



**FINANCIAL REPORTING COUNCIL OF NIGERIA**  
**(Federal Ministry of Industry, Trade & Investment)**

**FRC/CG/001: TEMPLATE FOR REPORTING COMPLIANCE WITH THE NIGERIAN CODE OF  
CORPORATE GOVERNANCE 2018**

Section A: Introduction

Corporate Governance is a key driver of corporate accountability and business prosperity. The Nigerian Code of Corporate Governance, 2018 (NCCG 2018) seeks to institutionalize corporate governance best practices in Nigerian companies. It is also aimed at increasing entities' levels of transparency, trust and integrity, and create an environment for sustainable business operations.

The Code adopts a principle-based approach in specifying minimum standards of practice that companies should adopt. Where so required, companies are required to adopt the "Apply and Explain" approach in reporting on compliance with the Code. The 'Apply and Explain' approach assumes application of all principles and requires entities to explain how the principles are applied. This requires companies to demonstrate how the specific activities they have undertaken best achieve the outcomes intended by the corporate governance principles specified in the Code.

This will help to prevent a 'box ticking' exercise as companies deliberately consider how they have (or have not) achieved the intended outcomes. Although, the Code recommends practices to enable companies apply the principles, it recognises that these practices can be tailored to meet industry or company needs. The Code is thus scalable to suit the type, size and growth phase of each company while still achieving the outcomes envisaged by the principles.

This form seeks to assess the company's level of compliance with the principles in the NCCG 2018. Entities should explain how these principles have been applied, specify areas of deviation from the principles and give reasons for these deviations and any alternative practice(s) adopted.

Please read the instructions below carefully before completing this form:

1. Every line item and indicator must be completed.
2. Respond to each question with "Yes" where you have applied the principle, and "No" where you are yet to apply the principle.
3. An explanation on how you are applying the principle, or otherwise should be included as part of your response.
4. Not Applicable (N/A) is not a valid response.

## Section B – General Information

S/No.	Items	Details
1.	Company Name	UAC OF NIGERIA PLC
2.	Date of Incorporation	APRIL 22, 1931
3.	RC Number	341
4.	License Number	IT IS NOT A REQUIREMENT FOR THE COMPANY
5.	Company Physical Address	UAC HOUSE, 1-5 ODUNLAMI STREET, LAGOS
6.	Company Website Address	<a href="http://www.uacnplc.com">www.uacnplc.com</a>
7.	Financial Year End	DECEMBER 31
8.	Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company	YES THE COMPANY IS ITSELF A HOLDING COMPANY
9.	Name and Address of Company Secretary	AYOMIPO WEY 1-5 ODUNLAMI STREET, MARINA, LAGOS
10.	Name and Address of External Auditor(s)	KPMG PROFESSIONAL SERVICES BISHOP ABOYADE COLE STREET, VICTORIA ISLAND, LAGOS
11.	Name and Address of Registrar(s)	AFRICA PRUDENTIAL PLC 220B IKORODU ROAD, PALMGROVE, LAGOS
12.	Investor Relations Contact Person (E-mail and Phone No.)	FUNKE IJAIYA-OLADIPO <a href="mailto:investorrelations@uacnplc.com">investorrelations@uacnplc.com</a> +234 906 269 2908
13.	Name of the Governance Evaluation Consultant	Governance Evaluation for 2023 is being conducted internally by the Company Secretary, Ms. Ayomipo Wey
14.	Name of the Board Evaluation Consultant	Board Evaluation for 2023 is being conducted internally by the Company Secretary, Ms. Ayomipo Wey

## Section C - Details of Board of the Company and Attendance at Meetings

### 1. Board Details:

S/No.	Names of Board Members	Designation (Chairman, MD, INED, NED, ED)	Gender	Date First Appointed/ Elected	Remark
1.	MR. DANIEL AGBOR	CHAIRMAN	MALE	NOVEMBER 12 2015	
2.	MR. FOLASOPE AIYESIMOJU	Group Managing Director	MALE	MARCH 28 2018	
3.	MR. ADEBOLANLE BADEJO	ED	MALE	JULY 28 2023	
4.	MRS. BABAFUNKE IJAIYA- OLADIPO	ED	FEMALE	JULY 28 2021	
5.	MR. BOLAJI ODUNSI	INED	MALE	OCTOBER 30 2018	
6.	MRS. SUZANNE IROCHE	INED	FEMALE	AUGUST 1 2019	
7.	MR. KARL TORIOLA	INED	MALE	JANUARY 1 2020	
8.	MR. KHALIFA BIOBAKU	NED	MALE	MARCH 29 2022	

9.	DR. VITUS EZINWA	ED	MALE	NOVEMBER 1 2018	Resigned 27 July 2023
10.	MR. BABATUNDE KASALI	NED	MALE	MARCH 7 2013	Retired 21 June 2023

## 2. Attendance at Board and Committee Meetings:

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
1.	MR. DANIEL AGBOR	6	6	NOT A MEMBER OF ANY COMMITTEE	CHAIRMAN	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE
2.	MR. FOLASOPE AIYESIMOJU	6	6	RISK MANAGEMENT COMMITTEE	MEMBER	4	4
3.	MR. ADEBOLANLE BADEJO	6	2 (representing 100% attendance since his appointment)	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE
4.	MRS. BABAFUNKE IJAIYA-OLADIPO	6	6	RISK MANAGEMENT COMMITTEE [NO LONGER A MEMBER W.E.F JULY 2023]	MEMBER	4	3 (representing 100% attendance while a member)
5.	MR. BOLAJI ODUNSI	6	4	RISK MANAGEMENT COMMITTEE	CHAIRMAN	4	3
				STATUTORY AUDIT COMMITTEE	MEMBER	4	3
6.	MRS. SUZANNE IROCHE	6	6	GOVERNANCE & REMUNERATION COMMITTEE	CHAIRPERSON	3	3
	MR. KARL TORIOLA	6	5	RISK MANAGEMENT COMMITTEE	MEMBER	4	0
				GOVERNANCE & REMUNERATION COMMITTEE	MEMBER	3	0
7.	MR. KHALIFA BIOBAKU	6	6	RISK MANAGEMENT COMMITTEE	MEMBER	4	4
				GOVERNANCE & REMUNERATION COMMITTEE	MEMBER	3	3
				STATUTORY AUDIT COMMITTEE	MEMBER	4	2 (representing 100% attendance since he

