

CAPITAL HOTELS PLC

BUSINESS, FINANCE & PURCHASING COMMITTEE

CHARTER PURPOSE

1.0 PURPOSE

The **Business, Finance & Purchasing Committee** (the “Committee”) of the Board (Board) of Capital Hotels Plc. (“CHP”) is set up to assist and provide advice or make recommendations to the Board on oversight of CHP business initiatives, providing the right mix of financing for the business while paying the right price for the right quality and quantity of items procured for the business.

Its basic objective is to assist the Board in fulfilling its responsibilities for overseeing and facilitating the development, implementation and monitoring of the Company’s business strategies and plans.

It shall also undertake such other activities as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

2.0 MEMBERS

2.1 Composition of Committee.

The members of the committee shall comprise of at least five Directors of the Company, of whom one at least shall be an Independent Director.

2.2 Appointment and Removal of Members of Committee

The members of the Committee shall be appointed and/or removed/replaced from time to time by the Board as it deems fit.

Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. The Board may fill vacancies on the Committee by appointment from among qualified members of the Board.

2.3 Committee Chairperson

The Chairperson of the Committee shall be appointed by the Board.

The designation of the Committee’s Chairperson shall take place annually at the first meeting of the Board after a meeting of shareholders at which Directors are elected, provided that if the designation of Chairperson is not so made, the Director who is then serving as Chairperson shall continue as Chairperson until his or her successor is appointed.

3.0 COMMITTEE RULES OF PROCEDURE

3.1 Committee Meetings

The Committee shall meet as frequently as necessary to carry out its duties and responsibilities under this Charter.

The Chairperson or any member of the Committee may call/request a special meeting of the Committee at any time. The Committee may ask any officer or employee of CHP, or any representative of CHP's advisors, to attend any meetings and to provide such pertinent information as the Committee may request or to meet with any member(s) or representative(s) of the Committee.

Members of the Committee may participate in a meeting by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Subject to the requirements of any applicable law, regulation or rule, any action required or needs to be taken at a meeting of the Committee may be taken without a physical meeting if consent in writing, setting forth the action so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee.

Committee members may raise any subjects that are not set on the agenda by the Chairperson.

The Company Secretary shall serve as secretary to the committee and shall keep records of its proceedings.

3.1b Virtual Meetings

Virtual meetings are permissible in accordance with the Guidelines on Companies virtual Board, Committees and Management Meetings issued by the Nigerian Stock Exchange (NSE) on 15th April, 2020.

3.2 Quorum

A majority of the members of the Committee shall constitute a quorum to transact business. The affirmative vote of a majority of the members of the Committee present at the time of such vote shall be required to approve any action of the Committee.

3.3 Executive Sessions

At any meeting of the Committee, an opportunity shall be provided for any member of the Committee to request that the Committee meet in executive session during such meeting. "Executive session" shall mean a session at which the members of the Committee meet without the attendance of officers or employees of CHP, Advisers or other nonmembers of the Committee.

3.4 Reporting

The Committee shall regularly report directly to the Board with respect to the Committee's duties and responsibilities, as appropriate.

4.0 REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chairperson shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

5.0 COMMITTEE AUTHORITY

5.1 Retaining and Compensating Consultants/Advisers

The Committee shall have the authority to appoint/ retain, at CHP's expense, a consultant to assist it in carrying out its duties. The Committee shall recommend to the Board for approval of the related fees and retention terms of any such Adviser.

5.2 Access

The Committee shall have reasonable access to CHP's personnel and documents and the resources necessary to carry out its responsibilities.

5.3 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate.

6.0 DUTIES AND RESPONSIBILITIES

The Committee is responsible for performing the following duties delegated to it by the Board and making recommendation to the Board for approval:

6.1 Business:

- a. Provide oversight and guidance for CHP's existing business initiatives;
- b. Monitor the performance and strategy for CHP's portfolio of business activities that are extensions of its core business;
- c. Review and recommend to the Board for approval new business initiatives that meet relevant thresholds;
- d. Annually review CHP's Business Development performance to ensure alliance with strategic priorities, and key performance metrics established for the business;
- e. Advise the Board on other business development matters as appropriate; and
- f. Review and recommend for approval the annual budget of the Hotel.

6.2 Finance Duties:

- a. Overseeing the management of CHP equity and debt capital, funding requirements and cost thereof, including currency hedging, gearing levels, liquidity management and other capital management issues and make recommendations to the Board;
- b. Undertaking, where appropriate, post-completion reviews of major capital investments by the Company and make recommendation to the Board; Monitoring and making recommendations to the Board on CHP shareholder dividends, dividend policy, and related matters;
- c. Recommending to the Board the appointment of appropriately qualified financial advisers and handling the negotiations with them;
- d. Reviewing the quarterly and annual financial statements and returns to regulatory agencies and make recommendations to the Board;
- e. Oversee and advise the board on retirement plans and charitable contributions for the hotel.

6.3 Purchasing Duties

- a. Reviewing and appraising the adequacy and effectiveness of CHP's purchasing system and its internal controls in conformity with its purchasing manual;

- b. Planning future requirements to aid in the efficiency and effectiveness of CHP's purchasing function;
- c. Ensuring CHP maintains full statutory compliance and achieves value for money;
- d. Appraising the relevance, reliability and integrity of purchasing data and reports;
- e. Assessing the adequacy and effectiveness of established procurement policies and procedures;
- f. Conducting special assignments and investigations into any matter or activity affecting the purchasing function of CHP;
- g. Protecting staff by minimizing the opportunities for corruption and code of conduct breaches;
- h. Carry out extensive review of all capital expenditure items prior to procurement;
- i. Periodically review all non-capital expenditure items post procurement to ensure the Hotel obtains value for money, and;
- j. Develop and execute appropriate strategies to better manage cost and thus enhance profitability.

7.0 COMMITTEE WORK PLAN

The Committee shall annually develop a work plan to identify and set timeframes for the duties it is responsible for performing and present to the Board for approval. The Board shall regularly monitor the Committee's compliance with performing such duties within the timeframes specified in the work plan.

8.0 RELIANCE ON MANAGEMENT AND OTHERS

The Committee is entitled to rely in good faith on information and advice provided to it by management, Advisers/Consultants, External Auditors, and such other persons as the Committee considers appropriate.

9.0 ANNUAL PERFORMANCE EVALUATION

On an annual basis, the Committee shall follow the process established by it and approved by the Board for assessing the performance and effectiveness of the Committee.

10.0 CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate, including to account for best practice guidelines recommended by, and to ensure compliance with any rules or regulations disseminated by, the regulatory authorities, to the extent appropriate for Capital Hotels Plc.

11.0 WEBSITE POSTING

This Charter shall be included on Capital Hotels Plc. website and shall be made available in print upon request sent to Capital Hotels Plc. and/or the Company Secretary.

Date approved: 27th March. 2018