



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:

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

Section B – General Information

| S/No. | Items | Details |
|-------|--|---|
| i. | Company Name | CHAMS HOLDING COMPANY PLC |
| ii. | Date of Incorporation | 10TH SEPTEMBER, 1985 |
| iii. | RC Number | 76807 |
| iv. | License Number | N/A |
| v. | Company Physical Address | 8, LOUIS SOLOMON CLOSE, VI, LAGOS |
| vi. | Company Website Address | info@chams.com |
| vii. | Financial Year End | 2022 |
| viii. | Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company | 'NO' |
| ix. | Name and Address of Company Secretary | Mrs. Yetunde Emmanuel 8, Louis Solomon Close, VI, Lagos |
| x. | Name and Address of External Auditor(s) | PKF Professional services, Ikorodu- Ososun Road, Obanikoro, Lagos |
| xi. | Name and Address of Registrar(s) | First Registrars & Investor Services Limited, 2 Abebe, Village Rd, Iganmu, Lagos |
| xii. | Investor Relations Contact Person (E-mail and Phone No.) | Mrs. Yetunde Emmanuel 09053936424 |
| xiii. | Name of the Governance Evaluation Consultant | None during review period |
| xiv. | Name of the Board Evaluation Consultant | None during review period |

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. | Sir Demola Aladekomo | Chairman | Male | 2015 | Nigerian |
| 2. | Pastor Ituah Ighodalo | INED | Male | 2016 | Nigerian |
| 3. | Alh. Yusufu Modibbo | NED | Male | 2018 | Nigerian |
| 4. | Mr. Tomiwa Aladekomo | NED | Male | 2019 | Nigerian |
| 5. | Mr. Segun Oloketuyi | NED | Male | 2021 | Nigerian |
| 6. | Mrs. Olamojiba Bakare | INED | Female | 2021 | Nigerian |

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| 7. | Dr. Mohammed Santuraki | NED | Male | 2021 | |
| 8. | Sir Ayobola Abiola | NED | Male | May 2022 | Nigerian |
| 9. | Mrs. Mayowa Olaniyan | NED | Female | 2017 | Nigerian |
| 10. | Mr. Gavin Young | GMD | Male | 2019 | South African |

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. | Sir Demola Aladekomo | 5 | 5 | None | Chairman of the Board | He is not a member of any Committee | None |
| 2. | Mr. Gavin Young | 5 | 5 | None | None | He attended all Committee meetings | All |
| 3. | Mrs. Olamojiba Bakare | 5 | 4 | Establishment and Governance committee | Member | 2 | 2 |
| 4. | Pastor Ituah Ighodalo | 5 | 3 | Statutory Audit Committee | Member | 4 | 1 |
| | | | | Establishment and Governance committee | Member | 2 | 1 |
| 5. | Alh. Yusufu Modibbo | 5 | 5 | Finance Committee | Member | 3 | 3 |
| | | | | Innovation and Marketing Committee | Member | 1 | 1 |
| | | | | Establishment and Governance committee | Chairman | 2 | 2 |
| 6. | Mr. Tomiwa Aladekomo | 5 | 5 | Innovation and Marketing Committee | Chairman | 1 | 1 |
| | | | | Statutory Audit Committee | Member | 4 | 3 |
| 7. | Mr. Segun Oloketuyi | 5 | 5 | Finance Committee | Chairman | 3 | 3 |
| | | | | Innovation and Marketing Committee | Member | 1 | 1 |

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| 8. | Mr. Mohammed Santuraki | 5 | 5 | Risk Management Committee | Chairman | 2 | 2 |
| | | | | Establishment and Governance | Member | 2 | 2 |
| 9. | Sir Ayobola Abiola | 5 | 3 | Finance Committee | Member | 3 | 2 |
| | | | | Establishment & Governance Committee | Member | 2 | 2 |
| | | | | Risk Management Committee | Member | 2 | 2 |
| 10. | Mrs. Mayowa Olaniyan | 5 | 4 | Finance Committee | Member | 3 | 3 |
| | | | | Innovation and Marketing Committee | Member | 1 | 1 |

