



# **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	Northern Nigeria Flour Mills Plc
ii.	Date of Incorporation	29-October-1971
iii.	RC Number	9409
iv.	License Number	9409
v.	Company Physical Address	No. 15, Maimalari Road, Bompai Industrial Estate, Kano
vi.	Company Website Address	www.fmnplc.com
vii.	Financial Year End	March 31st
viii.	Is the Company a part of a Group/Holding Company? <b>Yes/No</b> If yes, please state the name of the Group/Holding Company	Yes, Flour Mills Of Nigeria Plc
ix.	Name and Address of Company Secretary	Ogwuche Theophilus, Plot 596, Ahmadu Bello Way, Garki 2, Abuja
x.	Name and Address of External Auditor(s)	KPMG Professional & Ahmed Zakari & Co
xi.	Name and Address of Registrar(s)	Atlas Registrars Limited, (BAGCO Building), 34 Eric Moore Road, Iganmu, Lagos State.
xii.	Investor Relations Contact Person (E-mail and Phone No.)	Mrs Oluwaseyi M Olulana <a href="mailto:Oolulana@fmnplc.com">Oolulana@fmnplc.com</a> ; 09087120273, 08035656352
xiii.	Name of the Governance Evaluation Consultant	Internal
xiv.	Name of the Board Evaluation Consultant	Internal

## 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	Alhaji Aminu Dantata OON	Chairman	Male (M)	29-Oct-1971	Satisfactory
2	Mr. John COUMANTAROS	Vice-Chairman	Male (M)	1990	Satisfactory
3	Alhaji Sadiq Usman	NED	Male (M)	15-Oct-2015	Satisfactory
4	Mallam Abdulganiyu Sani	NED	Male (M)	06-Sep-2011	Satisfactory
5	Dr. Jibrilla Mohammed	NED	Male (M)	17-Oct-2015	Satisfactory
6	Alhaji Sani Umar	NED	Male (M)	01-Jan-2018	Satisfactory
7	Mr Paul Gbededo	NED	Male (M)	10-Sep-2013	Satisfactory
8	Alhaji Yunus Olalekan Saliu	NED	Male (M)	1994	Satisfactory
9	Mr. Jack J Cwach	NED	Male (M)	30-Apr-2018	Satisfactory
10	Mr. Adrian Naidoo	MD	Male (M)	24-Dec-2018	Satisfactory
11	Alhaji Rabi'u M. Gwarzo OON	NED	Male (M)	06-Sep-2011	Satisfactory

## 2. Attendance at Board and Committee Meetings:

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year 4	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 4	Number of Committee Meetings Attended in the Reporting Year
1	Alhaji Aminu Dantata OON	4	2	NA	Chairman		NA
2	Mr. John COUMANTAROUS	4	4	NA	Vice-Chairman	NA	NA
3	Alhaji Rabi'u Gwarzo OON	4	4	1		4	4
4	Mallam Abdulganiyu Sani	4	4	1	Member	4	4
5	Dr. Jibrilla Mohammed	4	4	1	Member	4	4

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

### 1. Senior Management:

S/No.	Names	Position Held	Gender
1	Mr Adrian Naidoo	Managing Director	Male
2	Mr Fatai Sobande Owolabi	Production Manager	Male
3	Mr Emmanuel N Odigie	Head of Finance	Male
4	Mr Sehwen V Toyon	Technical Manager	Male
5	Musa Lawan	Chief Miller	Male
6	Mr John Peter Tari	Quality Control Manager	Male
7	Mr Abdulfatai N Issa	Area Sales Manager	Male

## Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
<b>Part A - Board of Directors and Officers of the Board</b>		
<p><b>Principle 1: Role of the Board</b></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? <b>Yes/No</b> If yes, when was it last reviewed?</p>	<p><b>Yes,</b></p>
<p><b>Principle 2: Board Structure and Composition</b></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><b>The Board is comprised of people with a diverse mix of skills, experience and expertise including business, commercial and industry governing the Company.</b></p>
	<p>ii) Does the company have a Board-approved diversity policy? <b>Yes/No</b> If yes, to what extent have the diversity targets been achieved?</p>	<p><b>Yes. The Board has practices in place to ensure diversity in employment and representation on the board.</b></p>
	<p>iii) Are there directors holding concurrent directorships? <b>Yes/No</b> If yes, state names of the directors and the companies?</p>	<p><b>Yes, They are;</b></p> <ol style="list-style-type: none"> <li>1. <b>Mr Paul M Gbededo: Flour Mills of Nigeria Plc</b></li> <li>2. <b>Alhaji Yinusa Olalekan Saliu: Flour Mills of Nigeria Plc</b></li> <li>3. <b>Alhaji Rabi’u M Gwarzo: Flour Mills of Nigeria Plc</b></li> <li>4. <b>Mr John G Coumantaros: Flour Mills of Nigeria Plc</b></li> </ol>
	<p>iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? <b>Yes/No</b>  If yes, provide the names of the Committees.</p>	<p><b>Yes an Executive Director, not a member of any Committee</b></p>
<p><b>Principle 3: Chairman</b></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? <b>Yes/no</b> If yes, list them.</p>	<p><b>No</b></p>
	<p>ii) At which Committee meeting(s) was the Chairman in attendance during the period under review ?</p>	<p><b>None</b></p>
	<p>iii) Is the Chairman an INED or a NED?</p>	<p><b>NED</b></p>
	<p>iv) Is the Chairman a former MD/CEO or ED of the Company? <b>Yes/No</b> If yes, when did his/her tenure as MD end?</p>	<p><b>NO</b></p>

Principles	Reporting Questions	Explanation on application or deviation
	v) When was he/she appointed as Chairman?	<b>29-Oct-1971</b>
	vi) Are the roles and responsibilities of the Chairman clearly defined? <b>Yes/No</b> If yes, specify which document	<b>Yes, in the board charter</b>
<b>Principle 4: Managing Director/Chief Executive Officer</b>	i) Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? <b>Yes/No</b> If no, in which documents is it specified?	<b>Yes.</b>
"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"	ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? <b>Yes/No</b>	<b>No</b>
	iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?	<b>None</b>
	iv) Is the MD/CEO serving as NED in any other company? <b>Yes/no.</b> If yes, please state the company(ies)?	<b>NO</b>
	v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? <b>Yes/No</b>	<b>NA</b>
	<b>Principle 5: Executive Directors</b>	i) Do the EDs have contracts of employment? <b>Yes/no</b>
Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company	ii) If yes, do the contracts of employment set out the roles and responsibilities of the EDs? <b>Yes/No</b> If no, in which document are the roles and responsibilities specified?	<b>Yes</b>
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? <b>Yes/No</b>	<b>Yes</b>
	iv) Are there EDs serving as NEDs in any other company? <b>Yes/No</b> If yes, please list	<b>No</b>
	v) Are their memberships in these companies in line with Board-approved policy? <b>Yes/No</b>	<b>NA</b>
	<b>Principle 6: Non-Executive Directors</b>	i) Are the roles and responsibilities of the NEDs clearly defined and documented? <b>Yes/No</b> If yes, where are these documented?
Non-Executive Directors bring to bear their knowledge, expertise and independent judgment on issues of strategy and performance on the Board	ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? <b>Yes/No</b>	<b>Yes</b>
	iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? <b>Yes/No</b>	<b>Yes</b>
	iv) Are NEDs provided with information relating to the management of the company and on all Board matters? <b>Yes/No</b> If yes, when is the information provided to the NEDs	<b>Yes, The information is provide at all Board Meetings that holds every quarter.</b>
	v) What is the process of ensuring completeness and adequacy of the information provided?	<b>The Company Secretary gets inputs from all business units after duly verified by the Managing Director and CFO</b>

