



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	BUA CEMENT PLC
ii.	Date of Incorporation	29 MAY 2014
iii.	RC Number	RC 1193879
iv.	License Number	RC 1193879
v.	Company Physical Address	5 th Floor, BUA Towers, PC 32 Churchgate Street, Victoria Island, Lagos
vi.	Company Website Address	www.buacement.com
vii.	Financial Year End	31 December 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	Yes, the Company is part of a group of companies. The Company is part of BUA GROUP
ix.	Name and Address of Company Secretary	Hauwa G. Satomi, 5 th Floor, BUA Towers, PC 32 Churchgate Street, Victoria Island, Lagos. hauwa.satomi@buacement.com 08036557238
x.	Name and Address of External Auditor(s)	PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria,
xi.	Name and Address of Registrar(s)	Africa Prudential Plc, 220B Ikorodu Road, Palmgrove Bus Stop, Somolu, Lagos
xii.	Investor Relations Contact Person (E-mail and Phone No.)	Mr. Ladipo Ogunlesi BUA Cement Plc, 5 th Floor, BUA Towers, PC 32 Churchgate Street, Victoria Island, Lagos, Nigeria Ladipo.ogunlesi@buacement.com 08023224418
xiii.	Name of the Governance Evaluation Consultant	KPMG
xiv.	Name of the Board Evaluation Consultant	KPMG

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	Abdul Samad Rabiu, CFR, CON	Chairman	M	22 May 2014	Nigerian
2	Yusuf Haliru Binji, FNSE	MD/CEO	M	23 Dec 2019	Nigerian
3	Jacques Piekarski	Executive Director	M	2 October 2020	Swiss and French
4	Chimaobi Madukwe	NED	M	22 May 2014	Nigerian

5	Kabiru Rabi	NED	M	22 May 2014	Nigerian
6	Finn Arnoldsen	NED	M	9 April 2019	Norwegian
7	Khairat Abdulrazaq-Gwadabe	INED	F	23 Dec 2019	Nigerian
8	Shehu Abubakar	INED	M	23 Dec 2019	Nigerian

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	Abdul Samad Rabi, CON	6	6	NONE	Chairman	N/A	N/A
2	Yusuf Haliru Binji, FNSE	6	6	Risk Management Committee	Member	4	4
				Finance and General-Purpose Committee	Member	6	6
3	Jacques Piekarski	6	6*	Risk Management Committee	Member	4	4*
				Finance and General-Purpose Committee	Member	6	6*
4	Chimaobi Madukwe	6	6	Governance, Establishment & Remuneration Committee	Member	4	4
				Finance and General-Purpose Committee	Member	6	6
				Board Audit	Member	2	2
5	Kabiru Rabi	6	6	Finance and General -Purpose Committee	Chairman	6	6
				Governance, Establishment & Remuneration Committee	Member	4	4
				Statutory Audit Committee	Member	5	5
6	Finn Arnoldsen	6	6	Risk Management Committee	Chairman	4	4
				Governance, Establishment Committee	Member	5	5
				Board Audit	Member	2	2

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
7	Khairat Abdulrazaq-Gwadabe	6	6	Governance, Establishment & Remuneration Committee	Chairman	4	4
				Risk Management Committee	Member	4	4
				Board Audit	Member	2	2
8	Shehu Abubakar	6	6	Risk Management Committee	Member	4	4
				Finance, General Purpose Committee	Member	6	6
				Board Audit	Member	3	3
				Statutory Audit Committee	Member	5	5

Section D - Details of Senior Management of the Company

1. Senior Management:

S/No.	Names	Position Held	Gender
1	Yusuf Haliru Binji, FNSE	Managing Director/CEO	M
2	Jacques Piekarski	Executive Director/CFO	M
3	Hauwa Satomi	Company Secretary/Legal Adviser	F
4	Ahmed Idris, MNSE	Plant Director, Obu	M
5	Aminu Bashar	Plant Director, Sokoto	M
6	Mohammed Bello Minjibir	General Manager, Transport	M
7	Nasiru Ladan Bashir	General Manager, Sales & Marketing	M
8	Chike Ajaero	Finance Director	M