Section D - Details of Senior Management of the Company

1. Senior Management:

| S/No. | Names | Position Held | Gender |
|-------|------------------------|----------------------|--------|
| 1. | Mr. Gavin Young | GMD | Male |
| 2. | Mr. Oloruntoba Ayodele | Group CFO | Male |
| 3. | Mrs. Yetunde Emmanuel | Company Secretary | Female |
| 4. | Mr. Stanley Arodiwe | Head, Internal Audit | Male |
| 5. | Mrs. Ifeoma Obasanya | Head, Finance | Female |

Section E – Application -

| Principles | Reporting Questions | Explanation on application or deviation |
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| Part A - Board of Directors and Officers of the Board | | |
| <p>Principle 1: Role of the Board</p> <p><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></p> | <p>i) Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No If yes, when was it last reviewed?</p> | <p>Yes, the Board has an approved charter which sets out its responsibilities and terms of reference. Leadership to the Company. It also guides in the Board’s oversight function, effective stakeholder management and growth of the Company.</p> <p>The Charter was last reviewed in 2022</p> |
| | <p>Principle 2: Board Structure and Composition</p> <p><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></p> | <p>i) What are the qualifications and experiences of the directors?</p> <p>ii) Does the company have a Board-approved diversity policy? Yes/No If yes, to what extent have the diversity targets been achieved?</p> <p>iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?</p> <p>iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the Committees.</p> |
| <p>Principle 3: Chairman</p> <p><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></p> | <p>i) Is the Chairman a member or chair of any of the Board Committees? Yes/no If yes, list them.</p> | <p>No, the Chairman is not a member or Chair of any Board Committee.</p> |
| | <p>ii) At which Committee meeting(s) was the Chairman in attendance during the period under review ?</p> | <p>None, the Chairman was not in attendance at any committee meeting during the period under review.</p> |
| | <p>iii) Is the Chairman an INED or a NED?</p> | <p>The Chairman is a Non-Executive Director.</p> |

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| iv) Is the Chairman a former MD/CEO or ED of the Company? Yes/No If yes, when did his/her tenure as MD end? | YES, the Chairman is a former CEO of the Company. the Chairman's tenure as MD/CEO ended in 2015. |
| v) When was he/she appointed as Chairman? | The Chairman was appointed in March 2020. |
| vi) Are the roles and responsibilities of the Chairman clearly defined? Yes/No If yes, specify which document | YES, the roles and responsibilities of the Chairman are clearly defined. This is clearly stated in the company's Corporate Governance Policy. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| Principle 4: Managing Director/Chief Executive Officer <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> | i) 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 MD/CEO has a contract of employment which sets out his authority and relationship with the Board |
| | ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the MD/CEO declares any conflict of interest on appointment, annually, thereafter and as they occur. |
| | iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review? | The MD/CEO attended all Board Committee meetings. |
| | iv) Is the MD/CEO serving as NED in any other company? Yes/no. If yes, please state the company(ies)? | Yes, The MD/CEO serving as NED in the subsidiaries. Chams Access Ltd, Chamswitch Ltd, Card Centre Nig. Ltd |
| | v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No | Yes, the membership of the MD/CEO in these companies is in line with the Board-approved policies. |
| Principle 5: Executive Directors <i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i> | i) Do the EDs have contracts of employment? Yes/no | Yes, the EDs have contracts of employment. |
| | ii) 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 contracts of employment set out the roles and responsibilities of the Eds. |
| | iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur. |
| | iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list | No. |
| | v) Are their memberships in these companies in line with Board-approved policy? Yes/No | Yes, their memberships in these companies are in line with Board-approved policy. |
| Principle 6: Non-Executive Directors <i>Non-Executive Directors bring to bear their knowledge, expertise and independent judgment on issues of strategy and performance on the</i> | i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented? | Yes, the roles and responsibilities of the NEDs are clearly defined and documented. The roles and responsibilities of the NEDs are clearly defined in their respective letters of appointment. |
| | ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No | Yes, the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement. |

