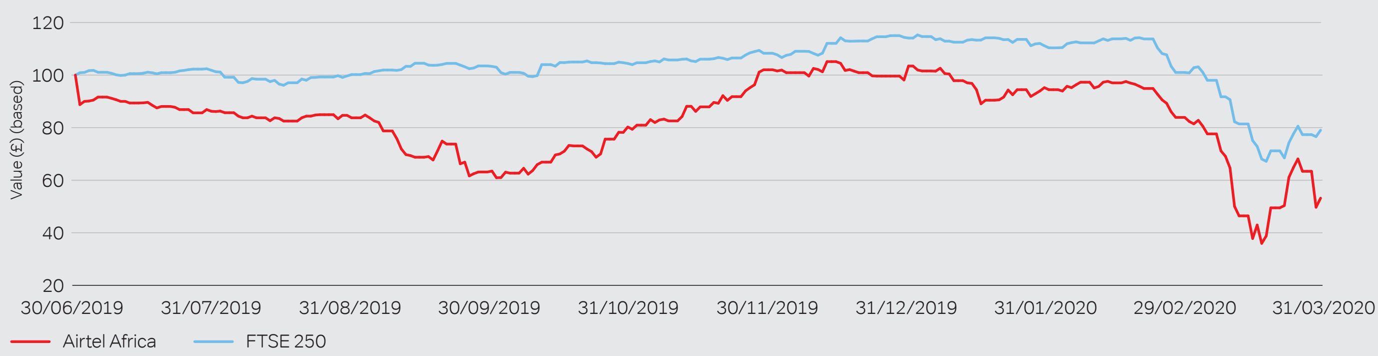
Directors' remuneration report continued

PART 3

Our TSR performance from admission

The following graphs set out our comparative TSR relative to the FTSE 250 Index from 28 June 2019 (the date of our listing) to 31 March 2020, as required in UK reporting regulations. This index was chosen as it is a broad equity market index of which we are a member.

Total shareholder return



This graph shows the value, by 31 March 2020, of £100 invested in Airtel Africa on the date of admission (28 June 2019), compared with the value of £100 invested in the FTSE 250 Index on a daily basis.

CEO remuneration from our listing (28 June 2019)

This table sets out the single figure for the total remuneration paid to our CEO, together with the annual bonus payout and the LTIP payout (both as a percentage of the maximum opportunity), for the current year. Over time, the data in this table will show the CEO's remuneration over a ten-year period.

	2019/20
Total remuneration ($'000)	$3,323
% of maximum bonus earned	60%
% maximum LTI vested	76%

Comparison of 2019 and 2018 increase in CEO remuneration with increases in other employees

This table shows the percentage movement in the salary, benefits and annual bonus for our CEO between the current and previous financial year.

The majority of our employees are based in Africa, with only seven employees in the UK. As a result, we are not required to publish a CEO pay ratio. Given the numbers of employees in the UK versus those overseas and the fact that the roles located in the UK are principally involved in the operation of our head office, the ratio produced by comparing CEO remuneration with that of our UK workforce is likely to be misleading. As such, the committee has decided not to publish this information.

	Percentage change in remuneration elements from 2018/19 to 2019/20		
	Salary	**Benefits**	**Bonus**
CEO	6.4%	Nil	15%
Full-time employees	N/A	N/A	N/A

Relative importance of spend on pay

This table sets out, for the year ended 31 March 2020, the total cost of our employee remuneration and the total distributions to shareholders through dividends.

$million	**2019/20**	2018/19	% change
Dividends	**$113**	N/A	N/A
Overall remuneration expenditure	**$234**	$236	(0.8%)

Non-executive directors' remuneration (audited)

Current fee levels

Role	Annual fee[1]	As at 31 March 2020 $[2]
Board chairman fee	£70,000	$86,800
Non-executive base fee	£70,000	$86,800
Additional fees		
Committee chair fee	£20,000	$24,800
Supplement for senior independent director	£20,000	$24,800
Committee membership fee	£10,000	$12,400

1 NED fees determined in pound sterling

2 Adjustable closing FX rate of GBP/USD on 31 March 2020 – 1 GBP = $1.24

Statement of directors' shareholdings and share interests (audited)

The beneficial and non-beneficial share interests of our directors and their connected persons, presented in accordance with the provisions of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), as at 28 June 2019 and as at 31 March 2020 are listed below.

Executive directors (audited)

Each executive director must build up and maintain a shareholding in Airtel Africa equivalent to 250% of their base salary within five years of being appointed to the Board. While the executive director is building to this shareholding level, deferred bonus awards net of the expected tax liability that will apply on vesting will count towards this requirement. LTIP shares that have vested and that are within the two-year post-vesting holding period will also count on a net of tax basis.

In order to deal with unexpected circumstances, the committee has discretion on how to operate the policy and may make exceptions and allowances if it sees fit.