Principles	Reporting Questions	Explanation on application or deviation
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.</p> <p>The Board has an approved Charter which describes the responsibilities of the Board and contains the corporate governance principles and practices. It also aids the Board in providing overall strategic leadership to the Company.</p> <p>The Charter was last reviewed in 2021.</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>Appointment of the Company’s Directors is done with a view to ensuring adequate and necessary balance of skills, qualifications and experiences. The Directors have experience in various fields such as Cement Manufacturing, Economics, Industrial Company Management, Chemical Engineering, Business Administration, Management Accounting, International Business Management, Corporate Strategy, Corporate Finance, Risk Management, Combustion Engineering, Law Practice, Banking, and Board Management.</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>Yes, the Company has a Board-approved diversity policy.</p> <p>The Company has been able to achieve the diversity target to a reasonable extent.</p>
	<p>iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?</p>	<p>Yes.</p> <p>Several Directors hold concurrent directorship which have been appropriately disclosed to the Board. Their concurrent Directorship have been considered and would not affect their responsibilities and effectiveness on the Company’s Board. The Directors involved are:</p> <ol style="list-style-type: none"> 1. Abdul Samad Rabiou: Director and Chairman of most of the sister Companies within the Bua Group. 2. Chimaobi Madukwe: Director at Bua International Limited, Bua Foods Plc, Bua Ports and terminals limited. 3. Kabiru Rabiou: Director at Bua International Limited, Bua Foods Plc, Bua Refinery and, petrochemicals Limited, Bua Group Limited, Damas Petrochemicals and Refinery Limited. 4. Finn Arnoldsen: Director at Bua Foods plc.
	<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>No. The MD and other Executive Director are not chairs of any of the Company’s Board Committees.</p> <p>All Board Committees are headed by Non-Executive Directors in line with good corporate governance practices.</p>
<p>Principle 3: Chairman</p> <p><i>“The Chairman is responsible for providing overall</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. In compliance with the Code of Corporate Governance and best practice, the Chairman is not a member of any of the Board Committees.</p>

<p><i>leadership of the Company and the Board, and eliciting the constructive participation of all Directors to facilitate effective direction of the Board"</i></p>	ii) At which Committee meeting(s) was the Chairman in attendance during the period under review?	The Chairman did not attend any of the Board Committee's meetings during the period under review.
	iii) Is the Chairman an INED or a NED?	The Chairman is a NED.
	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?	No. The Chairman has never been a former MD/CEO or an Executive Director of the Company.
	v) When was he/she appointed as Chairman?	The Chairman was appointed on 23 Dec 2019.
	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 in the Board Charter letter of appointment and the Company's Article
<p>Principle 4: Managing Director/Chief Executive Officer</p> <p><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></p>	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 has a contract of employment which sets out his responsibilities, authority, and relationship with the Board. The Board Charter also defines the responsibilities of the MD/CEO and his 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 and any other time when conflict arises.
	iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?	The MD/CEO attends the Committees' meetings upon invitation by the Committee and as the need arises, solely for the purpose of providing relevant reports and updates.
	iv) Is the MD/CEO serving as NED in any other company? Yes/no. If yes, please state the company(ies)?	No, the MD/CEO did not serve as a NED in any other company.
	v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No	This is not applicable because the MD/CEO did not serve as a NED in any other company.
<p>Principle 5: Executive Directors</p> <p><i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i></p>	i) Do the EDs have contracts of employment? Yes/no	Yes, the Executive Directors have a contract of employment, appointment letters and other operational documents.
	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 contract of employment sets out their responsibilities, roles, and relationship with the Company and the Board.
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes, the EDs declare conflict of interest as required.
	iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list	No, none of the EDs serve as a NED in any other company.
	v) Are their memberships in these companies in line with Board-approved policy? Yes/No	No, the EDs do not serve as a NED in any other company.
<p>Principle 6: Non-Executive Directors</p>	i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?	Their roles and responsibilities are defined and documented in their letters of appointment and the Board Charter.