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| Board | iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the NEDs declare conflicts of interest on appointment, annually, thereafter and as they occur |
| | iv) 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 | Yes, the NEDs are provided with all information relating to the management of the company and on all Board matters. These information are provided to the NEDs at Board and Committee meetings. |
| | v) What is the process of ensuring completeness and adequacy of the information provided? | There is an in-house review process by the management before information is disseminated to Board members. |
| | vi) 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. |
| Principle 7: Independent Non-Executive Directors | i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No | Yes, the INEDs meet the independence criteria prescribed under Section 7.2 of the Code. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <i>Independent Non-Executive Directors bring a high degree of objectivity to the board and uphold the trust of shareholders</i> | ii) Are there any exceptions? | No, there are no exceptions. |
| | iii) What is the process of selecting INEDs? | The process of selecting the INEDs starts with the Establishment & Governance committee identifying, screening, nominating and recommending suitable candidates. Subsequently, the appointment of the INEDs is ratified at the AGM. |
| | iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No | Yes, the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement |
| | v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the INEDs declare conflicts of interest on appointment, annually, thereafter and as they occur. |
| | vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process? | Yes, the Board ascertain and confirm the independence of the INEDs. The Board does this through examination of the company's register of members and liaison with the Company's registrars. |
| | vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding? | No, the INED is not a Shareholder of the Company. |
| | viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details. | No, the INED does not have another relationship with the Company apart from directorship. |
| | ix) What are the components of INEDs remuneration? | <ul style="list-style-type: none"> • Annual Directors' Fees • Board and Committee Sitting allowances • Travel Allowances |
| Principle 8: Company Secretary <i>"The Company Secretary support the</i> | i) Is the Company Secretary in-house or outsourced? | The Company Secretary is In-house. |
| | ii) What is the qualification and experience of the Company Secretary? | The Company Secretary is a qualified Barrister & Solicitor of the Supreme Court of Nigeria. Also, she is |

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| <p>the Board by ass Secretary Board and managiveness of develop good governance pract culture within the Ccorporate ”</p> | | an Associate Member of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN). |
| | iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management? | Yes, the Company Secretary is a member of senior management. |
| | iv) Who does the Company Secretary report to? | The Company Secretary reports to the GMD and the Board of Directors through the Board Chairman as well |
| | v) What is the appointment and removal process of the Company Secretary? | The appointment of the Company Secretary is based on merit with selection criteria emphasizing competence, qualification and relevant experience. The removal process of the Company Secretary is reserved for the Board in accordance with the provision of CAMA and NCCG. |
| | vi) Who undertakes and approves the performance appraisal of the Company Secretary? | The GMD/Board undertakes and approves the performance appraisal of the Company Secretary. |
| <p>Principle 9: Access to Independent Advice</p> <p>“Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise”</p> | <p>i) 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?</p> | Yes. The Board Charter provides that the Directors shall have access to independent professional advice where they consider it necessary to discharge their responsibilities as Directors. |
| | <p>ii) Who bears the cost for the independent professional advice?</p> | The Company bears the cost for such independent advice, whenever required. |
| | <p>iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.</p> | No. The Directors did not require the advice of any independent professional during the period under review. |
| <p>Principle 10: Meetings of the Board</p> <p>“Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the</p> | <p>i) What is the process for reviewing and approving minutes of Board meetings?</p> | Drafts of Minutes are reviewed by the Management before they are circulated to Board members and are subsequently collectively reviewed at Board meetings. |
| | <p>ii) What are the timelines for sending the minutes to Directors?</p> | The Minutes are sent to the Directors 48 hours after the Board meeting. |
| | <p>iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?</p> | A Director’s eligibility to be re-elected to the Board could be impacted if they repeatedly fail to attend meetings without justifiable reasons. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| strategic objectives of the Company” | | |
| <p>Principle 11: Board Committees</p> <p>“To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to wellstructured committees, without abdicating its responsibilities”</p> | <p>i) Do the Board Committees have Board approved Charters which set out their responsibilities and terms of reference? Yes/No</p> | Yes, the Board Committees have Board approved Charters which set out their responsibilities and terms of reference |
| | <p>ii) What is the process for reviewing and approving minutes of Board Committee of meetings?</p> | Draft Minutes are reviewed by the Management and Committee Chairman before its circulated to Committee members and are subsequently reviewed at Committee meetings. |
| | <p>iii) What are the timelines for sending the minutes to the directors?</p> | The Minutes are sent to the Committee members 48 hours after the Committee meeting. |