Principles	Reporting Questions	Explanation on application or deviation
	vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? <b>Yes/No</b>	<b>Yes</b>
<b>Principle 7: Independent Non-Executive Directors</b> <i>Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"</i>	i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? <b>Yes/No</b>	<b>None</b>
	ii) Are there any exceptions?	<b>None</b>
	iii) What is the process of selecting INEDs?	
	iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? <b>Yes/No</b>	<b>None</b>
	v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? <b>Yes/No</b>	<b>None</b>
	vi) Does the Board ascertain and confirm the independence of the INEDs? <b>Yes/No</b> If yes, how often? What is the process?	<b>None</b>
	vii) Is the INED a Shareholder of the Company? <b>Yes/No</b> If yes, what is the percentage shareholding?	<b>None</b>
	viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? <b>Yes/No</b> If yes, provide details.	<b>None</b>
	ix) What are the components of INEDs remuneration?	<b>None</b>
<b>Principle 8: Company Secretary</b> <i>"The Company Secretary support the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company"</i>	i) Is the Company Secretary in-house or outsourced?	<b>Outsourced</b>
	ii) What is the qualification and experience of the Company Secretary?	<b>Chartered Accountant, Chartered Secretary, with over 15 years' experience</b>
	iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?	<b>None</b>
	iv) Who does the Company Secretary report to?	<b>The Managing Director/CEO</b>
	v) What is the appointment and removal process of the Company Secretary?	<b>As stipulated in CAMA, 1990 as Amended</b>
	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	<b>Director Legal/Company Secretary of FMN, Lagos</b>
<b>Principle 9: Access to Independent Advice</b> <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i>	i) Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? <b>Yes/No</b> If yes, where is it documented?	<b>Yes, Not documented</b>
	ii) Who bears the cost for the independent professional advice?	<b>The Company</b>
	iii) During the period under review, did the Directors obtain any independent professional advice? <b>Yes/No</b> If yes, provide details.	<b>Yes,</b>

Principles	Reporting Questions	Explanation on application or deviation
<b>Principle 10: Meetings of the Board</b>  <i>"Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the strategic objectives of the Company"</i>	i) What is the process for reviewing and approving minutes of Board meetings?	<b>Minutes are circulated to board members prior to the next board meeting. It is read at the board meeting and approved subject to amendments.</b>
	ii) What are the timelines for sending the minutes to Directors?	<b>Two weeks after the board meeting is held</b>
	iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?	<b>None</b>
<b>Principle 11: Board Committees</b>  <i>"To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities"</i>	i) Do the Board Committees have Board-approved Charters which set out their responsibilities and terms of reference? <b>Yes/No</b>	<b>Yes</b>
	ii) What is the process for reviewing and approving minutes of Board Committee meetings?	<b>Minutes of board committees are circulated to members prior to the next meeting, read at the next Committee meeting, corrected and approved. The Committee Chairman present reports to the board.</b>
	iii) What are the timelines for sending the minutes to the directors?	<b>Presented after board meetings</b>
	iv) Who acts as Secretary to board committees?	<b>The Secretary to the Board</b>
	v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management	<b>a) Remuneration and Corporate Governance Committee is responsible for a and b. b) Risk Committee is responsible for d. c) Board Audit Committee is responsible for c.</b>
	vi) What is the process of appointing the chair of each committee?	<b>The Chairman recommends for review and the Board approves</b>
	<b>Committee responsible for Nomination and Governance</b>	
	vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?	<b>None</b>
	viii) Is the chairman of the Committee a NED or INED ?	NED
	ix) Does the Company have a succession plan policy? Yes/No If yes, how often is it reviewed?	Yes. The succession plan policy is usually reviewed every two (2) years.
	x) How often are Board and Committee charters as well as other governance policies reviewed?	Every two (2) years
	xi) How does the committee report on its activities to the Board?	The committee reports its activities to the Board meeting occurring immediately after its meeting
	<b>Committee responsible for Remuneration</b>	
	xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	None
xiii) Is the chairman of the Committee a NED or INED ?	NED	
<b>Committee responsible for Audit</b>		
xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? <b>Yes/No</b>	No	

