


STANDARD OPERATING PROCEDURES							
		Document:			Issue No.:-		
		Level of Authority (Normal Business)			SOP - LoA v.2		
Prepared By: FC		Reviewed By: CFO		Approved By: CEO/MD			
Effective Date: January 1, 2023				Supersedes: SOP - LoA v.1.pdf			
Amendments:-							
First Amendment							
Purpose:-							
To lay down level/limit of authority of each department and position to approve the commercial terms & conditions for any transaction and to approve the invoice for processing and payments							
Scope:-							
This SOP is applicable to all wholly owned subsidiaries of Lagos Free Zone.							
This is applicable only for transactions in normal/regular course of business.							
Level of Authority							
No.	Nature of Transactions	PO/SO approvals		Transaction Approvals (Invoice)		Payment/Receipt Approvals (Finance)	
		Condition	Responsibility	Condition	Responsibility	Condition	Responsibility
1	Capital Expenditure (Capital Projects)						
1.1	Primary EPC contracts (within budget)	EPC Contract value > USD 100,000	CEO, CFO, TD & HoL	More than 10% of the Contract value	TD	More than 10% of the Contract value	CFO
				<= 10% of the Contract value	GMC & GMP	<= 10% of the Contract value	FC
		EPC Contract Value <= USD 100,000	TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
				<= USD 25,000 & > USD 5,000	GMC & GMP	<= USD 25,000	FC
				<= USD 5,000	GMC & PM		
1.2	Other Contracts (within budget)	Contract value > USD 75,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		Contract Value <= USD 75,000 & > 50,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMC & GMP	<= USD 25,000	FC
		Contract Value <= USD 50,000	GMP, GMC & PSCM	<= USD 5,000	GMC & PM		
1.3	Internal construction (within budget)	PO value > USD 75,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		PO value <= USD 75,000 & > 50,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMIC & GMP	<= USD 25,000	FC
		PO Value <= USD 50,000	GMP, GMIC & PSCM	<= USD 5,000	GMIC & PM		
1.4	MEP Related (within budget)	PO value > USD 75,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		PO value <= USD 75,000 & > 50,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMP	<= USD 25,000	FC
		PO Value <= USD 50,000	GMP/SM-MEP & PSCM	<= USD 5,000	SM-MEP & PM		
1.5	Supply of materials (domestic) - Supply from one supplier - within budget	Total value > USD 75,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		Total value <= USD 75,000 & > 50,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMP	<= USD 25,000	FC
		Total Value <= USD 50,000	GMP & PSCM	<= USD 5,000	PM		
1.6	Supply of materials (imported) - within budget	Total value > USD 50,000	CEO, CFO & TD	> USD 10,000	TD	> USD 25,000	CFO
		Total value <= USD 50,000	TD & CFO	<= USD 10,000	GMP	<= USD 25,000	FC
1.7	Exceeds budget (Project level)	> 10% of the approved budget	BoD	Same as 1.1 - 1.6 (Based on the category in which payment falls)			
		> USD 2,500 and <10% of the approved budget	CEO				
		<= USD 2,500 and <10% of the approved budget	CFO				
		New Project	BoD				

No.	Nature of Transactions	PO/SO approvals		Transaction Approvals (Invoice)		Payment/Receipt Approvals (Finance)	
		Condition	Responsibility	Condition	Responsibility	Condition	Responsibility
2	Capital Expenditure (Internal Construction)						
