

HONEYWELL FLOUR MILLS PLC

**INFORMATION LEAFLET ON THE RESOLUTIONS TO BE
PASSED AT THE**

7th ANNUAL GENERAL MEETING OF HFMP LC

**HOLDING AT THE CIVIC CENTRE, OZUMBA MBADIWE
STREET, VICTORIA ISLAND, LAGOS**

ON TUESDAY, 20TH SEPTEMBER, 2016 AT 11.00 A.M.

Dear Shareholders,

The following resolutions will be tabled for your consideration at the 7th AGM of our esteemed Company holding at the Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos on the 20th of September, 2016.

The proposed resolutions along with the rationale for the proposed resolutions are hereinafter detailed. At the meeting, you will be asked to vote in their favour:

1. RESOLUTION ON REPORTS AND ACCOUNTS

PRAYER

“That the Reports of the Directors and Auditors together with the Audited Accounts for the financial year ended 31st March, 2016 submitted to this meeting be received.”

EXPLANATION

This resolution is influenced by the requirements of section 334 of the Companies and Allied Matters Act, 2004 (‘CAMA’) which makes it mandatory for the Directors of Honeywell Flour Mills Plc. (‘HFMP’ or ‘the Company’) to prepare Financial Statements for each year. In line with this provision, the 2016 Audited Financial Statements have been prepared and included in our Annual Accounts and Reports which have been circulated to you.

Similarly, the Audit Committee, on which you have your representatives, is required by CAMA to make recommendations to the general meeting on the company’s performance and will be presenting its report accordingly.

The Director’s Report, which will also be presented to you at the meeting, is required to contain the following issues in respect of the Company:

- i. A fair view of the development of the business of the Company during the year and of its position at the end of it;
- ii. The names of the persons who, at any time during the year, were Directors of the Company, the financial activities of the Company in the course of the year and any significant change in those activities in the year;
- iii. Director’s interest in the shares or debentures of the Company;
- iv. Donations given by the Company within the financial year;
- v. Policy statement of the Company on the employment of physically challenged persons;
- vi. Information relative to the health, safety and welfare at work of the employees of the Company;

- vii. Information on Committees of the Board and their membership.

In addition to the aforementioned reports being statutorily required, the Annual Reports and Accounts seek to give our shareholders a clear picture of our Company's performance for the outgoing financial year.

We therefore urge you to vote in support of the motion to receive these reports and financial statements.

2. RESOLUTIONS ON ELECTION & RE-ELECTION OF DIRECTORS

a. Resolution for the appointment of Directors by a single resolution:

PRAYER

“That the appointment of all Directors be approved by a single resolution”

EXPLANATION

S261 of CAMA allows the motion for the appointment of 2 or more persons as directors to be made by a single resolution. The members of the Company must first pass a unanimous resolution allowing this. If there are any dissenting votes, the resolutions for the appointments of the Directors must be made on an individual basis.

The purpose of appointing Directors by a single resolution is simply to expedite proceedings at the AGM. We urge you to vote in support of this motion so as to save time.

b. Resolution for the election and re-election of Directors:

PRAYER

“That the election of Mrs. Oluseye Sandey, and the re-election of Messrs. Obafemi Otudeko, Lanre Jaiyeola, Rotimi Fadipe, Benson Evbuomwan and Akinsoji Akintayo be approved”

EXPLANATION

CAMA provides that the appointment of a Director shall be ratified by members of the Company in general meeting. It further provides that unless there is a contrary provision in the Articles of Association of a Company, all the directors of the company shall at the first Annual General Meeting (AGM) retire from office and at subsequent AGMs, one third of the directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire.

In view of the aforementioned statutory provisions, 5 of our directors will be retiring at this meeting. They are Mr. Obafemi Otudeko, Mr. Lanre Jaiyeola, Mr. Benson Evbuomwan, Mr. Rotimi Fadipe and Mr. Akinsoji Akintayo. The appointment of Mrs. Oluseye Sandey will also be put to the members for ratification.