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
							joined the Committee)
8.	DR. VITUS EZINWA	6	3 (Representing 100% attendance until his exit from the Board)	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE	NOT A MEMBER OF ANY COMMITTEE
10.	MR. BABATUNDE KASALI	6	2 (Representing 100% attendance until his retirement from the Board)	STATUTORY AUDIT COMMITTEE [NO LONGER A MEMBER W.E.F JUNE 21, 2023]	MEMBER	4	2 (Representing 100% attendance until his retirement from the Board)
				GOVERNANCE & REMUNERATION [NO LONGER A MEMBER W.E.F JUNE 21, 2023]	MEMBER	3	1 (Representing 100% attendance until his retirement from the Board)

#### Section D - Details of Senior Management of the Company

##### 1. Senior Management:

S/No.	Names	Position Held	Gender
1.	MR. FOLASOPE AIYESIMOJU	GROUP MANAGING DIRECTOR	MALE
2.	MRS. FUNKE IJAIYA-OLADIPO	GROUP FINANCE DIRECTOR	FEMALE
3.	MR. ADEBOLANLE BADEJO	GROUP INVESTMENT DIRECTOR	MALE
4.	MS. AYOMIPO WEY	COMPANY SECRETARY/GROUP GENERAL COUNSEL	FEMALE
5.	MRS. QUEENETTE DUROSINMI-ETTI	CHIEF OPERATING OFFICER	FEMALE
6.	MS. ABOSEDE OGUNDIYUN	HEAD, TALENT STRATEGY	FEMALE
7.	MR. TUNJI RABIU	GROUP INTERNAL AUDITOR	MALE

Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
<b>Part A - Board of Directors and Officers of the Board</b>		
<b>Principle 1: Role of the Board</b> <i>“A successful Company is headed by an effective Board which is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible corporate citizenship. As a link between stakeholders and the Company, the Board is to exercise oversight and control to ensure that management acts in the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company”</i>	<b>1. Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No</b> <b>If yes, when was it last reviewed?</b>	<p>Yes, the Board has an approved charter which sets out the responsibilities and terms of reference for Directors.</p> <p>The Board Charter was last reviewed on 28 July 2023.</p>
<b>Principle 2: Board Structure and Composition</b> <i>“The effective discharge of the responsibilities of the Board and its committees is assured by an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity “</i>	<b>1. What are the qualifications and experiences of the directors?</b>	<p>The Directors are experienced professionals from diverse backgrounds including in Law, Banking, Finance, Investing, Environment, Accounting, and Telecommunications.</p>
	<b>2. Does the company have a Board-approved diversity policy? Yes/No</b> <b>If yes, to what extent have the diversity targets been achieved?</b>	<p>Yes</p> <p>The diversity policy was approved by the Board on October 28, 2021. There is strong female representation within Middle and Senior Management, as well as at Board level across the UAC group.</p>
	<b>3. Are there directors holding concurrent directorships? Yes/No</b> <b>If yes, state the names of the directors and the companies.</b>	<p>Yes</p> <p>Please see the attached Schedule</p>
	<b>4. Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No</b> <b>If yes, provide the names of the Committees.</b>	<p>No</p> <p>None of the Executive Directors chairs any of the Board Committees.</p>
<b>Principle 3: Chairman</b> <i>“The Chairman is responsible for providing overall leadership of the Company and the Board, and eliciting the constructive participation of all Directors to facilitate effective direction of the Board”</i>	<b>1. Is the Chairman a member or chair of any of the Board Committees? Yes/no</b> <b>If yes, list them.</b>	<p>No</p> <p>The Chairman does not Chair and is not a member of any Committee.</p>
	<b>2. At which Committee meeting(s) was the Chairman in attendance during the period under review?</b>	<p>None</p> <p>The Chairman did not attend any Committee meeting during the period under review.</p>
	<b>3. Is the Chairman an INED or a NED?</b>	<p>The Chairman is a NED</p>
	<b>4. Is the Chairman a former MD/CEO or ED of the Company? Yes/No</b> <b>If yes, when did his/her tenure as MD end?</b>	<p>No</p> <p>The Chairman is not a former MD/CEO or ED of the Company.</p>
	<b>5. When was he/she appointed as Chairman?</b>	<p>The Chairman was appointed in November 2015.</p>

Principles	Reporting Questions	Explanation on application or deviation
	6. Are the roles and responsibilities of the Chairman clearly defined? Yes/No If yes, specify which document	Yes.  The Board Charter incorporates by reference, the duties and responsibilities of the Chairman as contained in Section 3.4 of the Nigerian Code of Corporate Governance 2018.
<b>Principle 4: Managing Director/ Chief Executive Officer</b>  <i>"The Managing Director/Chief Executive Officer is the head of management delegated by the Board to run the affairs of the Company to achieve its strategic objectives for sustainable corporate performance"</i>	1. Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? Yes/No If no, in which documents is it specified?	Yes.  The Group Managing Director has a contract of service which sets out his authority and relationship with the Board. Additionally, the Board Charter provides for the functions and responsibilities of the Group Managing Director including those stated in Section 4.4 of NCCG 2018.
	2. Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes.  The Group Managing Director fills and submits a conflict-of-interest confirmation form annually.
	3. Which of the Board Committee meetings did the MD/CEO attend during the period under review?	The Group Managing Director attended all of the Board Risk Management Committee Meetings as a member; and all the Governance and Remuneration Committee meetings to present relevant updates to the Committee.
	4. Is the MD/CEO serving as NED in any other company? Yes/no. If yes, please state the company(ies)?	Yes.  a) UAC Foods Limited b) UAC Restaurants Limited c) Grand Cereals Limited d) Chemical And Allied Products PLC e) MDS Logistics Limited f) UPDC PLC g) Themis Capital Management h) Themis Consulting Services i) AM & P Advisory Services j) FOODPRO Limited k) Juven Holdings  The first 6 companies above are subsidiaries and associate companies of UAC of Nigeria PLC and the Group Managing Director's membership on those Boards is necessary for the proper discharge of his responsibilities.
	5. Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No	Yes, the Group Managing Director's membership on the Boards of other companies does not create any conflicts of interest.
<b>Principle 5: Executive Directors</b>  <i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i>	1. Do the EDs have contracts of employment? Yes/no	Yes. All Executive Directors have letters of employment issued by the Company.
	2. If yes, do the contracts of employment set out the roles and responsibilities of the EDs? Yes/No If no, in which document are the roles and responsibilities specified?	Yes, the contract of employment states their roles and responsibilities.
	3. Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. Executive Directors fill and submit conflict of interest confirmation forms annually.
	4. Are there EDs serving as NEDs in any other company? Yes/No If yes, please list	See 4 above in respect of the Group Managing Director  The Group Investment Director also serves as NED in: a) Chemical and Allied Products PLC ** b) Livestock Feeds PLC ** c) Grand Cereals Limited**