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| iv) Who acts as Secretary to board committees? | The Company Secretary acts as Secretary to board committees. |
| v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management | a) Establishment and Governance Committee b) Audit Committee c) Finance Committee d) Risk Management Committee |
| vi) What is the process of appointing the chair of each committee? | Each Committee nominates and appoints a chairman amongst its members |
| Committee responsible for Nomination and Governance | |
| vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance? | 1 INED to 2NEDs |
| viii) Is the chairman of the Committee a NED or INED ? | No, the chairman of the Committee is a NED |
| ix) Does the Company have a succession plan policy? Yes/No If yes, how often is it reviewed? | Yes, the Company has a succession plan policy. It is reviewed periodically. |
| x) How often are Board and Committee charters as well as other governance policies reviewed? | The Board and Committee charters as well as other governance policies are reviewed from time to time. |
| xi) How does the committee report on its activities to the Board? | The committee presents a written report on its activities and key recommendations made at their meeting to the Board at Board meetings. |
| Committee responsible for Remuneration | |
| xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration? | 1 INED two 2 NEDs |
| xiii) Is the chairman of the Committee a NED or INED ? | No, the chairman of the Committee is a NED |
| Committee responsible for Audit | |
| xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No | No, the Company does not have a Board Audit Committee separate from the Statutory Audit Committee. |
| xv) Are members of the Committee responsible for Audit financially literate? Yes/No | Yes, the members of the Committee responsible for Audit are financially literate. |
| xvi) What are their qualifications and experience? | The members have a range of qualifications which include degrees in accounting, finance and information technology. Some members of the Committee also have professional accounting qualification and several years of experience within management roles at organisations within Nigeria. |
| xvii) Name the financial expert(s) on the Committee responsible for Audit | Mr. Emmanuel Onochie, Mr. Doyin Owolabi |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | xviii) How often does the Committee responsible for Audit review the internal auditor's reports? | The Committee responsible for Audit reviews the internal auditor's reports frequently. Also, The Audit committee Chairman pays unscheduled visits to the office periodically to review internal control reports of the internal auditor. |
| | xix) Does the Company have a Board approved internal control framework in place? Yes/No | Yes, the Company has a Board approved internal control framework in place. |
| | xx) How does the Board monitor compliance with the internal control framework? | The Board monitors compliance with the internal control framework through the Internal Auditor and Compliance officer. |
| | xxi) 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, the Committee responsible for Audit reviews the External Auditors management letter, Key Audit Matters and management response to issues raised during Audit committee meetings. |
| | xxii) 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 that clearly specifies the non-audit services that the external auditor shall not provide. |
| | xxiii) 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? | The discussions of the Audit Committee with the head of internal audit function and external auditors without the management was held Once during the year under review. |
| | Committee responsible for Risk Management | |
| | xxiv) Is the Chairman of the Risk Committee a NED or an INED? | The Chairman of the Committee responsible for risk management is a NED. |
| | xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved? | Yes, there is a Board approved Risk Management framework. |
| | xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review | The Committee reviews the adequacy and effectiveness of the Risk Management Controls frequently. |
| | xxvii) Does the Company have a Board approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed? | Yes, the Company has a Board approved IT Data Governance Framework. The Policy is reviewed periodically in line with the provisions of the Nigerian Data Protection Regulation 2019. |
| | xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework? | The Committee receives and reviews compliance report on the IT Data Governance Framework quarterly. |
| | xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No | Yes, the Chief Risk Officer (CRO) who is also the head, Internal Audit is a member of the Senior Management team and he does possess the relevant experience for the role. |
| | xxx) How many meetings of the Committee did the CRO attend during the period under review? | The CRO attended all the Committee meetings in the year under review. |
| Principle 12: Appointment to the Board | i) Is there a Board-approved policy for the appointment of Directors? Yes/No | Yes, there is a Board-approved policy for the appointment of Directors. |
| <i>"A written, clearly defined, rigorous, formal and</i> | ii) What criteria are considered for their appointment? | The appointment to the Board will take into consideration the strength and areas of improvement of the existing Board, integrity, competence, skills, |