2.1	Work Contracts (within budget)	Contract value > USD 50,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		Total value <= USD 50,000 & > USD 10,000	GMC, GMIC & PSCM	<= USD 25,000 & > USD 5,000	GMIC	<= USD 25,000	FC
		Contract Value <= USD 10,000	GMC, PMs & PSCM	<= USD 5,000	PMs		
2.2	MEP Related (within budget)	PO value > USD 50,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		PO value <= USD 50,000 & > 25,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMIC & GMP	<= USD 25,000	FC
		PO Value <= USD 25,000	SM-MEP, GMIC & PSCM	<= USD 5,000	PM & SM-MEP		
2.3	Supply of materials (domestic) - Supply from one supplier - within budget	PO value > USD 50,000	CEO, TD & CFO	> USD 25,000	TD	> USD 25,000	CFO
		PO value <= USD 50,000 & > 25,000	TD & CFO	<= USD 25,000 & > USD 5,000	GMIC	<= USD 25,000	FC
		PO Value <= USD 25,000	GMIC & PSCM	<= USD 5,000	PM		
2.4	Supply of materials (imported) - within budget	Total value > USD 50,000	CEO, CFO & TD	> USD 10,000	TD	> USD 25,000	CFO
		Total value <= USD 50,000	TD & CFO	<= USD 10,000	GMP	<= USD 25,000	FC
2.5	Exceeds budget (Project level)	> 10% of the approved budget	BoD	Same as 2.1 - 2.4 (Based on the category in which payment falls)			
		> USD 2,500 and < 10% of the approved budget	CEO				
		<= USD 2,500 and <10% of the approved budget	CFO				
		New Project	BoD				
3	Capital Expenditure (Other Capex)						
3.1	Site capex (Other than Projects and IC) - Within budget	Total value > USD 75,000	CEO, HoD & CFO	> USD 25,000	HoD	> USD 25,000	CFO
		Total value <= USD 75,000 & > USD 50,000	HoD & CFO	<=USD 25,000	GM/DMs	<= USD 25,000	FC
		Total value <= USD 50,000	GM/DMs & PSCM				
3.2	Land Re-settlements expenditure / compensation - Within budget	> USD 3,000	CEO & CFO	> USD 3,000	HoD/CFO	> USD 50,000	CFO
		< USD 3,000	HoD	< USD 3,000	HoD	<= USD 50,000	FC
3.3	Power & Gas Related - Within budget	Total value > USD 100,000	CEO, HoD & CFO	> USD 50,000	HoD	> USD 25,000	CFO
		Total Value <= USD 100,000 & > USD 50,000	DMs & CFO	<= USD 50,000 & > USD 25,000	DMs	<= USD 25,000	FC
		Total value <= USD 50,000	PMs & PSCM	<= USD 25,000	PMs		
3.4	Other department capex - Within budget	Total value > USD 20,000	CEO, CFO & HoD	> USD 1,000	HoD	> USD 10,000	CFO
		Total value <= USD 20,000 & > USD 5,000	HoD	<= USD 1,000	DMs	<= USD 10,000	FC
		Total value <= USD 5,000	DMs				
3.5	Contractual expense (Within Budget)	Contract Amount > USD 50,000	CEO, HoD, HoL & CFO	> USD 5,000	HoD	> USD 10,000	CFO
		Contract Amount <= USD 50,000	HoD & CFO	<= USD 5,000	DMs	<= USD 10,000	FC
3.6	Exceeds budget (Project / activity level)	> 10% of the approved budget	BoD	Same as 3.1 - 3.5 (Based on the category in which payment falls)			
		> USD 2,500 and < 10% of the approved budget	CEO				
		<= USD 2,500 and < 10% of the approved budget	CFO				
		New Project	BoD				

No.	Nature of Transactions	PO/SO approvals		Transaction Approvals (Invoice)		Payment/Receipt Approvals (Finance)		
		Condition	Responsibility	Condition	Responsibility	Condition	Responsibility	
4	Operational expenditure							
4.1	Employee related payments (Within Budget)	Annual CTC of employees	CEO	Monthly Payroll	FC	Monthly Payroll	FC	
		Casual labors	HoDs	Processing Approval	FC	Payment	FC	
		Other expense payments within HR policy	HoD / DMs	Processing Approval	FC	Payment	FC	
		Advance & loan within HR Policy	HoD / DMs	Processing Approval	FC	Payment	FC	