Principles	Reporting Questions	Explanation on application or deviation
		<p>d) UAC Foods Limited** e) MDS Logistics Limited**</p> <p>He also serves as the Vice Executive Chairman of UAC Restaurants Limited**, a subsidiary of UAC of Nigeria PLC</p> <p>The Group Finance Director serves as a NED in:</p> <p>a) UAC Foods Limited**; b) Grand Cereals Limited** and c) Sponsors For Educational Opportunity Africa</p> <p>** the asterisked companies above are subsidiaries or associate companies of UAC of Nigeria PLC and the EDs' memberships on those boards are necessary for the proper discharge of their responsibilities.</p>
	5. Are their memberships in these companies in line with Board-approved policy? Yes/No	<p>Yes.</p> <p>The Executive Directors' memberships on the boards of other companies do not create any conflicts of interest.</p>
<p><b>Principle 6: Non-Executive Directors</b></p> <p><i>Non-Executive Directors bring to bear their knowledge, expertise and independent judgment on issues of strategy and performance on the Board</i></p>	1. Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?	<p>Yes.</p> <p>They are documented in their Appointment Letters and the Board Charter.</p>
	2. Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes, their letters of appointment specify their duties, liabilities and terms of their engagement.
	3. Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. This is declared annually.
	4. Are NEDs provided with information relating to the management of the company and on all Board matters? Yes/No If yes, when is the information provided to the NEDs	<p>Yes.</p> <p>Management updates are provided to NEDs at least quarterly.</p>
	5. What is the process of ensuring completeness and adequacy of the information provided?	Prior to the commencement of each year, Management outlines its plans for the Company and provides reports/updates on progress regularly throughout the year.
	6. Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No	Yes, the NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor.
<p><b>Principle 7: Independent Non-Executive Directors</b></p> <p><i>Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"</i></p>	1. Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No	<p>Yes</p> <p>This is re-confirmed annually.</p>
	2. Are there any exceptions?	There are no exceptions.
	3. What is the process of selecting INEDs?	<p>The Governance and Remuneration Committee manages the process through review of existing competencies against the required competencies, then interviews the candidate and makes recommendations to the Board. Thereafter, the Board makes recommendations to the shareholders in general meetings, where the final decision is made.</p> <p>Ahead of general meetings, casual vacancies can be filled by a Board resolution upon the recommendation of the Governance and Remuneration Committee.</p> <p>In accordance with the charter on the appointment process of directors, where relevant, recruitment/search firms may also be engaged.</p>

Principles	Reporting Questions	Explanation on application or deviation
	4. Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes, the INEDs have letters of employment specifying their duties and terms of engagement. Their duties are also outlined in the Board Charter.
	5. Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes, they fill and submit conflict of interest confirmation forms annually.
	6. Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?	Yes, this is confirmed annually. A Questionnaire is filled out by the INEDs. The completed questionnaires are then assessed by the Company Secretary and the Governance and Remuneration Committee and a report on findings is presented to the Board.
	7. Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?	No
	8. Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details.	No
	9. What are the components of INEDs remuneration?	a) Director's Fees b) Sitting Allowance c) Flight Ticket d) Passage Allowance
<b>Principle 8: Company Secretary</b>  <i>"The Company Secretary support the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company"</i>	1. Is the Company Secretary in-house or outsourced?	In-House
	2. What is the qualification and experience of the Company Secretary?	LLB; BL; LLM
	3. Where the Company Secretary is an employee of the Company, is the person a member of senior management?	Yes
	4. Who does the Company Secretary report to?	The Company Secretary reports on functional matters to the Board through the Chairman, and on administrative and other matters to the Group Managing Director.
	5. What is the appointment and removal process of the Company Secretary?	The appointment and removal of the Company Secretary is in line with section 333 of the Companies and Allied Matters Act (CAMA), 2020 (as amended).
	6. Who undertakes and approves the performance appraisal of the Company Secretary?	The Board (through the Governance and Remuneration Committee) and the Group Managing Director.
<b>Principle 9: Access to Independent Advice</b>  <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i>	1. Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? Yes/No If yes, where is it documented?	Yes.  This is documented in the appointment letters of the Directors.
	2. Who bears the cost for the independent professional advice?	The Company
	3. During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.	No
<b>Principle 10: Meetings of the Board</b>  <i>"Meetings are the principal vehicle for conducting the business of the Board and</i>	1. What is the process for reviewing and approving minutes of Board meetings?	<p>The Minutes of each Board Meeting are drafted by the Company Secretary and reviewed by the Group Managing Director and the Chairman of the Board.</p> <p>The minutes are then reviewed by each member of the Board before the next Board meeting.</p>



Principles	Reporting Questions	Explanation on application or deviation
successfully fulfilling the strategic objectives of the Company"		At the next Board meeting, corrections (if any) are taken and a motion for the adoption of the minutes is moved and seconded, and the minutes are adopted in the absence of any dissenting opinion.
	2. What are the timelines for sending the minutes to Directors?	The Minutes of each Board Meeting form part of the Board pack and are usually provided to Board Members at least 7 days prior to the next meeting.
	3. What are the implications for Directors who do not meet the Company policy on meeting attendance?	Attendance at meetings is a consideration in the performance evaluation of each Board Member.
<b>Principle 11: Board Committees</b> <i>"To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities."</i>	1. Do the Board Committees have Board-approved Charters which set out their responsibilities and terms of reference? Yes/No	Yes
	2. What is the process for reviewing and approving minutes of Board Committee of meetings?	<p>The Minutes of each committee meeting are prepared by the Company Secretary and shared with the Group Managing Director or the relevant Executive Director in attendance, as well as the respective Chairpersons of each committee.</p> <p>Thereafter, Committee members individually review the minutes before the next committee meeting.</p> <p>At the next committee meeting, corrections (if any) are taken and a motion for the adoption of the minutes is moved and seconded, and the minutes are adopted in the absence of any dissenting opinion.</p>
	3. What are the timelines for sending the minutes to the directors?	The minutes of each board committee meeting form part of the committee meeting pack and are usually made available to committee members at least 7 days prior to the next meeting.
	4. Who acts as Secretary to board committees?	The Company Secretary
	5. What Board Committees are responsible for the following matters? 1. Nomination and Governance 2. Remuneration 3. Audit 4. Risk Management	1) Governance and Remuneration Committee 2) Governance and Remuneration Committee 3) Audit Committee 4) Risk Management Committee
	5. What is the process of appointing the chair of each committee?	The Board Charter provides that the chairperson of each Committee shall be selected by the Board.
	Committee responsible for Nomination and Governance	
	6. What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?	The Committee comprises 3 NEDs, 2 of whom are INEDs.
	7. Is the chairman of the Committee a NED or INED?	INED
	8. Does the Company have a succession plan policy? Yes/No If yes, how often is it reviewed?	<p>The Company has a succession policy which was last reviewed on 28 July 2023.</p> <p>The policy provides that the Board Governance and Remuneration Committee shall review the policy as the need arises to ensure that it remains consistent with the relevant laws, regulations, and relevant principles of corporate governance.</p>
	9. How often are Board and Committee charters as well as other governance policies reviewed?	They are reviewed as needed and in accordance with their terms.
	10. How does the committee report on its activities to the Board?	The Committee Chairpersons present reports at each board meeting.

