

## **TERMS OF REFERENCE OF REMUNERATION AND GOVERNANCE COMMITTEE**

### **1. Objective**

The objectives of the Committee are to:

- (a) monitor and implement the Chemical and Allied Products Plc ("**CAP Plc**" or the "**Company**") compliance with corporate governance best practices;
- (b) develop a process and policy for the appointment of directors;
- (c) recommend the remuneration of directors and senior management to the Board;
- (d) examine the Company's human resources policy and practices and make recommendations to the Board on ways of complying with international best practices.

### **2. Composition**

The Remuneration and Governance Committee shall consist of:

- i) Mrs. Udo Okonjo (**As Chair**);
- ii) Amb. Kayode Garrick, and
- iii) Mrs. Muhibat Abbas

### **3. Quorum and Frequency of Meetings**

The quorum for meetings of the Committee shall be 2/3rd (or the nearest whole number) of the members of the Committee. The Committee shall meet as often as is required. In any event, the Committee shall meet at least two (2) times a year.

Meetings will normally be attended by the Human Resources Manager. The Committee may invite the Managing Director to present reports and shed light on people management and remuneration proposals. The Committee may also invite any member of the Management team of the Company who can

assist with any issue to be deliberated upon at a meeting, to attend the meeting of the Committee.

#### **4. Responsibilities and Functions**

##### **REMUNERATION AND GOVERNANCE**

- (i) Review the structure, size, composition and commitment of the Board at least annually and make recommendations on any proposed changes to the Board;
- (ii) Establish a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board;
- (iii) Identify individuals suitably qualified to become Board members and make recommendations to the Board for nomination and appointment as Directors;
- (iv) Periodically determine the skills, knowledge and experience required on the Board and its committees;
- (v) Ensure that the Company has a formal programme for the induction and training of Directors;
- (vi) Undertake the annual assessment of the independent status of each INED;
- (vii) Ensure that the Company has a succession policy and plan in place for the Chairman of the Board, the MD/CEO and all other Executive Directors, Non-Executive Directors and senior management positions to ensure leadership continuity. Succession planning should be reviewed periodically, with provision made for succession in emergency situations as well as long-term vacancies;

**Directors**

Awuneba Ajumogobia  
*Chairman*

David Wright (British)  
*Managing Director*

Kayode Garrick

Muhibat Abbas

Udo Okonjo

- (viii) Deal with all matters pertaining to executive management selection and performance, including set the performance targets/criteria and evaluate the performance of the Group Managing Director/CEO and make recommendations to the Board on his performance;
- (ix) Develop a process for, and ensure that the Board undertakes, an annual performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
- (x) Ensure the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistleblowing policies among others;
- (xi) Make input into the annual report of the Company in respect of Directors' compensation;
- (xii) Review and make recommendations to the Board for approval on the Company's organizational structure and propose amendments;
- (xiii) Review and make recommendations to the Board on group-wide staff appraisal, salary and compensation;
- (xiv) Development of a formal, clear and transparent framework for the Company's remuneration policies and procedures;
- (xv) Recommendation to the Board on the Company's remuneration policy and structure for all Directors and senior management employees;
- (xvi) Reviewing the Company's Human Resources Policy for compliance with international best practises and thereafter recommend same to the Board for approval;
- (xvii) Advising the Board on all Human Resources related issues which may from time to time be referred to it by the Board;



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#### Directors

Awuneba Ajumogobia  
*Chairman*

David Wright (British)  
*Managing Director*

Kayode Garrick

Muhibat Abbas

Udo Okonjo

(xviii) To consider such staff matters as may from time to time be referred to it by the Board and Management of the Company.

### 5. Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference.

The Committee is authorized by the Board to obtain, at the expense of the Company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the Company, of outside parties with relevant experience and expertise if it considers this necessary.

### 6. Review of the Committee

The Committee shall undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities shall also be reviewed by the Board and any other person the Board considers appropriate.

### 7. Accountability/Reporting

The Committee shall submit its reports to the Board on a regular basis and at least as often as the Committee shall meet.

**Dated August 6, 2020**