<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>	<p>ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No</p>	<p>Yes, the roles, responsibilities, and terms of engagement of the NEDs are clearly stated in their Appointment Letters.</p>
	<p>iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No</p>	<p>Yes, they declare conflict of interest annually and as the need arises.</p>
	<p>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</p>	<p>Yes. After the NEDs appointment, they are provided with information relating to the management of the Company during the Board Induction and subsequently, during the Board Retreat, and ahead of Board and Committees meetings.</p> <p>Based on request, additional information is provided to the Board and Committee members, while the Directors are at liberty to request for any other information relating to the management of the Company's affairs.</p>
	<p>v) What is the process of ensuring completeness and adequacy of the information provided?</p>	<p>The information is confirmed by Management before it is transmitted to the NEDS. The information is also subjected to periodic reviews and updates and is further subjected to review by Board members.</p>
	<p>vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No</p>	<p>Yes, the NEDs have unfettered access to the Executive Directors, Company Secretary and the Internal Auditor and they are encouraged to contact them on matters relating to the company.</p>
<p>Principle 7: Independent Non-Executive Directors</p> <p><i>Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"</i></p>	<p>i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No</p>	<p>Yes, all the INEDs met the independence criteria required under section 7.2 of the Code of Corporate Governance Code.</p>
	<p>ii) Are there any exceptions?</p>	<p>No, there are no exceptions.</p>
	<p>iii) What is the process of selecting INEDs?</p>	<p>The process for selecting INEDs is as follows:</p> <p>i. The Board determines the experience, qualification, and competence the potential candidate must possess.</p> <p>ii. The Governance, Establishment & Remuneration Committee ascertains whether the potential candidate meets the prescribed criteria set out in Principle 7.2 of the NCCG 2018 Code which includes confirmation of their skillset for eligibility purpose.</p> <p>iii. Upon confirmation of eligibility, the Governance Committee screens and shortlists suitable candidates and presents same for Board's consideration and approval. The Board then presents these candidates for final approval of the shareholders at the Company's next Annual General Meeting.</p>
	<p>iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No</p>	<p>Yes, the INEDs have letters of appointment specifying their duties, terms of engagement and liabilities.</p>
	<p>v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No</p>	<p>Yes, the INEDs fill out the conflict of interest form upon their appointment, annually, and as the need arises.</p>
	<p>vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?</p>	<p>Yes.</p> <p>The Board ascertains and confirms the independence of INEDs annually through the declaration of conflict of interests and as reviewed by the Governance, Establishment, and Remuneration Committee.</p>

	vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?	Yes, The INED's shareholding is far below the 0.01% provision of the NCCG.
	viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details.	No, the INEDs do not have any other relationship with the Company apart from being INEDs.
	ix) What are the components of INEDs remuneration?	Directors' fees and sitting allowance for attending Board and Committee meetings.
Principle 8: Company Secretary <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>	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 Legal Practitioner with over 13 years post-call experience. She came into the role with impressive experience in company secretariat practices, compliance, Corporate Governance Management, Mergers and Acquisition, Litigation & Arbitration, Contract Negotiation and Legal Drafting and Capital Markets, amongst others. She joined BUA International Limited in 2016 as a Deputy Legal Manager and rose through the ranks to become Senior Legal Manager, supporting the then Group Legal Officer/Company Secretary.
	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. She is also the Chief Legal Officer.
	iv) Who does the Company Secretary report to?	The Company Secretary reports to the Board. She also has a dotted reporting line to the Managing Director as a member of the Company's Management on her administrative duties.
	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 emphasising the competence, qualification, and relevant experience similar to the recruitment process for the directors. In line with the provision of CAMA 2020. The Company Secretary's appointment and removal is determined by the Board
	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	The Board through the Chairman, undertakes the performance appraisal of the Company Secretary on functional board matters while the MD/CEO appraises the Company Secretary on administrative and day to day operational matters.
Principle 9: Access to Independent Advice <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i>	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?	Yes. The Board Charter makes provision for directors to access independent advice where such advise would improve the quality of their contribution to the Board
	ii) Who bears the cost for the independent professional advice?	The Company bears the cost for independent professional advice.
	iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.	Yes. KPMG provided consulting advice to the Board with respect to the governance policies required by the Company.
Principle 10: Meetings of the Board	i) What is the process for reviewing and approving minutes of Board meetings?	The minutes of the previous meetings are prepared by the Company Secretary. The Board reviews approves and signs same where it is satisfied that the