Principles	Reporting Questions	Explanation on application or deviation
	Committee responsible for Remuneration	
	11. What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	The Committee Comprises 3 NEDs, 2 of whom are INEDs.
	12. Is the chairman of the Committee a NED or INED?	INED
	Committee responsible for Audit	
	13. Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	The Risk Management Committee performs this function for the board. Separately, the Company has a Statutory Audit Committee comprised of 3 shareholders and 3 NEDs.
	14. Are members of the Committee responsible for Audit financially literate? Yes/No	Yes
	15. What are their qualifications and experience?	They are experienced Accountants, Executives and Businessmen.
	16. Name the financial expert(s) on the Committee responsible for Audit	1. Olabisi Fayombo 2. Matthew Akinlade 3. Mr Khalifa Biobaku 4. Bolaji Odunsi
	5. How often does the Committee responsible for Audit review the internal auditor's reports?	Quarterly
	6. Does the Company have a Board approved internal control framework in place? Yes/No	Yes
	7. How does the Board monitor compliance with the internal control framework?	The Risk, Compliance and Control Associate presents compliance reviews and reports on outcomes at every Risk Management and Audit Committee meeting. Likewise, Internal Audit Service provider audits processes and controls put in place by management and presents reports to the Audit Committee, on a periodic basis.
	8. Does the Committee responsible for Audit review the External Auditors management letter, Key Audit Matters and management response to issues raised? Yes/No Please explain.	Yes, these are presented to the audit committee for deliberation.
	9. Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No	Yes, there is a board-approved policy guiding the engagement of External Auditors for Non-Audit Services.
	10. How many times did the Audit Committee hold discussions with the head of internal audit function and external auditors without the management during the period under review?	Once with the External Auditors and Once with The Internal Audit Service Providers.
	Committee responsible for Risk Management	
	11. Is the Chairman of the Risk Committee a NED or an INED?	INED
	12. Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?	Yes. It was approved in March 2021
	13. How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	Quarterly. Updates on Strategic Risks, and Risk and Control Reports are presented to the Risk Management Committee for review on a quarterly basis.
	14. Does the Company have a Board-approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed?	Yes It is reviewed annually.

Principles	Reporting Questions	Explanation on application or deviation
	15. How often does the Committee receive and review compliance report on the IT Data Governance Framework?	It is reviewed at Risk Management Committee meetings as required.
	16. Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No	The Chief Operating officer who oversees the risk management and compliance functions is a member of the Executive Committee, reporting directly to the Group Managing Director.  Given the importance of the Risk Management function, the Chief Operating Officer holds monthly Management Risk Committee meetings with the relevant members of management.
	17. How many meetings of the Committee did the CRO attend during the period under review?	The erstwhile Head of Risk and Compliance and the Chief Operating Officer attended all the meetings of the Committee in 2023.
<b>Principle 12: Appointment to the Board</b>  <i>"A written, clearly defined, rigorous, formal and transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board"</i>	1. Is there a Board-approved policy for the appointment of Directors? Yes/No	Yes
	2. What criteria are considered for their appointment?	Experience, Skills, Qualifications, Reputation, and Board Requirements.
	3. What is the Board process for ascertaining that prospective directors are fit and proper persons?	The Board ensures that appointments are in accordance with the provisions of the Companies and Allied Matters Act ("CAMA") 2020 (as amended) and NCCG 2018.  Profiles are thoroughly reviewed, and interviews are conducted as deemed appropriate.
	4. Is there a defined tenure for the following: 1. The Chairman 2. The MD/CEO 3. INED 4. NED 5. EDs	The Chairman does not have a defined tenure.  The GMD's tenure (if any) is specified in his contract of service.  NEDs and INEDs are rotated in line with the provisions of CAMA and may stand for re-election until they reach the age of 70 years.  The Executive Directors' tenure (if any) is specified in their contracts of service.
	6. Please state the tenure	The preceding response is applicable here.
	7. Does the Board have a process to ensure that it is refreshed periodically? Yes/No?	Yes. Board members are evaluated annually, and changes in the composition of the Board are made as needed.
<b>Principle 13: Induction and Continuing Education</b>  <i>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</i>	1. Does the Board have a formal induction programme for new directors? Yes/No	Yes
	2. During the period under review, were new Directors appointed? Yes/No If yes, provide date of induction.	Yes  Mr. Adebolanle Badejo was appointed on July 28, 2023 and inducted immediately following his appointment.
	3. Are Directors provided relevant training to enable them effectively to discharge their duties? Yes/No If yes, provide training details.	Yes  In September 2023, all the Directors attended a Training on (i) Strategy and (ii) Perspectives of Consumer-Packaged Goods Trends and Effective Portfolio Management.
	4. How do you assess the training needs of Directors?	Through board evaluation conclusions and individual requests.
	5. Is there a Board-approved training plan? Yes/No	Yes. A training plan is drawn up every year.
	6. Has it been budgeted for? Yes/No	Yes
<b>Principle 14: Board Evaluation</b>	1. Is there a Board-approved policy for evaluating Board performance? Yes/No	Yes