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| transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board" | | knowledge, experience, capacity to undertake the responsibility as well as diversity. |
| | iii) What is the Board process for ascertaining that prospective directors are fit and proper persons? | The Board determines the required experience and competence to be possessed by the potential candidate for role of a Director. Thereafter, the curriculum vitae of candidates satisfying the requirements would be sourced and forwarded to the Establishment and Governance Committee for scrutiny, discreet validation of character and interaction with the candidates. |
| | iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED d) NED e) EDs | a) Chairman- Yes, subject to re-election every 3 years b) MD/CEO – Yes, based on employment contract. c) INED – Yes, subject to re-election every 3 years up to a maximum of three (3) terms. d) NED – Yes, subject to re-election every 3 years. e) EDs – Yes, based on employment contract for 2 year tenure renewable only twice. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | v) Please state the tenure | a) The Chairman – He is subject to periodic re-election by shareholders following statutory retirement by rotation. b) The MD/CEO – He is a full-time employee and is retained in the role based on his performance as assessed by the Board and contract c) INED – An initial term of 3 years subject to a maximum of three (3) terms making a maximum of 9 years in total as stipulated in the NCCG 2018. Their tenure is also subject to periodic re-election by shareholders following statutory retirement by rotation. d) NED - Their tenure is also subject to periodic re-election by shareholders following statutory retirement by rotation. e) ED – She is a full-time employee and is retained in the role based on his performance as assessed by the Board and contract. |
| | vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No? | Yes, the Board has a process to ensure that it is refreshed periodically. |
| Principle 13: Induction and Continuing Education <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> | i) Does the Board have a formal induction programme for new directors? Yes/No | Yes, Formal Inductions are conducted for new Board members. This is facilitated by the Company Secretary. |
| | ii) During the period under review, were new Directors appointed? Yes/No If yes, provide date of induction. | Yes, two new directors were appointed under the period in review. The dates of their inductions were 26th January, 2021 AND 9th February, 2021. |
| | iii) Are Directors provided relevant training to enable them effectively discharge their duties? Yes/No If yes, provide training details. | Yes. The Company provides relevant training from time to time in order to update the knowledge of the Directors on the compliance regulatory matters and the operations of the Company's business. |
| | iv) How do you assess the training needs of Directors? | The training needs are assessed virtually. |
| | v) Is there a Board-approved training plan? Yes/No | Training plan is subject to the training needs and new development. |

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| | vi) Has it been budgeted for? Yes/No | Yes. |
| Principle 14: Board Evaluation <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> | i) Is there a Board-approved policy for evaluating Board performance? Yes/No | Yes. This is incorporated in the Board Charter/Corporate Governance Policy. |
| | ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No | This is work in progress and yet to be completed. |
| | iii) If yes, indicate whether internal or external. Provide date of last evaluation. | Internal |
| | iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation. | Not yet. |
| | v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No | Not yet. |
| | vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No | This will be considered. |
| Principle 15: Corporate Governance Evaluation <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> | i) For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation. | This is work in progress. |
| | ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No | The result will be considered at the end of the evaluation. |
| | iii) If yes, please indicate the date of last presentation. | - |
| | iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No | Yes, the summary of the Corporate Governance Evaluation is included in the annual reports. |
| Principle 16: Remuneration Governance | i) Is there a Board-approved Directors' remuneration policy? Yes/No If yes, how often is it reviewed? | Yes, there is a Board-approved Directors' remuneration policy. The Policy is reviewed periodically. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <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> | ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review | Annual Directors' fees: Chairman: N2.5million Non-Executive Directors: N2million Sitting Allowance per Board meeting: Board members: N200,000 Chairman: N250,000. Sitting Allowance per Committee meeting committee members: N150,000 Chairman: N200,000. |
| | iii) Is the remuneration of NEDs presented to shareholders for approval? Yes/No If yes, when was it approved? | Yes, the remuneration of NEDs is presented to shareholders for approval at the AGM. It is approved at every AGM. The last AGM was held on 12th May, 2022 |
| | iv) What portion of the NEDs remuneration is linked to company performance? | No portion of the NEDs remuneration is linked to company performance. |