<p>"Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the strategic objectives of the Company"</p>		minutes represents a true reflection of the matters discussed and decisions reached during the board meeting. Subsequently, the minutes is added to the Minutes Book.
	ii) What are the timelines for sending the minutes to Directors?	The draft minutes are prepared by the Company Secretary and sent to Directors/members of the Committee within two weeks of the meeting.
	iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?	Directors always endeavour to attend the quarterly meetings as scheduled. Record of attendance is taken into consideration during the re-appointment of directors to the Board at the Annual General Meetings of the Company. A Director's eligibility to be re-elected to the Board could be impacted if they repeatedly fail to attend meetings without justifiable reasons.
<p>Principle 11: Board Committees "To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities"</p>	i) Do the Board Committees have Board-approved Charters which set out their responsibilities and terms of reference? Yes/No	Yes, the Board Committees have approved Board committee Charters which set out their responsibilities and terms of reference.
	ii) What is the process for reviewing and approving minutes of Board Committee of meetings?	The minutes of the previous meetings are prepared by the Company Secretary and sent in advance to the chairpersons of the respective Committees for review. Thereafter, the minutes are sent to all the committee members for their review at the next meeting of the Committee. The Committee at its next meeting, reviews the minutes and approves same where it is satisfied that it contained a true reflection of the matters discussed and decisions reached during the previous Committee meeting.
	iii) What are the timelines for sending the minutes to the directors?	The Minutes of the previous meeting are circulated in advance, at least, 14 days before the Committee meeting.
	iv) Who acts as Secretary to board committees?	The Company Secretary to the Board of Directors also acts as the Secretary to the Board Committees
	v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management	a&b]. Governance, Establishment & Remuneration Committee c] The Board Audit Committee d] Risk Management Committee
	vi) What is the process of appointing the chair of each committee?	The Chairman of the Statutory Audit Committee is nominated and voted for by members of the Committee, while the Chairmen of the other Committees are appointed by the Board of Directors upon the recommendation from Governance Establishment and Remuneration Committee to the Board.
	Committee responsible for Nomination and Governance	
	vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?	Three NEDS to one INED
	viii) Is the chairman of the Committee a NED or INED?	The chairman of the Committee is an INED
	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. This is reviewed every 5 (five) years.

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 periodically.
xj) How does the committee report on its activities to the Board?	The Committees meet on a quarterly basis to review Management activities and report. At each Board meeting the chairman of each board committee usually presents key issues and recommendations made at all the meetings held at the Committee since the last board meeting and same are being deliberated upon by the members of the Board.
Committee responsible for Remuneration	
xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	The proportion of INEDs to NEDs on the Committee responsible for Remuneration is three NEDs to one INED
xiii) Is the chairman of the Committee a NED or INED ?	The Chairman of the Committee is an INED.
Committee responsible for Audit	
xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	Yes, the Company has a Board 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 to promote its effectiveness.
xvi) What are their qualifications and experience?	The Chairman of the Statutory Committee is a renowned Chartered Accountant while the other members of the Committee are financially literate with wide ranging experiences in business Management, Corporate Strategy Finance, Risk Management and Accounting.
xvii) Name the financial expert(s) on the Committee responsible for Audit	<ol style="list-style-type: none"> 1. Ajibola Ajayi, FCA, CFA 2. Kabiru Rabi 3. Shehu Abubakar
xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Committee responsible for Audit meets Quarterly to review the internal auditor's reports.
xix) Does the Company have a Board approved internal control framework in place? Yes/No	Yes, the Company has an approved Internal Control framework in place.
xx) How does the Board monitor compliance with the internal control framework?	<p>The Board monitors compliance with the internal control framework through the Risk Management Committee on a periodic basis and through the Statutory Audit Committee (which has NEDS as members of that Committee). The quarterly reports on the implementation of the internal control framework is being presented to the Committee by the Head of Internal Audit function.</p> <p>The reports on the compliance with the internal Audit framework is considered at each meeting of the Audit Committee which forms parts of the reports to be presented to the Board for consideration at each meeting.</p>
xxi) Does the Committee responsible for Audit review the External Auditors management	Yes, the External Auditor's Management Letter is usually presented to the members of the Audit Committee together with the draft Audited Financial