Principles	Reporting Questions	Explanation on application or deviation
<p><i>“Annual Board evaluation assesses how each Director, the committees of the Board and the Board are committed to their roles, work together and continue to contribute effectively to the achievement of the Company’s objectives”</i></p>	2. For the period under review, was there any Board Evaluation exercise conducted? Yes/No	Yes, the evaluation in respect of the 2023 financial year is being conducted internally by the Company Secretary in line with regulation and a report on findings will be presented to the Board at the March 2024 Board meeting.
	3. If yes, indicate whether internal or external. Provide date of last evaluation.	Internal.  The evaluation for the 2023 financial year is being conducted internally by the Company Secretary in line with regulation and a report on findings will be presented to the Board at the March 2024 Board meeting.
	4. Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation.	The Report will be presented to the Board at the March 2024 Board Meeting.
	5. Did the Chairman discuss the evaluation report with the individual directors? Yes/No	This will be done following conclusion of the evaluation process.
	6. Is the result of the evaluation for each Director considered in the re-election process? Yes/No	Yes.
<p>Principle 15: Corporate Governance Evaluation</p> <p><i>“Institutionalizing a system for evaluating the Company’s corporate governance practices ensures that its governance standards, practices and processes are adequate and effective”</i></p>	1. For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation.	Yes, the Corporate Governance evaluation in respect of the 2023 financial year is being conducted internally by the Company Secretary in line with regulation.
	2. Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No	The Report will be presented to the Board at the March 2024 Board Meeting.
	3. If yes, please indicate the date of last presentation.	This will be presented to the board at the March 2024 Board meeting.
	4. Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No	Yes, it was included for the 2022 financial year. In respect of the 2023 financial year, it will be included upon conclusion of the evaluation.
<p>Principle 16: Remuneration Governance</p> <p><i>“The Board ensures that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term”</i></p>	1. Is there a Board-approved Directors’ remuneration policy? Yes/No If yes, how often is it reviewed?	Yes. It is reviewed as the need arises in accordance with its terms.
	2. Provide details of directors’ fees, allowances and all other benefits paid to them during the period under review.	The amount paid to the directors in 2023 is ₦93,167,902.
	3. Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved?	Yes. It was approved at the Company’s last AGM held on 21 June 2023.
	4. What portion of the NEDs remuneration is linked to company performance?	None
	5. Is there a Board-approved remuneration policy for Executive and Senior management? Yes/No If yes, to what extent is remuneration linked to company performance?	Yes. The Remuneration Policy covers Executives and Senior Management. The remuneration structure for Executive and Senior Management incorporates a variable or at-risk element.  There is an approved a long-term incentive plan that ties a portion of Executive and Senior Management’s remuneration to shareholder return.
	6. Has the Board set KPIs for Executive Management? Yes/No	Yes
	7. If yes, was the performance measured against the KPIs? Yes/No	Yes

Principles	Reporting Questions	Explanation on application or deviation
	8. Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors' fees? Yes/No	No
	9. Which of the following receives sitting allowance and/or fees: 1. MD/CEO 2. ED 3. Company Secretary 4. Other Senior management staff	None
	5. Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy.	Yes, please see attached.
<b>Principle 17: Risk Management</b>  <i>"A sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company."</i>	1. Has the Board defined the company's risk appetite and limit? Yes/No	Yes
	2. How often does the company conduct a risk assessment?	Annually. A risk assessment and identification exercise is conducted annually by the company.
	3. How often does the board receive and review risk management reports?	At least quarterly. It is presented to the Risk Management Committee and subsequently to the Board.
<b>Principle 18: Internal Audit</b>  <i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems."</i>	1. Does the company have an Internal Audit function? Yes/No If no, how has the Board obtained adequate assurance on the effectiveness of internal processes and systems?	Yes.  In 2023, the company transitioned from outsourced internal audit function to in-sourced function.
	2. Does the company have a Board-approved internal audit charter? Yes/No	Yes
	3. Is the head of internal audit a member of senior management? Yes/No	Yes. The Group Internal Auditor is a member of senior management.
	4. What is the qualification and experience of the head of internal audit?	He is a Chartered Professional Accountant with over 20 years of experience in Internal Audit, Risk Management, and Financial and Operation audits. He has international internal audit experience, proficient in control frameworks such as COSO, OSFI and SOX and is knowledgeable in GAAP, IFRS, PSAB, IIA's professional standards in auditing and testing of COBIT.
	5. Does the company have a Board-approved annual risk-based internal audit plan? Yes/No	Yes
	6. Does the head of the internal audit function report at least once every quarter to the committee responsible for audit, on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans? Yes/No	Yes, in 2023, the outsourced internal audit service provider presented audit findings to the Audit Committee.  Exceptions identified are monitored and reported on a quarterly basis by the Head of Risk and Compliance.
	7. Is there an external assessment of the effectiveness of the internal audit function at least once every three years by a qualified independent reviewer appointed by the Board? Yes/No If yes, when was the last assessment?	Not yet; in 2023, the internal audit function was outsourced to PricewaterhouseCoopers.  The Company has now transitioned to in-sourced internal audit function and an external assessment of the effectiveness of the Internal Audit function will be done in due course, in line with regulation.
	8. Who undertakes and approves the performance evaluation of the Head of Internal Audit?	The Audit Committee and the Risk Management Committee at various meetings discuss the performance of the Internal Audit Service.
<b>Principle 19: Whistleblowing</b>	1. Does the company have a Board-approved whistleblowing framework? Yes/No	Yes. it was last reviewed in July 2021.

Principles	Reporting Questions	Explanation on application or deviation
<p><i>"An effective whistle-blowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and prevents recurrence"</i></p>	If yes, when was the date of last review	
	2. Does the Board ensure that the whistleblowing mechanism and are process reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistleblower? Yes/No	Yes, the Board ensures that the whistleblowing mechanisms are accessible to all stakeholders and guarantees anonymity and protection for whistleblowers. In addition, periodic awareness sessions are held to enlighten stakeholders on whistle-blowing processes.
	3. Is the Audit committee provided with the following reports on a periodic basis?	Yes, these reports are presented to the Committee.
	1. Reported cases. 2. Process and results of Investigated cases	
<p><b>Principle 20: External Audit</b></p> <p><i>"An external auditor is appointed to provide an independent opinion on the true and fair view of the financial statements of the Company to give assurance to stakeholders on the reliability of the financial statements."</i></p>	1. Who makes the recommendations for the appointment, re-appointment or removal of external auditors?	Board of Directors and Audit Committee
	2. Who approves the appointment, re-appointment, and removal of External Auditors?	Shareholders in General Meeting
	3. When was the first date of appointment of the External auditors?	June 2021
	4. How often are the audit partners rotated?	Every 5 years
<p><b>Principle 21: General Meetings</b></p> <p><i>"General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance and performance. They provide shareholders with an opportunity to exercise their ownership rights and express their views to the Board on any areas of interest"</i></p>	1. How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?	Notice - 36 days Annual Report – 28 days
	2. Were the Chairmen of all Board Committees and the Chairman of the Statutory Audit Committee present to respond to Shareholders' enquiries at the last meeting? Yes/No	Yes
<p><b>Principle 22: Shareholder Engagement</b></p> <p><i>"The establishment of a system of regular dialogue with shareholders balance their needs, interests and expectations with the objectives of the Company."</i></p>	1. Is there a Board-approved policy on shareholders' engagement? Yes/No If yes: 1. when was it last reviewed? 2. Is the policy hosted on the company's website?	1. Yes A) December 2020 B) Yes. The policy is available at <a href="http://www.uacnplc.Com">www.uacnplc.Com</a> .
	3. How does the Board engage with Institutional Investors and how often?	This is done frequently through investor calls, general meetings, publications in newspapers, the company's website, and the NGX Issuers' Portal.
<p><b>Principle 23: Protection of Shareholder Rights</b></p> <p><i>"Equitable treatment of shareholders and the protection of their statutory and general rights,</i></p>	1. Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? Yes/No	Yes

