

REPUBLIQUE DU CAMEROUN

Paix -Travail - Patrie

MINISTERE DE L'AGRICULTURE ET DU
DEVELOPPEMENT RURAL

SECRETARIAT GENERAL



REPUBLIC OF CAMEROON

Peace -Work - Fatherland

MINISTRY OF AGRICULTURE AND
RURAL DEVELOPMENT

SECRETARY GENERAL

CORPORATE GOVERNANCE

By demarcating responsibilities for management oversight and those for the execution of business operations, BnH Farms Ltd is working to create a framework for active operations, while making management highly transparent. In addition, BnH Farms Ltd is executing business strategies formulated to enable the company to demonstrate its collective strengths.

Board of Directors

The Board of Directors approves basic management policy for the BnH Farms Ltd and supervises the execution of the duties of Directors and Managers in order to sustainably enhance corporate value and shareholders' common interests. The basic management policy includes the Mid-term Management Plan and annual budget compilation. The Board of Directors focuses on strategic issues related to the basic management policy as well as other items to be resolved that are provided in laws, regulations, the Articles of Incorporation, and Board of Directors Regulations. BnH Farms Ltd formulated and published Corporate Governance Guidelines outlining the framework of corporate governance, such as the function and composition of the Board of Directors, qualifications for directors, and criteria for assessing the independence of independent outside directors. Within the Board of Directors, there are three statutory committees- the Nominating Committee, the Audit Committee, and the Compensation Committee.

(1) Nominating Committee

The Nominating Committee has the authority to determine proposals submitted to the general meeting of shareholders for the election and dismissal of directors. The Nominating Committee consists of three Directors, two of whom are independent outside Directors.

(2) Audit Committee

The Audit Committee has the authority to audit the execution of duties of directors and executive officers and to determine on proposals submitted to the general meeting of shareholders for the

election and dismissal of accounting auditors. The Audit Committee consists of three directors, including two independent outside directors and one standing Audit Committee member.

(3) Compensation Committee

The Compensation Committee has the authority to determine remuneration policies for directors and executive officers and remuneration for individuals (including amounts of remuneration) based on them. The Compensation Committee consists of two Directors, one of whom is outside Director.

Executive Officers

Executive officers decide on matters delegated to them by the Board of Directors and execute BnH Farms Ltd's business affairs within the scope of assignments determined by the Board of Directors.

Senior Executive Committee

The Senior Executive Committee is a council to ensure that President deliberately decides on important managerial matters, which may affect the business of BnH Farms Ltd through discussion from diverse viewpoints. This committee consists of 6 members as of December, 2018: President and Managing Director, two executive officers serving as executive vice presidents, two executive officers serving as senior vice presidents, and one executive officer serving as vice president.

Director and Executive Officer Compensation

The Compensation Committee, of whose members more than half are independent outside directors, sets forth the policy on the determination of compensation details for directors and executive officers and, based on this policy, the amount of compensation, etc., of each director and executive officer, pursuant to applicable provisions of the Companies Act.

Basic Policy

Compensation for directors and executive officers shall be determined in accordance with following basic policy.

- Compensation shall be such that it enables the company to attract necessary personnel to achieve an improvement in corporate value through global business growth.
- Compensation shall be commensurate with roles and responsibilities of directors and executive officers.
- Compensation for directors shall be such that it enables them to exercise functions of supervision of management effectively.
- Compensation for executive officers shall be such that it enables them to contribute to sustained improvement in corporate value through the execution of business, and

employs an appropriate balance between short-term performance and medium- and long-term performance.

- The level of compensation shall be determined taking into account compensation levels at other companies as well as economic and market trends.
- The Compensation Committee utilizes external experts to gain expert advice and an objective viewpoint, if necessary, for considering the details and amounts of compensation.

Compensation Structure

Directors

Compensation for directors consists of a basic remuneration and a year-end allowance.

- Basic remuneration is decided by adjusting basic amount to reflect full- or part-time status, committee membership and position, travel from place of residence, etc.
- Year-end allowance is a predetermined amount equivalent to about 20% of the director's annual income based on basic remuneration, but may be reduced depending on financial results. A director concurrently serving as an executive officer does not receive any compensation as a director.

Executive Officers

Compensation for executive officers will consist of a basic remuneration, a performance-linked compensation and a medium and long-term incentive compensation. The higher position the executive officers holds, the higher proportion of variable pay (the sum of the performance-linked compensation and the medium and long-term incentive compensation, not including basic remuneration as fixed pay) is as a portion of total annual compensation.

- Basic remuneration is decided by adjusting a basic amount to reflect the results of an assessment. The basic amount is set in accordance with the relevant position.