	Shareholding at 28 June 2019	Shareholding at 31 March 2020	Total shareholding as multiple of salary (%)	Unvested LTIPs[1]
Raghunath Mandava	–	–	–	4,040,294
Total	**–**	**–**	**–**	**4,040,294**

1 Unvested LTIP shares subject to service and performance conditions

Non-executive directors (audited)

	Shareholding at 28 June 2019	Shareholding at 31 March 2020
Sunil Bharti Mittal[1]	–	–
Awuneba Ajumogobia	–	–
Douglas Baillie	–	20,000
John Danilovich	–	460,000
Andrew Green	–	–
Akhil Gupta	–	–
Shravin Bharti Mittal[1,2]	–	127,147,531
Annika Poutiainen	–	30,000
Ravi Rajagopal	–	86,500
Arthur Lang	–	–

1 Sunil Bharti Mittal and Shravin Bharti Mittal do not have any direct shareholding in the Company. The Company is an indirect subsidiary of Bharti Airtel Limited which is a listed company in India. Sunil Bharti Mittal and Shravin Bharti Mittal are members of the Bharti Mittal family group which has an indirect shareholding in Bharti Airtel Limited. Indian Continent Investment Limited and Bharti Global Limited are held ultimately by the Bharti Mittal family group. Each of Bharti Airtel Limited, Indian Continent Investment Limited and Bharti Global Limited hold voting rights in the Company as set out on page 95 (Major Shareholders)

2 Shares held by Bharti Global Limited, a connected person of Shravin Bharti Mittal for the purposes of this disclosure

There has been no change in the interests of the directors and their connected persons between 31 March 2020 and the date of this report.

Directors' remuneration report continued

PART 3

Committee governance

Our Remuneration Committee is a formal committee of the Board. Its remit is set out in terms of reference available on our website at www.airtel.africa. The committee reviews its performance against these terms each year and is satisfied that it has acted in line with its terms of reference during the year.

Committee composition

Members throughout the year	Meeting attendance (four meetings in the year)
Douglas Baillie, Chair	4 (4)
John Danilovich	4 (4)
Awuneba Ajumogobia	4 (4)

Other regular attendees:

- Chief executive officer
- Group head of HR
- Company secretary
- External remuneration consultants

The committee is authorised to seek information from any director and employee and to obtain external advice. The committee is solely responsible for the appointment of external remuneration advisers and for the approval of their fees and other terms. No director or other attendee takes part in any discussion about his or her personal remuneration.

In the year to 31 March 2020, Aon provided remuneration advice and benchmarking data to the committee. Aon was appointed by the committee in light of their experience and expertise in remuneration advisory work and is expected to provide independent advice. Aon does not undertake any other work for Airtel Africa and has no other connections to the Board or any director Aon has signed the Code of Conduct of the Remuneration Consultants Group requiring the advice they provide to be objective and impartial. Total fees paid to Aon for the year in review were £185,744 of which £68,000 related to advice prior to listing and £117,744 related to support to the Committee following listing, based on the consulting time required.

Sums paid to third parties for directors' services

No sums were paid or were receivable by third parties for the services of any director of Airtel Africa while acting as a director of the company or of any of our subsidiaries, or as a director of any other undertaking by our nomination, or otherwise in connection with the management of Airtel Africa or any undertaking during the year to 31 March 2020.

Share awards granted to executive directors (audited)

These tables set out the share awards granted to the executive directors. All awards are determined by the £0.8 share price.

	Type of award	Maximum awards held on 3 July 2019	Awards granted during year	Lapsed in year	Exercised in year	Maximum awards held as at 31 March 2020	Date of grant	Exercise price	Vesting date	Expiry date
Raghunath Mandava	IPO share options	2,380,952	Nil	Nil	Nil	2,380,952	03 July 2019	£0.8	1 June 2020, 21, 22	02 Jul 2029
	LTIP awards – PSP-financial	297,618	Nil	Nil	Nil	297,618	03 July 2019	Nil	1 June 2020, 21, 22	02 Jul 2029
	LTIP awards – PSP-TSR	297,620	Nil	Nil	Nil	297,620	03 July 2019	Nil	03 July 2022	02 Jul 2029
	LTIP awards – RSU	297,619	Nil	Nil	Nil	297,619	03 July 2019	Nil	1 June 2020, 21, 22	02 Jul 2029
	Replacement stock awards	766,485	Nil	Nil	Nil	766,485	03 July 2019	Nil	1 June 2020, 21	02 Jul 2029

Airtel Africa share price

The closing price of an ordinary share on the London Stock Exchange on 31 March 2020 was £0.41, with the range between 1 April 2019 and 31 March 2020 being £0.28 (low) to £0.81 (high).

On behalf of the Board

DOUG BAILLIE
CHAIR, REMUNERATION COMMITTEE
13 MAY 2020