



MRS OIL NIGERIA PLC

DOCUMENT TITLE:

CLAWBACK POLICY

This Policy is proposed pursuant to the Securities and Exchange Commission Code of Governance and the Nigerian Code of Corporate Governance, 2018.

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AUTHORIZATION

REV	STATUS	REV. DATE	REV. MEMO	PREPARED BY (COMPANY SECRETARY)	REVIEWED BY (BNCGC)	APPROVED BY (BNCGC)



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Approver:

BNCGC

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1. Introduction

The Board of Directors ("Board") of MRS Oil Nigeria Plc ("Company") has adopted this Policy to maintain a culture of focused, diligent and responsible Management. The Policy sets to discourage conduct, detrimental to the growth of the Company and ensure that incentive – based compensation ("Incentive-Based Compensation") paid by the Company is derived from accurate financial data.

2. Objectives

This Policy applies in the event of a material restatement ("Restatement") of the Company's financial results arising from non-compliance with financial reporting requirements.

This Policy does not apply in any situation where a Restatement is not as a result of significant non-compliance with financial reporting requirements.

This Policy is aimed at:

- 2.1. Application of a change in accounting principles;
- 2.2. Revision to reportable segment information due to a change in the structure of the Company's internal organization;
- 2.3. Reclassification due to a discounted operation;
- 2.4. Application of a change in reporting entity;
- 2.5. Adjustment to provision amounts in connection with a prior business combination; and
- 2.6. Revision for stock splits.

3. Objectives of the Policy

The Executive Management of the Company whose Incentive-Based Compensation is covered by this policy includes the Company's Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Accounts, Head of Sales, and any other officer in charge of a principal business unit, division, or function., (the "Management").

4. Definition and Scope

Incentive-Based Compensation includes any compensation, including cash and equity which is granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure:

- a. Financial reporting measures are those that are determined and presented in accordance with the accounting principles used in preparing the Company's

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financial statements and any measures derived wholly or in part from such financial information.

- b. Incentive-Based Compensation is deemed 'received' in the fiscal period during which the applicable financial reporting measure (as specified in the terms of the award) is attained, whether the payment or grant occurs after the fiscal period.

5. Time Period covered by the Policy

The Policy applies to any Incentive-Based Compensation paid to Executive/Management personnel during any of the 3 (three) fiscal completed years immediately preceding the date the Company is required to restate its financial results ("the Clawback period):

- 5.1 If the date that the Company's Board (Committee or authorized officer) concludes the Company's previously issued financial statements contains a material error; or
- 5.2 If the date on which a court, regulator or other similarly authorized body causes the Company to restate its financial information to correct a material error.

6. Application of the Policy

- 6.1 In the application of this definition, after a Restatement, the Company will recalculate the applicable financial reporting measure and the amount of Incentive-Based Compensation derived thereon on the applicable period(s).

The Company will determine whether, based on the financial reporting measure calculated, relying on the original financial statements, an Executive Management personnel received an Incentive-Based Compensation greater than that which should have been received if the recalculated financial measure was applied.

When Incentive-Based Compensation is created only in part on the achievement of a financial reporting measure performance goal, the Company will determine the portion of the original Incentive-Based Compensation derived from the financial reporting measure which was restated.

The affected portion will be recalculated based on the financial



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reporting measure which was restated to determine the difference between the greater amount and the original financial statements that would have been received based on the Restatement.

The Recoverable Amounts will be calculated on a pre-tax basis to ensure that the Company recovers the full amount of Incentive-Based Compensation that was erroneously awarded.

6.2 If the equity Compensation is recoverable due to its grant to the Executive/Management Personnel (where the accounting results was the basis for the grant of the equity compensation) or vested by the Executive/Management Personnel (when the accounting results was the basis for which the equity compensation was vested), in each case the Claw back period, the Company will recover the excess portion of the equity award that would not have been granted or vested based on the Restatement as follows:

6.2.1 If the equity award remains outstanding, the Executive/Management Personnel will forfeit the excess portion of the award.

6.2.2 If the equity award has been exercised or settled into shares (the "Underlying Shares") and the Executive/Management retains the Underlying Shares, the Company will recover the number of Underlying Shares relating to the excess portion of the award (less any exercise price paid for the Underlying Shares).

6.2.3 If the Underlying Shares have been sold by the Executive/Management Personnel, the Company will recover proceeds received by the Executive/Management Personnel from the sale of the Underlying Shares relating to the excess portion of the award (less any exercise price paid for the Underlying Shares).

6.3 The Board will take an action at its discretion to accomplish the prompt recovery of the amounts recoverable which shall be calculated by the Company on either a pre-tax or post tax basis used in the payment of the initial sum by the Executive/Management Officers.



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6.3.1 The paid tax portion of the recoverable amount paid by the Company to the tax authorities on behalf of the Executive/Management shall not be recoverable. However, the unrecoverable paid tax portion can be used to net off subsequent tax payable.

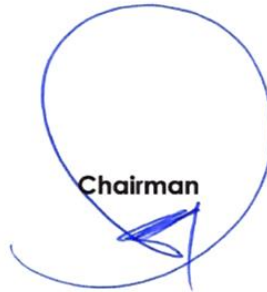
6.4 The Company is obliged to promptly recover erroneously paid Incentive-Based Compensation from its Executive/Management Personnel, except under two limited circumstances:

6.4.1 If the Company determines that it would be impracticable to recover the excess compensation from an Executive/Management Personnel because the direct costs of enforcing recovery would exceed the Recoverable Amount; or

6.4.2 If the recovery of the Incentive-Based Compensation would violate the laws of the home country of the Company.

7. Policy Review

The Policy shall be reviewed every 5 (five) years or as deemed necessary, in line with the applicable laws.


Chairman

Dated this 27th day of April, 2023