Principles	Reporting Questions	Explanation on application or deviation
<i>particularly the interest of minority shareholders, promote good governance."</i>		
<p><b>Principle 24: Business Conduct and Ethics</b></p> <p><i>"The establishment of professional business and ethical standards underscore the values for the protection and enhancement of the reputation of the Company while promoting good conduct and investor confidence"</i></p>	<p>1. Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and ethical standards? Yes/No</p> <p>If yes:</p> <ol style="list-style-type: none"> <li>Has the COBE been communicated to all internal and external Stakeholders? Yes/No</li> <li>Is the COBE applicable to any or all of the following: <ol style="list-style-type: none"> <li>Board</li> <li>Senior management</li> <li>Other employees</li> <li>Third parties</li> </ol> </li> </ol> <p>3. When was the date of last review of the policy?</p> <p>4. Has the Board incorporated a process for identifying, monitoring and reporting adherence to the COBE? Yes/No</p> <p>5. What sanctions were imposed for the period under review for non-compliance with the COBE?</p>	<p>1. Yes, the Board has an approved Code of Business Conduct</p> <p>1. Yes, the Code of Business Conduct has been communicated to all internal and external stakeholders of the Company.</p> <p>2. Yes, the Code of Business Conduct applies to Board Members, Senior Management, all employees and third parties.</p> <p>28 July 2023</p> <p>Yes</p> <p>Any identified non-compliance with the Code of Business Conduct is treated in line with the Company's disciplinary and other related policies.</p>
<p><b>Principle 25: Ethical Culture</b></p> <p><i>"The establishment of policies and mechanisms for monitoring insider trading, related party transactions, conflict of interest and other corrupt activities, mitigates the adverse effects of these abuses on the Company and promotes good ethical conduct and investor confidence"</i></p>	<p>1. Is there a Board- approved policy on insider trading? Yes/No</p> <p>If yes:</p> <ol style="list-style-type: none"> <li>When was the last date of review?</li> <li>How does the Board monitor compliance with this policy?</li> </ol> <p>2. Does the company have a Board approved policy on related party transactions? Yes/No</p> <p>If yes:</p> <ol style="list-style-type: none"> <li>When was the last date of review?</li> <li>How does the Board monitor compliance with this policy?</li> <li>Is the policy applicable to any or all of the following: <ol style="list-style-type: none"> <li>Board</li> <li>Senior management</li> <li>Other employees (Specify)</li> <li>Third parties (Specify)</li> </ol> </li> </ol>	<p>Yes, The Company has a Securities Trading Policy</p> <p>April 2021</p> <p>An annual sign-off process is in place. The Board monitors compliance through the Company Secretary who obtains details of dealings in the company's securities from the registrars at relevant times.</p> <p>Directors are required to notify the Company Secretary before dealing in the company's securities. The Company Secretary follows the relevant regulations in the NGX Rulebook to prevent any instances of insider trading.</p> <p>Furthermore, the Company Secretary regularly notifies the Board and all insiders about closed periods for trading in the company's shares.</p> <p>Yes</p> <p>The policy was last reviewed in December 2020.</p> <p>There is an annual sign-off process in place.</p> <p>The policy is applicable to the Board, Senior Management, other employees, and third-party suppliers.</p>

Principles	Reporting Questions	Explanation on application or deviation
	5. How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?	There is an annual sign-off process in place. The Board ensures that related party transactions (if any) are stated in the annual reports.
	6. Does the company have a Board-approved policy on conflict of interest? Yes/No  If yes: 1. When was the last date of review? 2. How does the Board monitor compliance with this policy? 3. Is the policy applicable to any or all of the following: 1. Senior management 2. Other employees (Specify)	Yes.  The policy was last reviewed in December 2020.  There is an annual sign-off process in place.  The policy is applicable to Board members, Senior Management and all employees.
Principle 26: Sustainability  “Paying adequate attention to sustainability issues including environment, social, occupational and community health and safety ensures successful long-term business performance and projects the Company as a responsible corporate citizen contributing to economic development”	1. Is there a Board-approved sustainability policy? Yes/No If yes, when was it last reviewed?	Yes. It is captured in the Company's Code of Business Conduct, which was last reviewed in July 2023.
	2. How does the Board monitor compliance with the policy?	Through reports presented at Board and Committee meetings by Management.
	3. How does the Board report compliance with the policy?	The Board reports on sustainability in its Annual Report.
	4. Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?	Yes. It was last reviewed in October 2021.
Principle 27: Stakeholder Communication  “Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions”	1. Is there a Board-approved policy on stakeholder management and communication? Yes/No	Yes
	2. Does the Company have an up-to-date investor relation portal? Yes/No If yes, provide the link.	Yes, please see link below.  <a href="https://www.uacnplc.com/investors/">https://www.uacnplc.com/investors/</a>
Principle 28: Disclosures  “Full and comprehensive disclosure of all matters material to investors and stakeholders, and of matters set out in this Code ensures proper monitoring of its implementation which engenders good corporate governance practice”	1. Does the company's annual report include a summary of the corporate governance report? Yes/No	Yes, the Annual Report includes a summary of the corporate governance report.
	2. Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.	No.



## Section F – Certification

We hereby make this declaration in good faith and confirm that the information provided in this form is true.