The profiles of the above-mentioned Directors are below:

Mrs. Oluseye Sandey (for election)
Executive Director, Finance & IT

Mrs. Oluseye Sandey holds a Bsc. Degree from Aston University, UK and MBA from Heriot-Watt University, Edinburgh, UK. She is a Fellow of the Institute of Chartered Accountants of Nigeria. She started her career in 1988 with Akintola Williams Deloitte & Co. In June 1994, she joined Coca-Cola Nigeria Limited a fully owned subsidiary of The Coca-Cola Company as Budget Manager and rose to become the Finance Operations Director for Africa responsible for providing Financial Services to all Coca-Cola Business Units in Africa, Middle East and Pakistan. She held this position until August 2014 when she returned to Nigeria after 20 years of service with Coca-Cola. She brings to the Board over 30 years of experience in auditing, budgeting and reporting, business development and taxation. Her key focus areas include Strategy, Organization Design and Process, Planning, Business Partnership, Risk Compliance and People Development. Prior to her appointment to the Board on December 15, 2015, Oluseye joined Honeywell Flour Mills Pic as Finance & IT Director in September 2015 and has responsibility for managing the Finance and IT teams.

Mr. Obafemi Otudeko (re-election)
Non-executive Director

Mr. Obafemi Otudeko is a Chartered Accountant by training and Executive Director of the Honeywell Group. At the Honeywell Group, he has primary responsibility for the Group's Strategy & Coordination, Corporate Development and Risk Management. He also has direct oversight over the Group's Portfolio Investments. He joined the Honeywell Group in 2003 as a Senior Manager in the Oil and Gas projects group, responsible for strategy formulation and business development. Prior to joining the Honeywell Group, he was a Senior Associate in the Financial Services Industry Practice of Pricewaterhouse Coopers where he provided Assurance and Advisory services to clients in the private and public sector. He is also a Director of First Bank of Nigeria Limited and was the Second Vice President of the Nigerian Gas Association.

Mr. Lanre Jaiyeola (re-election)
Managing Director

Mr. Lanre Jaiyeola holds a Bachelors degree in Mathematics and Statistics from the University of Ife (now Obafemi Awolowo University), Ile-Ife and an MBA in Finance from the University of Lagos. He is an Associate of the Institute of Chartered Accountants of Nigeria. He was formerly the Commercial Director at HFMP's Ikeja Factory. He has been in the service of Company for over 20 years, and his career and business management experience in the Company span finance, sales management and manufacturing management.

Mr. Rotimi Fadipe (re-election)
Executive Director, Supply Chain

Mr. Rotimi Fadipe holds an accounting degree from the University of Lagos, and is a Fellow of the Institute of Chartered Accountants of Nigeria. He is a member of the Chartered Institute of Purchasing and Supply, UK and of the Chartered Institute of Logistics and Transport, UK. He joined the Company more than two decades ago as a Management Trainee. He has acquired robust business management experience in the areas of finance, audit and supply chain management. He was the pioneer manager for the supplies and logistics function of the company.

Mr. Benson Evbuomwan (re-election)
Executive Director, Marketing

Mr. Benson Evbuomwan holds a Bachelors degree in Pharmacy from the University of Benin and is a member of the Advertising Practitioners Council of Nigeria (APCON).

He joined Honeywell Flour Mills in 2006 as General Manager, Marketing after holding senior marketing positions at Procter & Gamble Nigeria and Guinness Nigeria Pic respectively. He has over 16 years of rich brand management experience in the Food and Beverage sector.

**Mr. Akinsoji Akintayo (re-election)
Non-Executive Director**

Mr. Akinsoji Akintayo had a robust career with Honeywell Flour Mills where he was initially employed in the position of Financial Controller and later Finance Director. He was later appointed the Group Chief Finance Officer of the Honeywell Group in 2008 and as an Executive Director of Honeywell Fisheries Limited. He is currently the acting Managing Director of Pivot Engineering Company Limited. He is a Chartered Accountant and a member of the Institute of Cost and Management Accountants, U.K and the Certified General Accountants of Ontario, Canada. He was previously in the employment of Federal Express in Canada, Consolidated Breweries Limited, Phillips Consulting and Unilever Nigeria Plc.