	<p>letter, Key Audit Matters and management response to issues raised? Yes/No Please explain.</p>	<p>Statements for scrutiny, observations, and comments.</p> <p>The Audit Committee reviews the External Auditors management letter, Key Audit Matters and management's response to issues raised.</p> <p>The Statutory Audit Committee Members during this review process engage the External Auditors and Management on the issues raised in the Management Letter and Management's response.</p> <p>The Management's responses are always reviewed with the External Auditor and implementation of useful recommendations are tracked by the Committee.</p>
	<p>xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No</p>	<p>Yes. This is embedded in the Audit Committee Charter.</p>
	<p>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?</p>	<p>6 (Six) times. The Head of Internal Audit and the external auditors both have direct access to the Audit Committee as and when required.</p>
Committee responsible for Risk Management		
	<p>xxiv) Is the Chairman of the Risk Committee a NED or an INED?</p>	<p>NED</p>
	<p>xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?</p>	<p>Yes, there is an approved Risk Management Framework.</p> <p>It was approved in 2021.</p>
	<p>xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review</p>	<p>The Risk Management Committee on a quarterly basis during its Committee's meetings, reviews the adequacy of the Risk Management Controls in place within the Company.</p>
	<p>xxvii) Does the Company have a Board-approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed?</p>	<p>Yes, the Company has a Board-approved IT Data Governance Framework.</p> <p>It is subject to periodic review, at least, annually.</p>
	<p>xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?</p>	<p>The Committee receives and reviews compliance report on the IT Data Governance on a quarterly basis</p>
	<p>xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No</p>	<p>No, the CRO is not a member of the Senior Management Team. The CRO is however a high-ranking officer in the capacity of an Assistant Director and reports directly to the MD/CEO. The CRO has the relevant experience required for the role.</p>
	<p>xxx) How many meetings of the Committee did the CRO attend during the period under review?</p>	<p>The Chief Risk Officer did not attend any meeting of the Risk Management Committee during the 2022 financial year end.</p>
<p>Principle 12: Appointment to the Board</p> <p><i>"A written, clearly defined, rigorous, formal and transparent procedure serves as a guide for the selection of Directors to ensure the</i></p>	<p>i) Is there a Board-approved policy for the appointment of Directors? Yes/No</p>	<p>Yes, there is a Board-approved policy for the appointment of Directors.</p>
	<p>ii) What criteria are considered for their appointment?</p>	<p>In order to ensure the selection and appointment of high-quality individuals on the Board, the following criteria are considered for the appointment.</p> <p>i. level of experience and relevancy to the business of the Company.</p>

<p>appointment of high-quality individuals to the Board"</p>		<p>ii. capacity to undertake the responsibilities to be bestowed on such individual.</p> <p>iii. Integrity, required competence and skills, knowledge and experience, accountability, good leadership skill, high personal and professional ethical standard, diversity, understanding of the business and the skill set required on the Board.</p>
	<p>iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?</p>	<p>The Board determines the required knowledge, skills, experience, and competence to be possessed by the potential candidate. The Board does this through the Governance, Establishment and Remuneration Committee. The Committee reviews the suitability of prospective directors based on the fit and proper person criteria, the Committee also conducts a due diligence on the prospective candidate and thereafter makes recommendation to the Board for further consideration, approval and ratification by the shareholders at the company's next AGM.</p>
	<p>iv) Is there a defined tenure for the following:</p> <p>a) The Chairman b) The MD/CEO c) INED d) NED e) EDs</p>	<p>a. No</p> <p>b. Yes. Appointment is for a term of five (5) years renewable for an additional term subject to agreement by the parties.</p> <p>c. Yes, Appointment is for an initial term of three (3) years and may be re-appointed for another 2 terms of three years each, subject to shareholders' approval.</p> <p>d. Yes. Appointment is for an initial term of three years and may be re-appointed for another term subject to shareholders' approval at the general meeting of the company.</p> <p>e. Yes. Appointment of the CFO is for five (5) years and may be re-appointed for an additional term of 5 years subject to mutual agreement. Appointment of the MD is for 5 years renewable for additional term subject to parties' agreement.</p>
	<p>v) Please state the tenure</p>	<p>a. Chairman – The unique nature of the cement industry and the Company's history do not favor a tenured appointment for the Chairman.</p> <p>b. MD/CEO – this has been indicated above</p> <p>c. INEDs - see above</p> <p>d. NEDs – see above</p> <p>e. EDs - see above</p>
	<p>vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No?</p>	<p>YES. This is done during the review of the Board charter and during refresher courses and other relevant trainings for the Board members.</p>
<p>Principle 13: Induction and Continuing Education</p> <p>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</p>	<p>i) Does the Board have a formal induction programme for new directors? Yes/No</p>	<p>Yes, the Board has a formal induction programme for new directors as contained in the directors' appointment policy approved by the board</p>
	<p>ii) During the period under review, were new Directors appointed? Yes/No If yes, provide date of induction.</p>	<p>No. No new director was appointed in 2022.</p>
	<p>iii) Are Directors provided relevant training to enable them effectively discharge their duties? Yes/No If yes, provide training details.</p>	<p>Yes.</p> <p>Directors are trained on Corporate Governance principles and best practices, current trends as it relates to the Company's businesses and other leadership trainings.</p>

