

## NOTE TO INVESTORS/STAKEHOLDERS - COVID 19 BUSINESS CONTINUITY PLANS – 11 PLC

### 1. Introduction

The Covid-19 Business Continuity Plan (Plan) is a subset of the broader Business Continuity Framework designed to manage and navigate the crises induced by the novel Corona Virus pandemic. The Plan outlines measures which have been adopted for the provision of services to our customers with minimal disruption, without compromising 11 Plc's level of quality, efficiency and convenience.

An impact assessment on the different aspects of our operations has been undertaken and steps taken to mitigate the impacts.

### 2. Impact on Health and Safety

A COVID-19 Crisis Management Team consisting of Senior Management and headed by the Chief Executive Officer has been set up to monitor the implementation of all internal preparations and response measures. This includes communication, travel guidelines, hygiene, health checks, work procedures and general protection of personnel. Our ongoing contingency measures are aimed at limiting social contact and continuous testing in line with World Health Organisation ("WHO") guidelines and international best practices. Our Lagos office has an onsite health checkpoint.

### 3. Impact on Operations

Steps have been taken to ensure operational continuity by adequately supporting working remotely for all units (excluding production of lubricant and loading of petroleum products), robust supply chain, innovation advancement and undertaking a review of sales & marketing initiatives to generate revenue. We also intend to undertake periodic Risk Assessment (RA) and Business Impact Assessment (BIA) to understand the Company's overall risk profile and develop recovery plans.



We have also leveraged on technology-based resources like Google Meet, Zoom and Skype to ensure meetings have continued to be held seamlessly despite the crises.

A review of our business continuity systems is to ensure our ability to continue production and business operations with minimum disruption in the event of a complete shutdown of physical access to our office premises and factory located in the Head Office. We will keep you updated in this regard.

#### **4. Impact on Supply Chain**

We have assessed the Company's exposure to supply chain risks like continued weakening links in supply chain, supply shortages & increased prices, fulfilment delays, increased transportation prices and disruption in logistics & production and have successfully minimized the impact to our supply chain proactively by taking the following steps:

**4.1. Updating inventory policy and planning parameters:** We are currently reviewing and adjusting inventory levels and distribution chains to address longer supply chain delivery times to meet customer demand. We have also aligned IT systems and support to evolving work requirements.

**4.2. Optimizing Inventory and Production:** We will be working with our customers to ensure we have the most accurate demand representation possible.

#### **5. Impact on Budget/Cash flow**

The Company's previously set budgets for 2020 are now of limited relevance given the rapidly changing economic and business circumstances. Management will be reviewing previously set plans to determine if they are still achievable or realistic

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**5.1. Cash flow:**

Having critically assessed what impacts the current events and conditions have on the company's operations, the company at this period in time is able to continue to meet its obligations as they fall due.

Conclusively, the current uncertainties related to the COVID-19 virus should not result in a material uncertainty about the entity's ability to continue its operations as a going concern. Hence, the business is expected to remain in compliance with financial covenants, ensure business continuity and would remain afloat to continuing delivering value to the shareholders.

**UPDATE ON AGM**

In line with the guidelines released by the Corporate Affairs Commission, the Board is scheduled to meet before the end of May, 2020 to consider options open to hold the next Annual General Meeting in line with the provision of the Companies and Allied Matters Act, and other extant regulations.

Further updates in this regard will be provided in due course.



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