		Any other payment outside HR Policy	CEO & HoD	Processing Approval	CFO	Payment	FC	
4.2	Contractual / Recurring expense (Within Budget)	Amount / year > USD 10,000	CEO, HoD, HoL & CFO	> USD 1,000	HoD	> USD 10,000	CFO	
		Amount / year <= USD 10,000	HoD & CFO	<= USD 1,000	DMs	<= USD 10,000	FC	
4.3	Operational expense (Item / activity level) - within budget	> 25,000 USD	CEO, CFO & HoD	>USD 10,000	TD / HoD	> USD 10,000	CFO	
		<= USD 25,000 & >USD 2,500	HoD & CFO	<= USD 10,000 & >USD 1,000	GMs / HoD			
		<= USD 2,500	DMs	<= USD 1,000	DMs / PMs	<= USD 10,000	FC	
4.4	Inventory procurement - Domestic (Item / activity level) - within budget	> 50,000 USD	CEO,CFO & HoD	>USD 10,000	TD / HoD	> USD 10,000	CFO	
		<= USD 50,000 & >USD 25,000	HoD & PSCM	<= USD 10,000 & >USD 1,000	GMs / HoD			
		<= USD 25,000	PSCM	<= USD 1,000	PSCM	<= USD 10,000	FC	
4.5	Operational expense (imported) (Item / activity level) - within budget	> 10,000 USD	CEO, CFO & HoD	>USD 5,000	TD / HoD	> USD 10,000	CFO	
		<= USD 10,000 & >USD 1,000	HoD & CFO	<= USD 5,000 & >USD 1,000	GMs / HoD			
		<= USD 1,000	DMs	<= USD 1,000	DMs / PMs	<= USD 10,000	FC	
4.6	Exceeds budget (Item / activity level)	> 5% of departmental budget	BoD	Same as 4.1 - 4.5 (Based on the category in which payment falls)				
		< 5% and > USD 10,000 of departmental budget	CEO					
		<= 5% and <=USD 10,000 of budget	CFO					
5	Intercompany Funding / loans							
5.1	Loans/Advance to/from intercompany	> USD 5 Mn	BoD	> USD 5 Mn	CEO	> USD 1 Mn	CFO	
		<= USD 5 Mn & > USD 1 Mn	CEO	<= USD 5 Mn & > USD 1 Mn	CFO			
		<= USD 1 Mn & > USD 100 K	CFO	<= USD 1 Mn	FC	< USD 1 Mn	FC	
		<= USD 100 K	FC					
6	Sale or lease transactions							
6.1	Lease of Land (in normal course of business within pricing policy)	Contract Value > USD 2 Mn	CEO, CFO, HoL & HoD	> USD 100 K	CFO	n/a	n/a	
		Contract Value <= USD 2 Mn & > USD 200 K	HoD & HoL					
		Contract Value <= USD 200 K	DMs & HoL	< USD 100 K	FC			
6.2	Discounts on lease of land (including commission)	> 10% of the sale/lease	BoD	> USD 10,000	CFO	n/a	n/a	
		<= 10% of the sale/lease	CEO	<= USD 10,000	FC			
6.3	Lease of other assets/property excluding land (in normal course of business within pricing policy)	Contract Value > USD 500 K	CEO, CFO, HoL & HoD	> USD 100 K	CFO	n/a	n/a	
		Contract Value <= USD 500 K & > USD 100 K	HoD & HoL					
		Contract Value <= USD 100 K	DMs & HoL	< USD 100 K	FC			
6.4	Discount on lease of other assets/property excluding land such as SIF, WH and RT (including commission)	> 10% of the sale/lease	BoD	> USD 10,000	CFO	n/a	n/a	
		>= 5% and <= 10% of the lease	CEO	<= USD 10,000	FC			
		< 5% of the lease	HoD					
6.5	Other Sales	> USD 25,000	HoD & CFO	Any Amount	FC	n/a	n/a	
		<= USD 25,000	DMs & FC/CM					
6.6	Discount on any other Sales / revenue	> 10% of the sale/lease	BoD	Any Amount	FC	n/a	n/a	
		>= 5% and <= 10% of the lease	CEO					
		< 5% of the lease	HoD					

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		Condition	Responsibility	Condition	Responsibility	Condition	Responsibility
7	Term loans / debt funding or other financing transaction						
7.1	Loans from Banks/financial institutions (Domestic) - Within Budget	> NGN 5 Bn	BoD & Legal	> NGN 5 Bn	CEO	> NGN 1 Bn	CFO
		<= NGN 5 Bn & > NGN 1 Bn	CEO & Legal	<= NGN 5 Bn & > NGN 1 Bn	CFO		