	iv) How do you assess the training needs of Directors?	The training needs are assessed based on the trainings required for their role on the Committees they belong to and also on the strategic needs of the company. The review of the Board performance evaluation can also elicit the training needs of the directors.
	v) Is there a Board-approved training plan? Yes/No	Yes, there exist a training plan for the Directors.
	vi) Has it been budgeted for? Yes/No	Yes, it usually forms part of the yearly budget.
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, it is imbedded into the Board Charter.
	ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No	Yes, Board evaluation was conducted by KPMG in 2020.
	iii) If yes, indicate whether internal or external. Provide date of last evaluation.	External Consultant. The last evaluation was conducted by KPMG in 2020.
	iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation.	Yes, the findings and recommendations from the evaluation was presented to the Board. The implementation of the recommendations had commenced.
	v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No	Yes, the evaluation report was discussed with the Chairman.
	vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No	Yes. This is considered in determining whether to present a director for re-election by rotation.
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.	Yes, the corporate governance evaluation was conducted alongside the Board evaluation, and it covered a three-year period including year 2022.
	ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No	Yes, the result was considered by the Board.
	iii) If yes, please indicate the date of last presentation.	Yes, the result of the corporate Governance Evaluation and the Result of the Board evaluation were both considered by the Board at its meeting held in April 2022
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No	No.
Principle 16: Remuneration Governance <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>	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. It is reviewed every 5 (five) years.
	ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review	Non-Executive Directors are paid Five Million, Two Hundred Thousand Naira (₦5,200,000) per annum as Directors' fees. Sitting allowances are paid for Board and Committee meetings.
	iii) Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved?	Yes During the last Annual General Meeting held on 21 July 2022.
	iv) What portion of the NEDs remuneration is linked to company performance?	None. No portion of NEDs' remuneration is linked to Company's performance.

	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. The existing Directors' Remuneration Policy was approved by the Board at its meeting held on 24th October 2022. In accordance with the Board Charter, the Board has approved performance-based incentives for the Senior Management of the Company.
	vi) Has the Board set KPIs for Executive Management? Yes/No	Yes. The Board sets KPIs for the executive management.
	vii) If yes, was the performance measured against the KPIs? Yes/No	Yes, this is measured during quarterly board meetings and the board meeting to approve the audited account of the year
	viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or director fees? Yes/No	No. They do not receive sitting allowance 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.
	x) Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy.	Yes, the Policy was approved by the Board at its meeting held on 24th October 2022. The Policy will be attached.
Principle 17: Risk Management	i) Has the Board defined the company's risk appetite and limit? Yes/No	Yes.
<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>	ii) How often does the company conduct a risk assessment?	There is a Risk Manager who assesses risk and presents his assessment report to Risk Management Committee which in turn reports to the Board on a quarterly basis.
	iii) How often does the board receive and review risk management reports?	Risk Management report is received and reviewed by the Board through the Risk Management Committee of the Board on a quarterly basis.
Principle 18: Internal Audit	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.
<i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems"</i>	ii) Does the company have a Board-approved internal audit charter? Yes/No	Yes, the Company has an 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 Senior Manager.
	iv) What is the qualification and experience of the head of internal audit?	The Head of Internal Control holds BSC (Accounting Education), MSC in Accounting & Finance, Associate member of the Institute of Chartered Accountants, Associate member of the Chartered Institute of Taxation, Certificate in Advanced Risk Internal Auditing and a Certified Forensic Accountant. He has over 12 years working 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 adequacy and effectiveness of management, governance, risk, and control environment; deficiencies observed and management mitigation plans? Yes/No	Yes, the Head of the Internal Audit function presents his Report to the Audit Committee on a quarterly basis.
	vii) Is there an external assessment of the effectiveness of the internal audit function at	The Company has commenced the process of engaging an external consultant to assess the

