

BOARD CHARTER

Board Charter

The Charter sets out the corporate governance standards and practices to which the boards collectively and the directors individually are committed. The role, structure, composition and conduct of the boards are largely governed by the Memorandum and Articles of Association (“Memart”), Companies and Allied Matters Act 2020 (“CAMA”), Business Facilitation Act (“BFA”), and the regulations of the Securities and Exchange Commission (“SEC”), Nigerian Exchange Group (“NGX”), Federal Reporting Council of Nigeria (“FRCN”) and other applicable legal and regulatory bodies and requirements.

The Charter shall apply to the boards in Julius Berger, unless specifically applicable to the Group Board.

Role of the Boards

The role of the Boards is to increase sustainable value to all stakeholders within an appropriate framework while protecting the rights and interests of the Group’s stakeholders and to ensure the Group’s affairs are properly managed. The boards exercises leadership, enterprise, integrity, and judgment in directing the components in the Group, so as to promote the best interests of stakeholders in terms of fiduciary responsibilities, compliance with applicable laws and regulations, and maintenance of accounting, financial and other controls.

Qualification, Structure and Composition of the Boards

All boards shall be structured and composed in accordance with their governance documents, any policies affecting composition of governance bodies, strategic directions and the principles stated therein. Qualification for all boards shall be in accordance with provisions of the Board Qualification Policy, the Memart, strategic directions and any policies affecting composition of governance bodies.

Tenure

In order to ensure continuity, inject new energy, fresh ideas and perspectives as well as reinforce the boards:

1. Chairman — 3 (three) terms of 3 (three) years each;
2. NEDs and INEDs — shall not exceed 3 (three) terms of 3 (three) years each;
3. EDs — subject to the terms of their contracts of employment determined by the Board.

All appointments are subject to approval by the Members in general meetings.

Retirement and rotation

Directors' retirement and rotation shall be in accordance with the memarts and CAMA, save that the decision to recommend a director for re-election shall not always be automatic but shall be based on the consistent favorable performance of the director on the boards.

Removal and resignation

A member of the board may resign or be removed from office in accordance with the provisions of the memarts and CAMA.

Evaluation

The Group Chairman through the NGC ensures an annual evaluation of the corporate governance structures and practices of the Group in line with corporate governance requirements and the effectiveness of the boards, board committees, the Chairman and directors.

The NGC determines annually whether the evaluations shall be facilitated internally or externally. The evaluations shall be facilitated by an external consultant at least once every 3 (three) years and a summary of the report would be noted in the Annual Reports and a copy sent to the regulators as may be required.

Remuneration Of Directors

The remuneration of the directors shall be:

1. For EDs, as stated in any document of employment.
2. For NEDs as stated in the "Directors' remuneration Policy".

Conflict of interest

A director shall not fetter his discretion to vote in a particular way.

Participation of members of the boards in discussions where such members have interest shall be regulated by the provisions of the respective memarts and the "Related Party Transactions and Conflict of Interest Policy".

Secret Profit and Protection and Proper Use of Group Assets

Directors must not make secret profit or achieve any unnecessary benefits in the course of management of the affairs of the Group, or the utilization of the Group assets. The directors shall subscribe to the code of conduct and ethics for Directors and Management and observe the provisions of that code and the Securities Trading Policy.

Delegation

No director shall act or give direction individually other than in the manner approved by CAMA, the memarts, or resolution of the boards.

Committees

In discharging its responsibilities, the boards may make use of Standing or Ad-hoc committees where considered practical. Ad-hoc or Special purpose committees established as may be required, would be automatically disbanded by a resolution for dissolution by the boards, upon the conclusion of their task, or when they are no longer relevant.

The Group Board has established Standing Committees including, but not limited to, those listed below:

1. Board Audit Committee;
2. Nominations and Governance Committee;
3. Remuneration Committee;
4. Risk and Assets Management Committee;
5. Strategy Committee;
6. Statutory Audit Committee.

Subsidiaries

The Group Board shall appoint the boards of the Subsidiaries in the Group.

Reserved Matters:

The following matters are specifically and exclusively reserved for the boards:

1. strategic direction goals, business ethics and corporate behaviour of the Group;
2. capital expenditure, acquisitions/disposals, approval of the Group's investment objectives and strategy;
3. integrity of Group financial information and approval of Group annual and interim results;
4. structure of the Group's system of internal control and enterprise-wide risk management process;
5. material borrowings and any issue of equity securities;
6. information technology and information dissemination;
7. succession planning, appointment, remuneration, and removal of the Board, Directors and senior Management;
8. Dividend Policy;
9. the formal and rigorous review annually of its own performance, that of its committees and individual Directors;
10. the Company's corporate governance arrangements and Complaint Review; and

11. Vision and Mission, Policy and Planning approvals, Stewardship and sustainability, Monitoring, Accountability and Compliance Review.

Access to Information and Independent Advice

Directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Group's expense. The prior approval of the chair of the board for such expenditure is required and the respective board(s) must be advised of the outcome.

Authority

The Group Board is the ultimate decision-making body of the Group except for matters reserved for the shareholders of the Group or the Subsidiaries or individual boards by law. Consistent with the Group Board's power to delegate management of the day-to-day operation of the Group's business, the Group Board shall exercise business judgment in establishing and revising guidelines for the authorization of expenditures or other corporate actions.

Reference shall always be made to the Delegation of Authority to guide the limitations of the activities of the Governance bodies and officers.