Principles	Reporting Questions	Explanation on application or deviation
	xv) Are members of the Committee responsible for Audit financially literate? <b>Yes/No</b>	Yes
	xvi) What are their qualifications and experience?	
	xvii) Name the financial expert(s) on the Committee responsible for Audit	Alhaji Bello Umar Gwangwazo, FCNA, Dr. Jibrilla Muhammed, Bsc,Msc,Phd (Lacrosse,USA)
	xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	Quarterly
	xix) Does the Company have a Board approved internal control framework in place? <b>Yes/No</b>	Yes
	xx) How does the Board monitor compliance with the internal control framework?	The Board monitors compliance with the internal control framework through quarterly reviews of Internal Control Reports
	xxi) Does the Committee responsible for Audit review the External Auditors management letter, Key Audit Matters and management response to issues raised? <b>Yes/No</b> Please explain.	Yes. At each of their quarterly meetings a representative of the Internal Audit division attends and gives progress report on the implementation of the Management letter, Key Audit Matters and Management's response.
	xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? <b>Yes/No</b>	<b>There are practice measures monitored by our Finance team.</b>
	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?	Four times.
	<b>Committee responsible for Risk Management</b>	
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	<b>NED</b>
	xxv) Is there a Board approved Risk Management framework? <b>Yes/No?</b> If yes, when was it approved?	<b>Yes. September 2017</b>
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	Annually. September 2019
	xxvii) Does the Company have a Board-approved IT Data Governance Framework? <b>Yes/No</b> If yes, how often is it reviewed?	<b>Yes. Every 2 years</b>
	xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?	Annually.
	xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? <b>Yes/No</b>	<b>Emmanuel</b>
	xxx) How many meetings of the Committee did the CRO attend during the period under review?	<b>Emmanuel</b>
<b>Principle 12: Appointment to the Board</b>	i) Is there a Board-approved policy for the appointment of Directors? <b>Yes/No</b>	<b>Yes</b>
<i>"A written, clearly defined, rigorous, formal and</i>	ii) What criteria are considered for their appointment?	<b>Integrity, reputation and commitment. Familiarity with the commercial and economic environment.</b>



Principles	Reporting Questions	Explanation on application or deviation
<p><i>transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board"</i></p>	iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?	<b>Detailed review of profiles of prospective candidates by the Remuneration and Governance committee in line with the criteria above.</b>
	iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED d) NED e) EDs	<b>No.</b>
	v) Please state the tenure	<b>None</b>
	vi) Does the Board have a process to ensure that it is refreshed periodically? <b>Yes/No?</b>	<b>Yes</b>
	<b>Principle 13: Induction and Continuing Education</b> <i>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</i>	i) Does the Board have a formal induction programme for new directors? <b>Yes/No</b>
	ii) During the period under review, were new Directors appointed? <b>Yes/No</b> If yes, provide date of induction.	<b>No.</b>
	iii) Are Directors provided relevant training to enable them effectively discharge their duties? <b>Yes/No</b> If yes, provide training details.	<b>Yes</b>
	iv) How do you assess the training needs of Directors?	
	v) Is there a Board-approved training plan? <b>Yes/No</b>	
	vi) Has it been budgeted for? <b>Yes/No</b>	
<b>Principle 14: Board Evaluation</b> <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? <b>Yes/No</b>	
	ii) For the period under review, was there any Board Evaluation exercise conducted? <b>Yes/No</b>	
	iii) If yes, indicate whether internal or external. Provide date of last evaluation.	
	iv) Has the Board Evaluation report been presented to the full Board? <b>Yes/No</b> If yes, indicate date of presentation.	
	v) Did the Chairman discuss the evaluation report with the individual directors? <b>Yes/No</b>	
	vi) Is the result of the evaluation for each Director considered in the re-election process? <b>Yes/No</b>	
	<b>Principle 15: Corporate Governance Evaluation</b> <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? <b>Yes/No</b> If yes, provide date of the evaluation.
	ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? <b>Yes/No</b>	<b>No</b>
	iii) If yes, please indicate the date of last presentation.	<b>None</b>