	<p>least once every three years by a qualified independent reviewer appointed by the Board? Yes/No</p> <p>If yes, when was the last assessment?</p>	<p>effectiveness of the internal audit function as Bua Cement PLC was just listed on NGX on 9th January 2020.</p>
	<p>viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?</p>	<p>The Statutory Audit Committee undertakes the performance evaluation of the Head of Internal Audit.</p>
<p>Principle 19: Whistleblowing</p> <p><i>"An effective whistle-blowing framework for reporting any illegal or unethical behaviour 15inimizes the Company's exposure and prevents recurrence"</i></p>	<p>i) Does the company have a Board-approved whistleblowing framework? Yes/No</p> <p>If yes, when was the date of last review</p>	<p>Yes</p> <p>The framework was last reviewed in December 2020</p>
	<p>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</p>	<p>YES. The Whistleblowing mechanism are accessible to stakeholders and it guarantees anonymity and protection of the whistleblower. A copy of the Policy is on the Company's website.</p>
	<p>iii) Is the Audit committee provided with the following reports on a periodic basis?</p> <p>a) Reported cases b) Process and results of Investigated cases</p>	<p>Yes. Reports on cases, processes, and results of the investigated cases were presented to the Audit Committee continuously</p>
<p>Principle 20: External Audit</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>	<p>i) Who makes the recommendations for the appointment, re-appointment or removal of external auditors?</p>	<p>The Statutory Audit Committee makes the recommendation for the appointment, re-appointment, or removal of External Auditors to the Board</p>
	<p>ii) Who approves the appointment, re-appointment, and removal of External Auditors?</p>	<p>The Shareholders at AGM approve the appointment, re-appointment, or removal of External Auditors.</p>
	<p>iii) When was the first date of appointment of the External auditors?</p>	<p>The External Auditor was appointed in December 2019.</p>
	<p>iv) How often are the audit partners rotated?</p>	<p>Every five years</p>
<p>Principle 21: General Meetings</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>	<p>i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?</p>	<p>The notices, the annual report and other relevant information's are dispatched to the shareholders on or before 21 days to the Annual general meeting.</p>
	<p>ii) Were the Chairmen of all Board Committees and the Chairman of the Statutory Audit Committee present to respond to Shareholders' inquiries at the last meeting? Yes/No</p>	<p>Yes, the Chairmen of all the Board Committees including the Statutory Audit Committee Chairman were all present at the last Annual General Meeting to respond to Shareholders' enquiries.</p>
<p>Principle 22: Shareholder Engagement</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>	<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? b) Is the policy hosted on the company's website?</p>	<p>Yes, there is a Stakeholder Engagement Policy approved by the Board at its meeting held on 24th October 2022. The policy can be assessed on the company's website and the Company also has a dedicated Investors' relations page on its website through which shareholders are constantly informed of the developments in the Company with up-to-date information.</p> <p>The Investors' relations portal also serves as an avenue through which shareholders issues can be resolved as it provides for all related forms to address peculiar shareholders' complaints.</p>