**Chairman of the Board of Directors**

**Name:** Dan Agbor

**Signature:** 

**Date:** 23 February 2024

**Chairperson of the Committee responsible for Governance**


**Name:** Suzanne Iroche

**Signature:** 

**Date:** 23 February 2024

**Group Managing Director**

**Name:** Folasope Aiyesimoju

**Signature:** 

**Date:** 22 February 2024

**Company Secretary**

**Name:** Ayomipo Wey

**Signature:** 

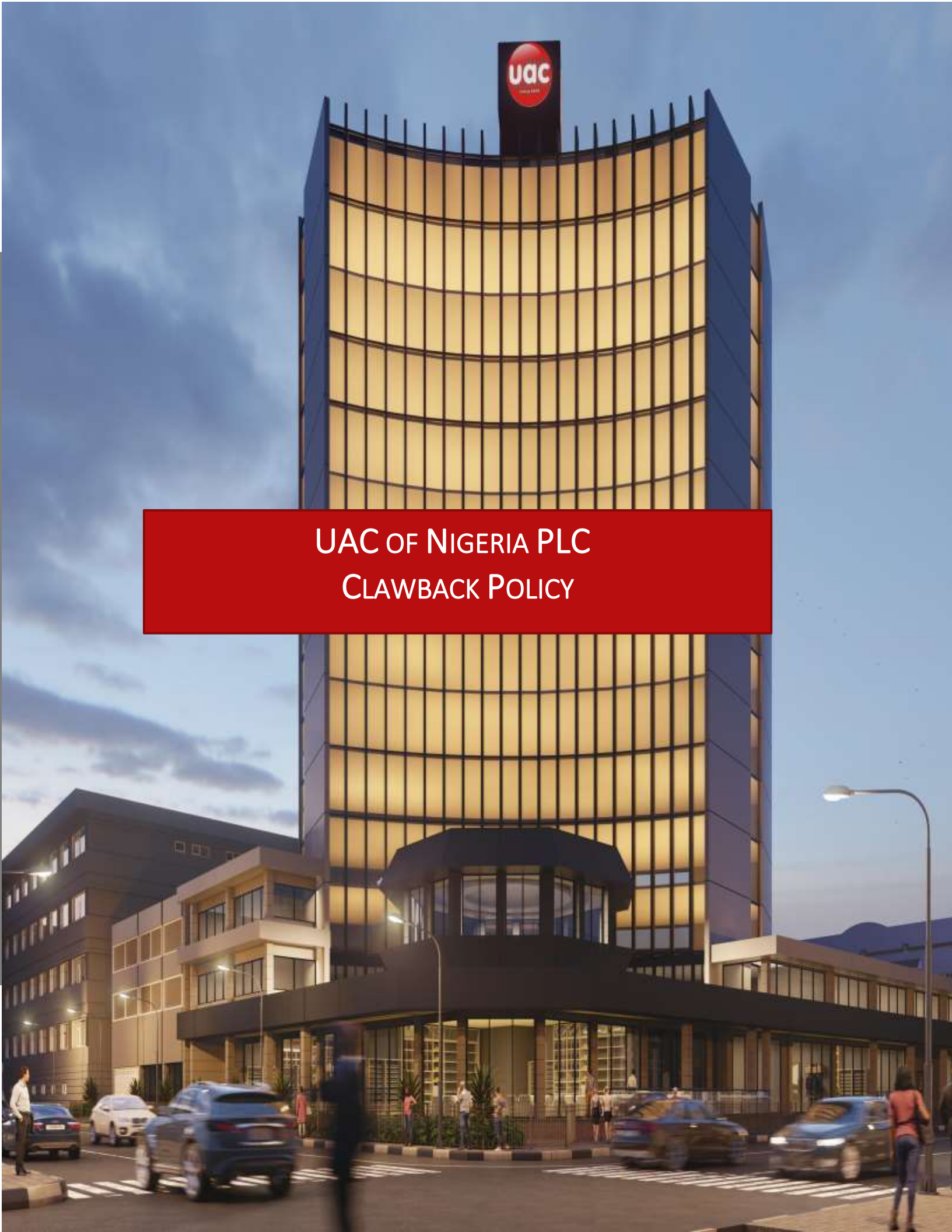
**Date:** 17 February 2024

# **CONCURRENT DIRECTORSHIP OF UAC OF NIGERIA PLC'S DIRECTORS**

	NAME	CURRENT DIRECTORSHIPS
1.	Mr. Daniel Owor Agbor	<ul style="list-style-type: none"> <li>St. Nicholas Hospital Limited</li> <li>Nigerite Limited (Alternate)</li> <li>KCA Deutag Nigeria Limited</li> <li>Lousol Nigeria Limited</li> </ul>
2.	Mr. Folasope Babasola Aiyesimoju	<ul style="list-style-type: none"> <li>Chemical and Allied Products PLC, a subsidiary of UACN</li> <li>Grand Cereals Limited, a subsidiary of UACN</li> <li>UAC Foods Limited, a subsidiary of UACN</li> <li>UAC Restaurants Limited, subsidiary of UACN</li> <li>UPDC PLC, an associate company of UACN</li> <li>MDS Logistics Limited, an associate company of UACN</li> <li>Juven Holdings</li> <li>Themis Capital Management</li> <li>Themis Consulting Services</li> <li>AM &amp; P Advisory Services</li> <li>FoodPro Limited</li> </ul>
3.	Mrs. Funke Adesua Ijaiya-Oladipo	<ul style="list-style-type: none"> <li>UAC Foods Limited, a subsidiary of UACN</li> <li>Grand Cereals Limited, a subsidiary of UACN</li> <li>Sponsors for Educational Opportunity Africa (SEO Africa)</li> </ul>
4.	Mr. Adebolanle Oluwademilade Badejo	<ul style="list-style-type: none"> <li>Livestock Feeds PLC, a subsidiary of UACN</li> <li>Chemical and Allied Products PLC, a subsidiary of UACN</li> <li>Grand Cereals Limited, a subsidiary of UACN</li> <li>UAC Foods Limited, a subsidiary of UACN</li> <li>UAC Restaurants Limited, subsidiary of UACN</li> <li>MDS Logistics Limited, an associate company of UACN</li> </ul>
5.	Mr. Bolaji Adekunle Odunsi	<ul style="list-style-type: none"> <li>Georgina Townhouse Limited</li> <li>Kuramo Lake Development Limited</li> <li>Marcelle Ruth Cancer Centre Limited</li> <li>Marcelle Ruth Foundation Limited</li> </ul>
6.	Mr. Karl Olutokun Toriola	<ul style="list-style-type: none"> <li>T.R. Cameron Limited Nigeria</li> <li>Cameron Hotels Limited</li> <li>Rakada Limited</li> <li>MTN Nigeria Communication Limited</li> <li>Lagos State University Nigeria</li> <li>Nigerian Economic Summit Group (NESG)</li> </ul>
7.	Mrs. Suzanne Olufunke Iroche	<ul style="list-style-type: none"> <li>Coronation Life Assurance Limited</li> <li>Travelex Nigeria Business Solutions Ltd</li> <li>Strategic Alliance Promotion Company Ltd</li> </ul>
8.	Mr. Khalifa Biobaku	<ul style="list-style-type: none"> <li>Dalio Property Development Company</li> <li>Themis Capital Management</li> <li>Themis Consulting Services</li> <li>AM&amp;P Advisory Services</li> <li>newAGE-Northstar 1 LLP</li> <li>newAGE Holdings Limited</li> <li>GPMT Nationwide</li> <li>Alerzo PTE LTD</li> </ul>



# UAC OF NIGERIA PLC CLAWBACK POLICY



# UAC of Nigeria PLC – Clawback Policy

Document Type	Document Owner	Approved By	Security Class
Policy	Governance and Remuneration Committee	Board of Directors	Unclassified

Suggestions for improvements to this document should be addressed to the Document Owner indicated above.