Principles	Reporting Questions	Explanation on application or deviation
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? <b>Yes/No</b>	<b>Yes</b>
<b>Principle 16: Remuneration Governance</b> <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? <b>Yes/No</b> If yes, how often is it reviewed?	<b>Yes</b>
	ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review	<b>Directors' Sitting Allowance – N100,000</b> <b>Directors' Fees – N70,000</b>
	iii) Is the remuneration of NEDS presented to shareholders for approval? <b>Yes/No</b> If yes, when was it approved?	<b>No</b>
	iv) What portion of the NEDs remuneration is linked to company performance?	<b>Directors' Bonus</b>
	v) Is there a Board-approved remuneration policy for Executive and Senior management? <b>Yes/No</b> If yes, to what extent is remuneration linked to company performance?	<b>Yes</b> The Annual Incentive Plan (AIP) is linked to performance.
	vi) Has the Board set KPIs for Executive Management? <b>Yes/No</b>	<b>Yes</b>
	vii) If yes, was the performance measured against the KPIs? Yes/No	<b>Yes</b>
	viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? <b>Yes/No</b>	<b>No</b>
	ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff	Company Secretary
x) Is there a Board-approved clawback policy for Executive management? <b>Yes/No</b> If yes, attach the policy.	<b>No.</b>	
<b>Principle 17: Risk Management</b> <i>"A sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company"</i>	i) Has the Board defined the company's risk appetite and limit? <b>Yes/No</b>	<b>Yes</b>
	ii) How often does the company conduct a risk assessment?	<b>On an Annual basis</b>
	iii) How often does the board receive and review risk management reports?	<b>Quarterly</b>
<b>Principle 18: Internal Audit</b> <i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems"</i>	i) Does the company have an Internal Audit function? <b>Yes/No</b> If no, how has the Board obtained adequate assurance on the effectiveness of internal processes and systems?	<b>Yes</b>
	ii) Does the company have a Board-approved internal audit charter? <b>Yes/No</b>	<b>Yes</b>
	iii) Is the head of internal audit a member of senior management? <b>Yes/No</b>	<b>Yes</b>

Principles	Reporting Questions	Explanation on application or deviation
	iv) What is the qualification and experience of the head of internal audit?	<b>BSc. (Accounting), ACA, Certified Risk Management Assurance specialist with over 32 years experience</b>
	v) Does the company have a Board-approved annual risk-based internal audit plan? <b>Yes/No</b>	<b>Yes</b>
	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? <b>Yes/No</b>	<b>Yes</b>
	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? <b>Yes/No</b> If yes, when was the last assessment?	<b>No</b>
	viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?	<b>GMD/CEO and the Board Audit and Risk Committee</b>
<b>Principle 19: Whistleblowing</b> <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? <b>Yes/No</b> If yes, when was the date of last review	<b>Yes</b>
	ii) Does the Board ensure that the whistleblowing mechanism and process are reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistleblower? <b>Yes/No</b>	<b>Yes</b>
	iii) Is the Audit committee provided with the following reports on a periodic basis?  a) Reported cases b) Process and results of Investigated cases	<b>None</b>
<b>Principle 20: External Audit</b> <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?	<b>Board Audit Committee</b>
	ii) Who approves the appointment, re-appointment, and removal of External Auditors?	<b>Board of Directors</b>
	iii) When was the first date of appointment of the External auditors?	<b>07-09-2017</b>
	iv) How often are the audit partners rotated?	<b>The Audit Partners are rotated every 10 years</b>
<b>Principle 21: General Meetings</b> <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</i>	i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?	<b>14 days before the date of last AGM</b>
	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? <b>Yes/No</b>	<b>Yes</b>

Principles	Reporting Questions	Explanation on application or deviation
<i>their views to the Board on any areas of interest"</i>		
<b>Principle 22: Shareholder Engagement</b> <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>i) Is there a Board-approved policy on shareholders' engagement? <b>Yes/No</b> If yes:</p> <p>a) when was it last reviewed? b) Is the policy hosted on the company's website?</p> <p>ii) How does the Board engage with Institutional Investors and how often?</p>	<p><b>Yes,</b> <b>a). 2017</b> <b>b). Not yet</b></p> <p><b>Through its investors' portal, and the Company Registrars</b></p>
<b>Principle 23: Protection of Shareholder Rights</b> <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>i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? <b>Yes/No</b></p>	<b>Yes</b>
<b>Principle 24: Business Conduct and Ethics</b> <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>i) Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and ethical standards? <b>Yes/No</b> If yes:</p> <p>a) Has the COBE been communicated to all internal and external Stakeholders? <b>Yes/No</b> b) Is the COBE applicable to any or all of the following: 1. Board 2. Senior management 3. Other employees 4. Third parties</p> <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? <b>Yes/No</b></p> <p>iv) What sanctions were imposed for the period under review for non-compliance with the COBE?</p>	<p><b>Yes</b></p> <p><b>Yes</b></p> <p><b>Yes</b> <b>The Board has approved that the group's Code of Business Conduct and Ethics should apply to the Directors</b></p> <p><b>The last review was done in 2014.</b></p> <p><b>Yes</b></p> <p><b>Reprimand, warnings letters, suspension, termination and dismissal.</b></p>
<b>Principle 25: Ethical Culture</b> <i>"The establishment of policies and mechanisms for monitoring insider trading, related party transactions, conflict of interest and other corrupt activities, mitigates the adverse effects of these abuses on the Company and promotes good ethical conduct and investor confidence"</i>	<p>i) Is there a Board- approved policy on insider trading? <b>Yes/No</b> If yes:</p> <p>a) When was the last date of review? b) How does the Board monitor compliance with this policy?</p> <p>ii) Does the company have a Board approved policy on related party transactions? <b>Yes/No</b> If yes:</p> <p>a) When was the last date of review? b) How does the Board monitor compliance with this policy?</p>	<p><b>Yes</b></p> <p><b>2020</b> <b>The Management monitors the insider dealing lists and transactions involving insiders whilst liaising with the Registrars.</b></p> <p><b>Yes, the Company has an approved policy on related party transactions</b> <b>a). The original policy was prepared in 2014 and still in effect.</b> <b>b). An annual Transfer Pricing report is prepared to review related party transactions concluded during</b></p>