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| | v) 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, there is a Board-approved remuneration policy for Executive and Senior management. |
| | vi) Has the Board set KPIs for Executive Management? Yes/No | Yes, the Board has set KPIs for Executive Management. |
| | vii) If yes, was the performance measured against the KPIs? Yes/No | Yes, the performance was measured against the KPIs. |
| | viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? Yes/No | No, the MD/CEO, EDs and Company Secretary do not receive sitting allowances and/or directors fees. |
| | ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff | None of them receive sitting allowance and/or fees |
| | x) Is there a Board-approved claw back policy for Executive management? Yes/No If yes, attach the policy. | No, there is no approved claw back policy. |
| Principle 17: Risk Management <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> | i) Has the Board defined the company's risk appetite and limit? Yes/No | Yes, the Board has defined the company's risk appetite and limit. |
| | ii) How often does the company conduct a risk assessment? | The company conducts risk assessment Periodically |
| | iii) How often does the board receive and review risk management reports? | The board receives and reviews risk management reports quarterly. |
| Principle 18: Internal Audit <i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems"</i> | i) 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, the company has an Internal Audit function. |
| | ii) Does the company have a Board-approved internal audit charter? Yes/No | Yes, the company has a Board-approved internal audit charter. |
| | iii) Is the head of internal audit a member of senior management? Yes/No | Yes, the head of internal audit is a member of senior management. |
| | iv) What is the qualification and experience of the head of internal audit? | HND Accounting, FCA, over 20 years' experience. |
| | v) Does the company have a Board-approved annual risk-based internal audit plan? Yes/No | Yes, the company has a Board-approved annual risk-based internal audit plan. |
| | vi) Does the head of the internal audit function report at least once every quarter to the committee responsible for audit, on the | Yes, the head of the internal audit function reports at least once every quarter to the committee responsible for audit on this. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans? Yes/No | Yes. The internal audit reports quarterly to the audit committee on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans |

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| | vii) 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? | The external auditors assess the effectiveness of the internal audit unit annually. |
| | viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit? | The Audit Committee approves the performance evaluation of the Head of Internal Audit. |
| Principle 19: Whistleblowing <i>"An effective whistle-blowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and prevents recurrence"</i> | i) Does the company have a Board-approved whistleblowing framework? Yes/No If yes, when was the date of last review | Yes, the company has a Board-approved whistleblowing framework. It was last reviewed in 2019. |
| | ii) 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 mechanism is reliable, accessible to all stakeholders, and guarantees anonymity and protection of the whistleblower. |
| | iii) Is the Audit committee provided with the following reports on a periodic basis? a) Reported cases b) Process and results of Investigated cases | Yes. the Audit committee is provided with the reports on a periodic basis. |
| Principle 20: External Audit <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> | i) Who makes the recommendations for the appointment, re-appointment or removal of external auditors? | The Statutory Audit Committee makes recommendations for the appointment, re-appointment or removal of the external auditors to the Board. |
| | ii) Who approves the appointment, reappointment, and removal of External Auditors? | The shareholders approve the appointment, reappointment, and removal of External Auditors. |
| | iii) When was the first date of appointment of the External auditors? | 2021 |
| | iv) How often are the audit partners rotated? | They are rotated every 10 years. |
| Principle 21: General Meetings <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> | i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders? | Notices, annual reports and other relevant information regarding the AGM were dispatched and/or published at least 30 days before the last AGM. |
| | ii) 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, the Chairmen of all Board Committees and the Chairman of the Statutory Audit Committee were present at the last meeting to respond to Shareholders' enquiries. |

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| <p>Principle 22: Shareholder Engagement</p> <p><i>"The establishment of a system of regular dialogue with shareholders balance"</i></p> | <p>i) Is there a Board-approved policy on shareholders' engagement? Yes/No</p> <p>If yes:</p> <p>a) when was it last reviewed?</p> <p>b) Is the policy hosted on the company's website?</p> | <p>Yes, there is a Board approved policy on shareholders' engagement.</p> <p>It was last reviewed in 2020.</p> <p>The policy is hosted on the Company's website.</p> |
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| Principles | Reporting Questions | Explanation on application or deviation |
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| <p><i>their needs, interests and expectations with the objectives of the Company"</i></p> | <p>ii) How does the Board engage with Institutional Investors and how often?</p> | <p>This is done through engagements platforms organized by SEC, Registrars and operators in the capital markets.</p> |
| <p>Principle 23: Protection of Shareholder Rights</p> <p><i>"Equitable treatment of shareholders and the protection of their statutory and general rights, particularly the interest of minority shareholders, promote good governance"</i></p> | <p>i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? Yes/No</p> | <p>Yes. This is done through prompt dissemination of information to the shareholders and the investing public the Nigerian Stock Exchange portal.</p> |
| <p>Principle 24: Business Conduct and Ethics</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>i) Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and standards? Yes/No</p> <p>If yes:</p> <p>a) Has the COBE been communicated to all internal and external Stakeholders? Yes/No</p> <p>b) Is the COBE applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees 4. Third parties <p>ii) When was the date of last review of the policy?</p> <p>iii) Has the Board incorporated a process for identifying, monitoring and reporting adherence to the COBE? Yes/No</p> <p>iv) What sanctions were imposed for the period under review for non-compliance with the COBE?</p> | <p>Yes, the company has a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and standards.</p> <p>Yes, the COBE has been communicated to all internal and external Stakeholders.</p> <p>Yes, the COBE is applicable to the Board, Senior management, Other employees and Third parties.</p> <p>2019.</p> <p>Yes, the Board has incorporated a process for identifying, monitoring and reporting adherence to the COBE.</p> <p>No sanctions were imposed on the company.</p> |
| <p>Principle 25: Ethical Culture</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"</i></p> | <p>i) Is there a Board- approved policy on insider trading? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> | <p>Yes, there is a Board- approved policy on insider trading.</p> <p>a) The Policy was last reviewed in 2019.</p> <p>b) The Board monitors compliance with this policy through the Company Secretariat sensitization of the staff and Board members about opening and closing windows to purchase the company's shares.</p> |