The document shall be assessed for relevance by the Document Owner and shall be reviewed from time to time as needed.

Approved By	Date	
Governance and Remuneration Committee	March 29, 2022	Suzanne Iroche
Board of Directors	March 31, 2022	Dan Agbor

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## 1. INTRODUCTION AND POLICY OBJECTIVES

This Policy is intended to ensure a culture of focused, diligent, and responsible Management which discourages conduct detrimental to the growth of UAC of Nigeria PLC and ensures that incentive-based compensation paid by the Company to Executive Directors and is based on accurate and genuine financial data and results.

## 2. OBJECTIVE

This policy shall provide requisite guidelines to UAC's Board of Directors ("the Board") on the recovery of "Incentive-based Compensation" upon the occurrence of certain "Triggering Events" and in line with the provisions of Principle 16.9 and 16.10 of the Nigerian Code of Corporate Governance, 2018 ("NCCG").

## 3. SCOPE

This Policy applies to all Executive Directors and senior employees of UAC.

## 4. DEFINITIONS

In this Policy, the following terms shall have the following meanings:

- 4.1. **"Incentive-based Compensation"** includes any compensation, including cash and equity, which is granted, earned or vested, based wholly or in part upon the attainment of any Financial Reporting Measure, and it is considered received in the financial year in which the applicable financial result is achieved, regardless of the actual payment date.
- 4.2. **"Triggering Events"** include:
  - 4.2.1. Accounting Restatement, which is the process of revising previously issued Audited Financial Statements to correct one or more errors that are material to those Financial Statements.
  - 4.2.2. Misconduct, which includes:
    - 4.2.2.1. Theft or embezzlement, or attempted theft or embezzlement, of money or property or assets of the Company;
    - 4.2.2.2. Material breach of employment contract or any written employment-related undertaking;

4.2.2.3. Gross negligence or willful misconduct in the performance of the relevant employee's duties;

4.2.2.4. Breach of any fiduciary duty owed to the Company by the relevant employee;

4.3. **“Financial Reporting Measures”** means the financial information presented in accordance with the accounting principles, used in preparing the Company's financial statements, and any measures derived wholly or in part from such financial information.

## 5. PROCEDURE ON RESTATEMENT OF FINANCIAL RESULTS

Following the effective date of this Policy, if UAC is required to prepare an Accounting Restatement due to material non-compliance with any financial reporting requirement under Nigerian laws/regulations, the Governance and Remuneration Committee (“GRC”) and Board in their sole discretion shall seek to recover any Incentive-based Compensation of any current or former Executive Director or senior employee, if any of the following occur:

- 5.1. All or a portion of the audited financial statements are materially restated for any period during the previous years or the financial year in which the restatement occurs;
- 5.2. The amount of Incentive- based Compensation paid or payable to the Executive Director/senior employee would have been different if the original Audited Financial Statements were correct at the time the amount of Incentive- based Compensation was first determined; and
- 5.3. The Incentive - based Compensation became payable to the Executive Director/senior employee in connection with the achievement of any financial performance measures for previous years or the financial year in which the restatement occurs.

## 6. PROCEDURE FOR RECOUPMENT/RECOVERY

Following the effective date of this Policy, if the GRC determines that an employee who was granted, or deemed to have earned Incentive- based Compensation, or in whom Incentive-based compensation has been vested, committed an act constituting Misconduct, the GRC may recommend to the Board the following remedial actions against such employee:

- 6.1. The recovery of any or all of the Incentive-based Compensation that vested in

such employee, or that such employee earned or was granted for the year in which the Misconduct occurred, and ending not more than three (3) financial years following such Misconduct; and/or

- 6.2. The cancellation of some or all the Employee's conditional Incentive-based Compensation and outstanding unvested Incentive-based Compensation.

Before the GRC decides to recommend recovery to the Board pursuant to this Policy, it shall provide the Executive Director or senior employee the opportunity to be heard at the meeting of the GRC where the decision is to be taken.

If the Board resolves to seek recovery of excess compensation pursuant to this Policy, it shall, through the GRC, inform the concerned Executive Director or senior employee in writing of the decision and require that the said Executive Director or senior employee repay the excess compensation to UAC within a specified time.

If the concerned Executive or senior employee does not within such specified time repay the excess compensation to UAC, and the GRC determines that the concerned Executive Director or senior employee is unlikely to repay UAC, the GRC may recommend to the Board that legal proceedings be instituted against the Executive Director or senior employee for such repayment if it deems it in the interest of UAC to do so.

## **7. SOURCES OF RECOUPMENT/RECOVERY**

Any recovery under this Policy may be from all or any of the following sources:

- 7.1. direct repayment by the Executive Director or senior employee;
- 7.2. deduction from the salary of the Executive Director or senior employee;
- 7.3. vested or unvested Incentive-based Compensation; and
- 7.4. future payments of Incentive-based Compensation.



## **8. TIME PERIOD COVERED BY POLICY**

This Policy applies to:

- 8.1.any Incentive- based Compensation paid, granted, awarded, received, or earned by any current Executive Director or senior employee; and
- 8.2.any Incentive- based Compensation paid, granted, awarded, received, or earned by any former Executive Director or senior employee,

provided that not more than Six (6) years has elapsed since such compensation was received by the relevant Executive Director or senior employee.

## **9. EXCEPTIONS**

The GRC shall not seek recoupment/recovery if it determines:

- 9.1.That to do so would be unreasonable;
- 9.2.That the amount involved is insignificant/immaterial; or
- 9.3.That it would be prudent for the Company not to do so.

In making such determination, the GRC shall take into account such considerations as it deems appropriate, including:

- 9.4. The likelihood of success compared to the cost and effort required;
- 9.5.Whether the assertion of a claim may prejudice the interests of the Company in any related proceedings or investigation; and
- 9.6. The passage of time since the occurrence of the Triggering Event.