Principles	Reporting Questions	Explanation on application or deviation
	c) Is the policy applicable to any or all of the following: <ol style="list-style-type: none"> <li>1. Board</li> <li>2. Senior management</li> <li>3. Other employees (Specify)</li> <li>4. Third parties (Specify)</li> </ol>	<b>the year and ensure compliance with the policy and the arm's length principle in line with the Transfer Pricing regulations. This is also stated in Annual Reports &amp; Accounts.</b>
	iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?	<b>Related party transactions are duly reviewed and disclosed by the statutory auditors in line with the provisions of the International Financial Reporting Standard (IAS) 24-Related party disclosures</b>
	iv) Does the company have a Board-approved policy on conflict of interest? <b>Yes/No</b>  If yes: <ol style="list-style-type: none"> <li>a) When was the last date of review?</li> <li>b) How does the Board monitor compliance with this policy?</li> <li>c) Is the policy applicable to any or all of the following:               <ol style="list-style-type: none"> <li>1. Senior management</li> <li>2. Other employees (Specify)</li> </ol> </li> </ol>	<b>Yes</b>  <b>2019</b>  <b>At the annual External Audits.</b>
<b>Principle 26: Sustainability</b>  <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? <b>Yes/No</b> If yes, when was it last reviewed?	<b>Yes</b>  <b>2019</b>
	ii) How does the Board monitor compliance with the policy?	<b>At quarterly Board Meetings where departmental reports are reviewed</b>
	iii) How does the Board report compliance with the policy?	<b>Annually in the Annual Reports &amp; Accounts</b>
	iv) Is there a Board-approved policy on diversity in the workplace? <b>Yes/No</b> If yes, when was it last reviewed?	<b>Yes</b>  <b>2019</b>
<b>Principle 27: Stakeholder Communication</b>  <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? <b>Yes/No</b>	<b>Yes</b>
	ii) Does the Company have an up to date investor relation portal? <b>Yes/No</b> If yes, provide the link.	<b>Yes</b>  <a href="https://fmnplc.com/download/nfm-2019/?wpdmdl=2570">https://fmnplc.com/download/nfm-2019/?wpdmdl=2570</a>
<b>Principle 28: Disclosures</b>  <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? <b>Yes/No</b>	<b>Yes</b>
	ii) Has the company been fined by any regulator during the reporting period? <b>Yes/No</b> If yes, provide details of the fines and penalties.	

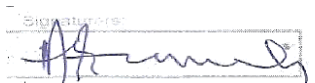
**Section F – Certification**

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: Alhaji Rabiu Gwarzo

Signature:



Date: 30<sup>th</sup> September 2021

**Chairman of the Committee responsible for Governance**

Name: Alhaji Sani Umar

Signature:

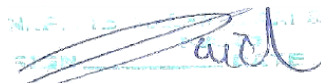


Date: 30<sup>th</sup> September 2021

**Managing Director/Chief Executive Officer**

Name: Mr. Adrian Naidoo

Signature:



Date: 30<sup>th</sup> September 2021

**Company Secretary/Chief Compliance Officer**

Name: Mr. Theophilus Ogwuche

Signature:



Date: 30<sup>th</sup> September 2021