		<= NGN 1 Bn & > NGN 100 Mn	CFO & Legal	<= NGN 1 Bn	FC	<= NGN 1 Bn	FC
		<= NGN 100 Mn	FC & Legal				
7.2	Loans from Banks/financial institutions (Foreign) - Within Budget	> USD 5 Mn	BoD, CEO & CFO & Legal	> USD 5 Mn	CEO	Any Value	CFO
		<= USD 5 Mn	CEO & CFO & Legal	<= USD 5 Mn	CFO		
7.3	Exceeds Budget	Any value	BoD	Same as 7.1 - 7.2 (Based on the category in which it falls)			
7.4	Joint venture & other partnerships (which impacts Equity)	Any value	BoD	Any value	CEO & Legal	Any value	CFO
7.5	Fund raise from listing (or any other source)	Any value	BoD	Any value	CEO & Legal	Any value	CFO
8	Disposal of fixed assets						
8.1	Land (Not in ordinary course of business)	Any Value	BoD	Any value	CEO	Any value	CFO
8.2	Assets other than land	> 5% of total gross value of FA	BoD	Any value	CEO	Any value	CFO
		> USD 1,000 & <= 5% of total gross value of FA	CEO & CFO	Any value	CM	Any value	FC
		GB <= USD 1,000	HoD	Any value	CM	Any value	FC
9) Definitions/Notes:-							
a) Primary EPC Contracts - Means main construction contract i.e. EPC contract given to contractor as part of the project. For e.g. In SIF 2&3 project, contract for Civil & erection is given to SANA is primary contract							
b) Sub-Contracts - Means contracts to complete the projects other than EPC contract or as a scope of EPC contract to get sub-contract for specific kind of work.							
c) Exchange Rate - NGN 700/USD to be used for all conversion and to be modified based on market							
d) BoD - BoD approval here means transaction will taken to CEO - Infra for approval and on case to case to basis, he/she might take it to board of directors for their approval							
e) PSCM/CM - Role of PSCM amd CM will be performed by either of them or may be supported by FC or CFO							
f) Legal - Role of legal head is to ensure that the Company's and the Group's interest is protected in each contract entered by the Company or Group. Therefore, legal approval might need on case to case basis with regards to transaction where legal is not mentioned.							
g) Clause No 6.1, 6.3 and 6.5 should always be read with the conjunction of 6.2, 6.4 and 6.6 respectively							
h) GB - GB stands for Gross Block which means original procurement cost and before disposal of any fixed asset, it needs to be confirmed by Finance Department							
i) All bank payments to be approved by 2 signatories.							
10) Abbreviations:-							
Bn - Billion BoD - Board of Directors CEO - Chief Executive Officer CFO - Chief Financial Officer CTC - Cost to Company DMs - Departmental Managers EPC - Engineering, Procurement and Construction FA - Fixed Assets FC - Financial Controller GB - Gross Block GMC - General Manager - Contracts GMIC - General Manager - Internal Construction GMP - General Manager - Projects HoD - Head of Department HoL - Head of Legal HR - Human Resource HSC - Head Security and Community				IC - Internal Construction K - Thousand MD - Managing Director Mn - Million NGN - Nigerian Naira PMs - Project Managers PO - Purchase/Procurement Order PSCM/CM - Procurement and Supply Chain/Commercial Manager RT - Residential Tower SIF - Standard Industrial Facility SM-MEP - Senior Manager - Mechanical, Electrical & Plumbing SMs - Site Managers SO - Service or Sales Order SOP - Standard Operating Procedures TD - Technical Director USD - United States Dollars WH - Warehouse			