	ii) How does the Board engage with Institutional Investors and how often?	The Investors Relation arm of the Company in concert with the Company Secretary engages the Institutional shareholders as often as necessary.
Principle 23: Protection of Shareholder Rights <i>"Equitable treatment of shareholders and the protection of their statutory and general rights, particularly the interest of minority shareholders, promote good governance"</i>	i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? Yes/No	Yes. This is done through the timely release of periodic and annual financial performance on the public disclosure portal of the Nigerian Exchange Limited. Same information is also published in the National Newspapers and uploaded on the Company's website. Major and strategic activities of the Company are also disclosed to shareholders through the aforementioned avenues.
Principle 24: Business Conduct and Ethics <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>	i) Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and ethical standards? Yes/No If yes: a) Has the COBE been communicated to all internal and external Stakeholders? Yes/No b) Is the COBE applicable to any or all of the following: 1. Board 2. Senior management 3. Other employees 4. Third parties	YES Yes, the code of Business conduct is uploaded on the Company's website. Yes, the code of business conduct is applicable to the Board, Senior Management, other employees and third parties.
	ii) When was the date of last review of the policy?	December 2020
	iii) Has the Board incorporated a process for identifying, monitoring, and reporting adherence to the COBE? Yes/No	Yes, Directors always urge Management to report unethical conducts and encourage ethical behaviour.
	iv) What sanctions were imposed for the period under review for non-compliance with the COBE?	There was no sanction imposed on the Company during the reporting period.
Principle 25: Ethical Culture <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>	i) Is there a Board- approved policy on insider trading? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy?	Yes, the company has a Board approved Code of Business Conduct and Ethics that guides the company's professional business and ethical standards. Insider trading provisions are contained in the Company's Code of Business Conduct. The Policy was last reviewed in December 2020. The Company Secretary monitors compliance with this policy by sending regular update to all insiders on the need to comply with the provision of this policy especially during the period before the consideration and release of the Company's financial statements to the public.
	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)	Yes, the company has a related party transaction policy approved by the board in October 2022. a. The Board Monitors compliance by ensuring that related party transactions are reported in the Annual Report where they occur. Directors are also under obligation to disclose instances of related party transactions whenever such matters are known to them, and the decisions taken are recorded in the Board Minutes. c. The Policy applies to all the parties listed.

	4. Third parties (Specify)	
	iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?	The Board monitors compliance with this policy by ensuring that disclosures are made by directors on any related party transactions and that such disclosures are recorded in the Board Minutes. Related party transactions are also disclosed in the quarterly and annual report of the Company.
	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)	Yes a. It was last reviewed in January 2021 b. The Directors are obligated to make disclosures where there are conflicts of interests during Board meetings or when the need arises. c. The Policy applies to Senior Management and all employees of the Company.
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>	i) Is there a Board-approved sustainability policy? Yes/No If yes, when was it last reviewed?	Yes, there is a Board-approved Sustainability Policy. It was last reviewed in 2021
	ii) How does the Board monitor compliance with the policy?	The Board monitors compliance with the sustainability policy through the Finance and General-Purpose Committee and by ensuring disclosure on sustainability in the Company's Annual Report and on the Company's website.
	iii) How does the Board report compliance with the policy?	The Board reports compliance with the sustainability policy by disclosure in the Company's Annual Report and on the Company's website.
	iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?	Yes. the board has board diversity policy
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>	i) Is there a Board-approved policy on stakeholder management and communication? Yes/No	Yes, there is a Board-approved policy on stakeholder management and communication
	ii) Does the Company have an up to date investor relation portal? Yes/No If yes, provide the link.	Yes. The investor relation portal can be accessed through: https://www.buacement.com/investors/
Principle 28: Disclosures <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>	i) Does the company's annual report include a summary of the corporate governance report? Yes/No	Yes. The summary of the Corporate Governance Report is included in the Annual Report.
	ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.	No regulator has fined the Company during the reporting period.

Section E – Application

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 Chairman of the Committee responsible for Governance

Name: **ABDUL SAMAD RABIU, CON.**



Signature:

Date: **10/03/2023**

Name: **KHAIRAT ABDULRAZAQ-GWADABE**



Signature:

Date: **10/03/2023**

Managing Director/Chief Executive Officer

Name: **YUSUF HALIRU BINJI, FNSE**



Signature:

Date: **10/03/2023**

Company Secretary/Chief Legal Officer

Name: **HAUWA SATOMI**



Signature:

Date: **10/03/2023**