We urge you to vote in support of the single resolution for the appointment of these Directors.

4. RESOLUTION ON REMUNERATION AND EXPENSES OF THE COMPANY'S AUDITOR

PRAYER

“That the remuneration and expenses of the Company's Auditor, Messrs. BBC Professionals be fixed by the Directors in respect of the period ending at the conclusion of the next Annual General Meeting.”

EXPLANATION

Section 361(b) of CAMA provides that the remuneration of Auditors may be fixed by the company in general meeting or in such manner as the company in general meeting may determine. In line with the foregoing, it is usual practice to ask the general meeting to authorize the Board to negotiate and fix the remuneration of the External Auditor.

We urge you to vote in support of the motion to authorize the Directors to fix the remuneration and expenses of the Company's Auditor Messrs. BBC Professionals in respect of the period ending at the conclusion of the next Annual General Meeting.

5. RESOLUTION ON APPOINTMENT OF MEMBERS OF THE AUDIT COMMITTEE

PRAYER

“That pursuant to Section 357 (1) of the Companies and Allied Matters Act 2004, an Audit Committee of the Company be and is hereby appointed with effect from 20th September 2016 until the conclusion of the next Annual General Meeting. The following are to constitute the membership of the Committee:

- (a) Directors:**
- (1) Lt. General Garba Duba (rtd.)**
- (2) Mr. Akinsoji Akintayo**
- (3) Mr. Andrew Smith–Maxwell**

- (b) **Shareholders:**
- (1) **[Name of member elected]**
 - (2) **[Name of member elected]**
 - (3) **[Name of member elected]**

EXPLANATION

According to the provisions of Section 359(4) of CAMA, all public companies are mandated to have Statutory Audit Committees (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. The Committee shall have a maximum of six (6) members comprising three (3) shareholder representatives and three (3) directors.

The statutory duties and role of the SAC are clearly stated in Section 359 (3) and (4) of CAMA as well as the SEC Code of Corporate Governance.

At the meeting, there will be an election to elect three shareholder representatives to serve on the Audit Committee for the 2017 financial year.

The 3 Board representatives on the SAC are:

- (1) Lt. Gen. Garba Duba (rtd.)
- (2) Mr. Akinsoji Akintayo
- (3) Mr. Andrew Smith-Maxwell

Mr. Akinsoji Akintayo's profile is outlined under item 2(b) above whilst the respective profiles for Lt. Gen. Garba Duba (rtd.) and Mr. Andrew Smith-Maxwell are below:

Lt. Gen. Garba Duba (rtd.) Non-Executive Director

Lt. Gen. Garba Duba (rtd.) is a retired Lieutenant-General of the Nigerian Army and former Military Administrator of Sokoto State (1977 to 1979), Bauchi State (1984), General Officer Commanding, 2nd Mechanized Division, Nigerian Army (1987-88), General Officer Commanding, 3rd Armored Division and Commandant, and Nigerian Defense Academy (1990-1992). Lt. Gen. Duba has played several political and economic roles as leader of the Niger State delegation to the National Political Reform Conference and Chairman, New Nigerian Development Company Ltd. He is currently the Chairman, SGI Nigeria Limited.

Mr. Andrew Smith-Maxwell Non-Executive Director

Mr. Andrew Smith-Maxwell has over 25 years of global investment banking experience from some of the world's leading Investment banks. He has been a partner in Fieldstone Private Capital Group, a boutique investment bank specialising in power and infrastructure projects across Africa. Prior to that, he led and built up the Energy and Utilities Group at Dresdner Kleinwort Wasserstein, an erstwhile British-based investment bank which is now a member of the global banking group, Commerzbank, where he was responsible for overseeing its teams in the UK, Germany, Asia, Latin America and the United States. He has previously served on the Board of Wessex Water following its acquisition by YTL Power International.

Mrs. Oluwayemisi Busari
Company Secretary

