

FINANCIAL REPORTING COUNCIL OF NIGERIA (Federal Ministry of Industry, Trade & Investment)

**FRC/CG/001: TEMPLATE FOR REPORTING COMPLIANCE WITH THE NIGERIAN CODE OF
CORPORATE GOVERNANCE 2018**

Section A: Introduction

Corporate Governance is a key driver of corporate accountability and business prosperity. The Nigerian Code of Corporate Governance, 2018 (NCCG 2018) seeks to institutionalize corporate governance best practices in Nigerian companies. It is also aimed at increasing entities' levels of transparency, trust, and integrity, and create an environment for sustainable business operations.

The Code adopts a principle-based approach in specifying minimum standards of practice that companies should adopt. Where so required, companies are required to adopt the "Apply and Explain" approach in reporting on compliance with the Code. The 'Apply and Explain' approach assumes application of all principles and requires entities to explain how the principles are applied. This requires companies to demonstrate how the specific activities they have undertaken best achieve the outcomes intended by the corporate governance principles specified in the Code.

This will help to prevent a 'box ticking' exercise as companies deliberately consider how they have (or have not) achieved the intended outcomes. Although, the Code recommends practices to enable companies apply the principles, it recognises that these practices can be tailored to meet industry or company needs. The Code is thus scalable to suit the type, size and growth phase of each company while still achieving the outcomes envisaged by the principles.

This form seeks to assess the company's level of compliance with the principles in the NCCG 2018. Entities should explain how these principles have been applied, specify areas of deviation from the principles and give reasons for these deviations and any alternative practice(s) adopted.

Please read the instructions below carefully before completing this form:

- i. Every line item and indicator must be completed.
- ii. Respond to each question with "Yes" where you have applied the principle, and "No" where you are yet to apply the principle.
- iii. An explanation on how you are applying the principle, or otherwise should be included as part of your response.
- iv. Not Applicable (N/A) is not a valid response.



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Section B – General Information

S/N o.	Items	Details
i.	Company Name	FBNQuest Merchant Bank Limited
ii.	Date of Incorporation	February 14, 1995
iii.	RC Number	264978
iv.	License Number	MB/000008
v.	Company Physical Address	10, Keffi Street, off Awolowo Road, Ikoyi, Lagos
vi.	Company Website Address	www.fbnquest.com/merchant-bank
vii.	Financial Year End	December 31
viii.	Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company	Yes – FBN Holdings Plc
ix.	Name and Address of Company Secretary	Tolulope Adetugbo 10, Keffi Street, off Awolowo Road, Ikoyi, Lagos
x.	Name and Address of External Auditor(s)	PricewaterhouseCoopers Inc Landmark Towers 5b, Water Corporation Road Victoria Island
xi.	Name and Address of Registrar(s)	The Company Secretariat, FBNQuest Merchant Bank Limited 10, Keffi Street, off Awolowo Road, Ikoyi, Lagos
xii.	Investor Relations Contact Person (E-mail and Phone No.)	Tolulope Adetugbo Tolulope.adetugbo@fbnquestmb.com 01-2702290
xiii.	Name of the Governance Evaluation Consultant	KPMG Professional Services
xiv.	Name of the Board Evaluation Consultant	KPMG Professional Services



Section C - Details of Board of the Company and Attendance at Meetings

1. Board Details:

S/No.	Names of Board Members	Designation (Chairman, MD, INED, NED, ED)	Gender	Date First Appointed/ Elected	Remark
1.	Bello Maccido	Chairman, NED	Male	4/11/2014	
2.	Kayode Akinkugbe	Managing Director, ED	Male	24/11/2015	
3.	Taiwo Okeowo	Deputy Managing Director, ED	Male	24/11/2015	
4.	Oluyele Delano, SAN	NED, INED	Male	31/03/2015	
5.	Omobola Johnson	NED	Female	10/11/2015	
6.	U.K. Eke, MFR	NED	Male	16/09/2016	
7.	Akinlolu Osinbajo, SAN	NED	Male	31/01/2017	
8.	Babatunde Odunayo	NED	Male	03/05/2018	
9.	Oyinkansade Adewale	NED, INED	Female	14/03/2019	

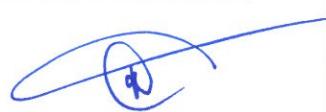
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2. Attendance at Board and Committee Meetings:

S/N o.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
1.	Bello Maccido	6	6	No	Chairman, Board of Directors	-	-
2.	Kayode Akinkugbe	6	6	Board Credit Committee	Member	7	5



				Board Risk Management Committee	Member	4	2
3.	Taiwo Okeowo	6	6	Board Credit Committee	Member	7	6
4.	Oluyele Delano, SAN	6	5	Board Audit Committee	Chairman	6	6
				Board Governance /HR Committee	Member	4	4
				Board Risk Management Committee	Member	4	4
5.	Omobola Johnson	6	6	Board Audit Committee	Member	6	6
				Board Credit Committee	Member	7	6
				Board Governance /HR Committee	Chairman	4	4
6.	U.K. Eke, MFR	6	6	Board Audit Committee	Member	6	6
				Board Governance /HR Committee	Member	4	4
7.	Akinlolu Osinbajo, SAN	6	6	Board Credit Committee	Member	7	7
				Board Governance /HR Committee	Member	4	4
				Board Risk Management Committee	Member	4	4



8.	Babatunde Odunayo	6	6	Board Audit Committee	Member	6	6
				Board Credit Committee	Chairman	7	7
9.	Oyinkansade Adewale	6	6	Board Audit Committee	Member	6	6
				Board Risk Management Committee	Chairman	4	4

Section D - Details of Senior Management of the Company

1. Senior Management:

S/No.	Names	Position Held	Gender
1.	Kayode Akinkugbe	Managing Director	Male
2.	Taiwo Okeowo	Deputy Managing Director	Male
3.	Patrick Mgbenwelu	Head, Investment Banking Division	Male
4.	Awele Ajibola	Chief Risk Officer	Female
5.	Afolabi Olorode	Ag Head, Coverage & Corporate Banking	Male
6.	Ruqaya Nasir-Usman	Head, Abuja Business Office	Female
7.	Adetoun Dosunmu	Head, Fixed Income, Currencies & Treasury Division	Female
8.	Olumuyiwa Theophilus	Chief Information Officer	Male
9.	Deborah Irabor	Head, Wealth Management	Female
10.	Olajide Modele	Head, IT Applications	Male
11.	Emuobo Ayoade	Head, Agency & Transaction Support	Female
12.	Olamide Adeosun	Chief Financial Officer	Female
13.	Romeo Savage	Chief Audit Executive	Male



14.	Sunday Omoniwa	Head, Port-Harcourt Business Office	Male
15.	Olufunke Shobanjo	Head, Organizational Transformation	Female
16.	Frances Diribe	Chief Compliance Officer	Female
17.	Lolade Sasore	Head, People & Knowledge Engagement	Female
18.	Oluseun Olatidoye	Head, Capital Markets	Male
19.	Tonna Ejiofor	Head, Debt Solutions	Male
20.	Gilbert Grant	Head, Financial Institutions Liability	Male
21.	Tolulope Adetugbo	Company Secretary & Head, Legal	Female

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Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
Part A - Board of Directors and Officers of the Board		
Principle 1: Role of the Board <i>"A successful Company is headed by an effective Board which is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible, corporate citizenship. As a link between stakeholders and the Company, the Board is to exercise oversight and control to ensure that management acts in</i>	i) Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No If yes, when was it last reviewed?	Yes. The Board Charter was last reviewed on April 24, 2018



<p><i>the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company”</i></p>		
<p>Principle 2: Board Structure and Composition</p> <p><i>“The effective discharge of the responsibilities of the Board and its committees is assured by an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity “</i></p>	<p>i) What are the qualifications and experiences of the directors?</p> <p>ii) Does the company have a Board-approved diversity policy? Yes/No If yes, to what extent have the diversity targets been achieved?</p> <p>iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?</p> <p>iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the</p>	<p>The experience of the directors’ ranges from 27years to 44years with experience in accounting & finance, banking, law, technology, consulting, and manufacturing.</p> <p>No.</p> <p>Yes.</p> <p>Mallam Bello Maccido Nigerian Sovereign Investment Authority Development Bank of Nigeria</p> <p>Dr. Omobola Johnson: Custodian Investments Limited Guinness Nigeria Limited MTN Nigeria Limited Liquid Telecom Holdings</p> <p>Mrs. Oyinkansade Adewale: Lafarge Africa Plc Baobab Microfinance Bank Nigeria</p> <p>Mr. UK Eke First Bank of Nigeria Limited</p> <p>No</p>
		

