



Chemical and Allied Products plc is the licensee of AkzoNobel for Nigeria & a subsidiary of **uac** of nigeria plc.
2 Adeniji Jones Avenue, Ikeja, Lagos. Tel: 08159493070 P. O. Box 21072, Ikeja.
E-mail: careline@capplc.com Website: www.capplc.com

Directors

Awuneba Ajumogobia
Chairperson

David Wright (British)
Managing Director

Kayode Garrick

Muhibat Abbas

Udo Okonjo

Vitus Ezinwa

TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

1. Objective

- (a) Review the efficacy of risk management and the strength and appropriateness of control processes across Chemical and Allied Products Plc ("**CAP Plc**" or the "**Company**").

2. Composition

- i) Mrs. Muhibat Abbas (**As Chair**);
- ii) Mr. David Wright;
- iii) Amb. Kayode Garrick and
- iv) Dr. Vitus Ezinwa

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 four (4) times a year.

Meetings will normally be attended by the Head of the Finance Team and the Company's Head of Risk and Compliance and the Head of Internal Audit. 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.



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4. Responsibilities and Functions

RISK MANAGEMENT

- i) Oversee the establishment of a management framework that defines the company's risk policy, risk appetite and risk limit and recommend for approval of the Board as well as assist the Board in its oversight of risk management strategy;
- ii) Ensure that the risk management framework is integrated into the day to day operations of the business and provides guidelines and standards for administering the acceptance and on-going management of the Company's key risks
- iii) To review the Company's risk management policies, systems and procedures developed by management and to confirm their consistency with the Company's strategy and business plans;
- iv) To review and assess steps taken by management to manage and mitigate identifiable risks, and review the status of the Company's key risks at every meeting;
- v) To review the adequacy and effectiveness of the Company's risk management and internal control systems on a regular basis;
- vi) To ensure that the Company undertakes at least once annually a thorough risk assessment covering all aspects of the Company's business and the results of the risk assessment are used to update the Company's risk management framework

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- vii) Review the level of the Company's compliance with applicable laws and regulatory requirements which may impact the Company's risk profile;
- viii) Periodically review changes in economic and business environment which may threaten the Company's business model, key strategies, future performance, solvency and liquidity and make recommendations to the Board as appropriate;
- ix) Review and recommend for approval of the Board, at least annually, the Company's I.T. data governance framework;
- x) Consider and recommend significant IT investments and expenditure for the Company;
- xi) Make recommendations to the Board on capital expenditure, specific projects and their financing, within the overall approved plan;
- xii) Make recommendations on management of Company's cash and debt exposure/ borrowings;
- xiii) Understand the principal risks to achieving the company's strategy;
- xiv) Ensure that business profile and plans are consistent with the Company's risk appetite;
- xv) Assist the Board in overseeing risk management and monitoring the Company's performance with regards to risk management;
- xvi) Review the process for identifying and analyzing business level risk;



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- xvii) Agree and implement risk measurement and reporting standards as well as methodologies;
- xviii) Periodically review the key controls, processes and practice, including limit structure;
- xix) Review and challenge all aspects of the Company's risk profile; key risk management practice;
- xx) Periodically evaluate the Company's risk profile, action plans to manage high risks and progress on the implementation of these plans;
- xxi) Monitor risk management policies to ensure they are integrated into the Company's culture;
- xxii) Review quarterly risk management reports and make recommendation to the Board on appropriate actions;
- xxiii) Ensure the Company's risk exposures are within approved risk control limits;
- xxiv) Assess new risk-return opportunities;
- xxv) Review the structure for, and implementation of, risk measurement and reporting standards, as well as, methodologies;
- xxvi) Ensure disclosure of the Company's risk management policies and practices in the annual report;
- xxvii) Recommend to the Board for approval the authority limits for all Executives (including all Executive Directors and Managing Director);



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xxviii) Ensure that the person charged with the responsibility for risk management should be a member of senior management of the Company, a professional with relevant qualifications and experience and should be in attendance at meetings of the Committee. The direct reporting line of this person should be to the MD/CEO and there should be an indirect reporting line to the committee responsible for risk management;

xxix) To perform such other tasks as may be assigned to it by the Board.

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.



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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 June 17, 2021