| <p><i>and promotes good ethical conduct and investor confidence"</i></p> | <p>ii) Does the company have a Board approved policy on related party transactions? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy? c) Is the policy applicable to any or all of the following: 1. Board 2. Senior management 3. Other employees (Specify) 4. Third parties (Specify)</p> | <p>Yes, the company has a Board approved policy on related party transactions.</p> <p>The Policy was last reviewed in 2019</p> <p>The Board monitors compliance through the Internal Auditor and the Compliance officer</p> <p>Yes, the policy is applicable to the Board, Senior management, Other employees and Third parties</p> |
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| | <p>iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?</p> | <p>Responsible parties are requested to disclose adequate information on related party transactions. The Internal Audit unit also carries a periodic review of the Related Party Transactions which is reviewed by the Audit Committee and forwarded to the Board for further necessary action.</p> |
| Principles | Reporting Questions | Explanation on application or deviation |
| | <p>iv) Does the company have a Board-approved policy on conflict of interest? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy? c) Is the policy applicable to any or all of the following: 1. Senior management 2. Other employees (Specify)</p> | <p>Yes, the company has a Board approved policy on conflict of interest.</p> <p>a) The Policy was last reviewed in 2019.</p> <p>b) The Board monitors compliance through the Internal Auditor and the Compliance officer.</p> <p>c) Yes, the policy is applicable to the Board, Senior management, Other employees and Third parties.</p> |
| <p>Principle 26: Sustainability <i>"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"</i></p> | <p>i) Is there a Board-approved sustainability policy? Yes/No If yes, when was it last reviewed?</p> | <p>Yes, there is a Board-approved sustainability policy.</p> <p>The Policy was last reviewed in 2019.</p> |
| | <p>ii) How does the Board monitor compliance with the policy?</p> | <p>The Board monitors compliance through the Internal Auditor and the Compliance officer.</p> |
| | <p>iii) How does the Board report compliance with the policy?</p> | <p>Compliance with the report is disclosed in the Company's Annual Report.</p> |
| | <p>iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?</p> | <p>Yes. The Sustainability policy also includes the company's policy on diversity. It was last reviewed in 2019.</p> |
| <p>Principle 27: Stakeholder Communication <i>"Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions"</i></p> | <p>i) Is there a Board-approved policy on stakeholder management and communication? Yes/No</p> | <p>Yes.</p> |
| | <p>ii) Does the Company have an up to date investor relation portal? Yes/No If yes, provide the link.</p> | <p>Yes, the Company has an up-to-date investor relation portal.</p> <p>https://chamsplc.com/earning-release/</p> <p>https://chamsplc.com/annual-report/</p> |
| <p>Principle 28: Disclosures</p> | <p>i) Does the company's annual report include a summary of the corporate governance report? Yes/No</p> | <p>Yes, the company's annual report includes a summary of the corporate governance report</p> |

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| <p><i>“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”</i></p> | <p>ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.</p> | <p>No, the company has not been fined by any regulator during the reporting period.</p> |
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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: **Sir Demola Aladekomo**

Signature:




Date: **March 22, 2023**

Chairman of the Committee responsible for Governance

Name: **Alh. Yusufu Modibbo**

Signature:




Date: **March 22, 2023**

Managing Director/Chief Executive Officer

Name: **Mr. Gavin Young**

Signature:



Date: **March 20, 2023**

Company Secretary/Chief Compliance Officer

Name: **Mrs. Yetunde Emmanuel**

Signature:



Date: **March 20, 2023**