	Committees.	
Principle 3: Chairman <i>"The Chairman is responsible for providing overall leadership of the Company and the Board, and eliciting the constructive participation of all Directors to facilitate effective direction of the Board"</i>	i) Is the Chairman a member or chair of any of the Board Committees? Yes/no If yes, list them.	No
	ii) At which Committee meeting(s) was the Chairman in attendance during the period under review?	None
	iii) Is the Chairman an INED or a NED?	NED
	iv) Is the Chairman a former MD/CEO or ED of the Company? Yes/No If yes, when did his/her tenure as MD end?	No
	v) When was he/she appointed as Chairman?	January 1, 2016
	vi) Are the roles and responsibilities of the Chairman clearly defined? Yes/No If yes, specify which document	Yes. The roles and responsibilities of the Chairman are clearly defined in the Board Charter.

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Principles	Reporting Questions	Explanation on application or deviation
Principle 4: Managing Director/ Chief Executive Officer <i>"The Managing Director/Chief Executive Officer is the head of management delegated by the Board to run the affairs of the Company to achieve its strategic objectives for sustainable corporate performance"</i>	i) Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? Yes/No If no, in which documents is it specified?	Yes.
	ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes.
	iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?	Board Credit Committee, Board Risk Management Committee.



	iv) Is the MD/CEO serving as NED in any other company? Yes/no . If yes, please state the company(ies)?	Yes. FBNQuest Asset Management Limited FMDQ Securities Exchange Limited
		Yes.
Principle 5: Executive Directors <i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i>	i) Do the EDs have contracts of employment? Yes/no	Yes.
	ii) If yes, do the contracts of employment set out the roles and responsibilities of the EDs? Yes/No If no, in which document are the roles and responsibilities specified?	Yes.
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes.
	iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list	Yes. FBNQuest Securities Limited Main One Cable Company Limited
	v) Are their memberships in these companies in line with Board-approved policy? Yes/No	Yes.
Principle 6: Non-Executive Directors <i>Non-Executive Directors bring to bear their knowledge, expertise, and independent judgment on issues of strategy and performance on the Board</i>	i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?	Yes. The roles and responsibilities of the NEDs are defined in the Board Charter.
	ii) Do the NEDs have letters of appointment specifying their duties, liabilities, and terms of engagement? Yes/No	Yes.
	iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes.
	iv) Are NEDs provided with information relating to the management of the company and on all Board matters? Yes/No If yes, when is the information provided to the NEDs	Yes. The information is provided quarterly, and as often as is required.



	v) What is the process of ensuring completeness and adequacy of the information provided?	Information provided to the Directors are reviewed and can be independently verified by the NEDs.
	vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No	Yes.
Principle 7: Independent Non-Executive Directors	i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No	Yes.

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Principles	Reporting Questions	Explanation on application or deviation
<i>Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"</i>	ii) Are there any exceptions?	No.
	iii) What is the process of selecting INEDs?	The selection process is contained in the Board Governance/HR Committee Charter.
	iv) Do the INEDs have letters of appointment specifying their duties, liabilities, and terms of engagement? Yes/No	Yes.
	v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes.
	vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?	Yes. The independence of the INED is ascertained yearly. The information provided by the INED via an annual disclosure form is independently verified by the Company.
	vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?	No.
	viii) Does the INED have another relationship with the Company apart from directorship and/or	No.



	shareholding? Yes/No If yes, provide details.	
	ix) What are the components of INEDs remuneration?	The INEDs remuneration is comprised of Directors fee and sitting allowances.
Principle 8: Company Secretary <i>"The Company Secretary supports the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company"</i>	i) Is the Company Secretary in-house or outsourced?	The Company Secretary is in-house.
	ii) What is the qualification and experience of the Company Secretary?	BL, LLB, LLM with over 17 years experience.
	iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?	Yes.
	iv) Who does the Company Secretary report to?	The Company Secretary reports to the Chairman, Board of Directors
	v) What is the appointment and removal process of the Company Secretary?	The Company Secretary is appointed and removed by the Board in line with Section 333 of the Companies & Allied Matters Act, 2020
	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	The Managing Director and Board of Directors appraise the Company Secretary
Principle 9: Access to Independent Advice <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i>	i) Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? Yes/No If yes, where is it documented?	Yes. This is documented in the Board Charter.
	ii) Who bears the cost for the independent professional advice?	The Company
	iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.	Yes. Legal opinion was sought with respect to the rights of the Company as lessor under a leasehold agreement from the freeholder of the lease.
Principle 10: Meetings of the Board	i) What is the process for reviewing and approving minutes of Board meetings?	The Minutes are reviewed and adopted at the subsequent Board meetings by the Directors.



<p><i>"Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the</i></p>	<p>ii) What are the timelines for sending the minutes to Directors?</p>	<p>The draft Minutes are circulated amongst the Directors 2 weeks after the meeting to which the Minutes relate.</p>
	<p>iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?</p>	<p>Directors who do not meet the minimum attendance required are not eligible for renewal of tenure.</p>

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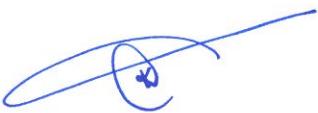
Principles	Reporting Questions	Explanation on application or deviation
<i>strategic objectives of the Company"</i>		
Principle 11: Board Committees <i>"To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities"</i>	<p>i) Do the Board Committees have Board approved Charters which set out their responsibilities and terms of reference? Yes/No</p> <p>ii) What is the process for reviewing and approving minutes of Board Committee of meetings?</p> <p>iii) What are the timelines for sending the minutes to the directors?</p> <p>iv) Who acts as Secretary to board committees?</p> <p>v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management</p> <p>vi) What is the process of appointing the chair of each committee?</p>	<p>Yes.</p> <p>The Minutes are reviewed and adopted at the subsequent Board meetings by the members of the Committee</p> <p>The draft Minutes are circulated amongst the members of the Committee 2 weeks after the meeting to which the Minutes relate.</p> <p>The Company Secretary</p> <p>a) Board Governance/HR Committee b) Board Governance/HR Committee c) Board Audit Committee d) Board Risk Management Committee</p> <p>The Chair of each committee is appointed by the Chairman of the Board of Directors.</p> <p>Committee responsible for Nomination and Governance</p>
	<p>vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?</p>	<p>Board Governance/HR Committee - 25:75</p>



	viii) Is the chairman of the Committee a NED or INED?	NED
	ix) Does the Company have a succession plan policy? Yes/No If yes, how often is it reviewed?	Yes. It is reviewed as often as becomes necessary in line with the change structure of the Company
	x) How often are Board and Committee charters as well as other governance policies reviewed?	The Charters are reviewed every 3 years.
	xi) How does the committee report on its activities to the Board?	The Committee presents its report to the Board every quarter, and as often as becomes necessary.
Committee responsible for Remuneration		
	xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	Board Governance/HR Committee - 25:75
	xiii) Is the chairman of the Committee a NED or INED?	NED
Committee responsible for Audit		
	xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	Yes
	xv) Are members of the Committee responsible for Audit financially literate? Yes/No	Yes
	xvi) What are their qualifications and experience?	Members of the Board Audit Committee have experience ranging from 30years – 44years. They are qualified in areas of accounting & finance, law, banking, technology, consulting, and manufacturing.
	xvii) Name the financial expert(s) on the Committee responsible for Audit	U.K Eke, MFR; Babatunde Odunayo; Oyinkansade Adewale



Principles	Reporting Questions	Explanation on application or deviation
	xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Internal Auditor's report is reviewed quarterly.
	xix) Does the Company have a Board approved internal control framework in place? Yes/No	Yes
	xx) How does the Board monitor compliance with the internal control framework?	The Board monitors quarterly via the Board Risk Management Committee.
	xxi) Does the Committee responsible for Audit review the External Auditors management letter, Key Audit Matters and management response to issues raised? Yes/No Please explain.	Yes The External Auditors present their post audit report which consists of key audit matters etc. to the Committee after every interim or year-end audit.
	xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No	Yes
	xxiii) How many times did the Audit Committee hold discussions with the head of internal audit function and external auditors without the management during the period under review?	None
Committee responsible for Risk Management		
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	INED
	xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?	Yes. Reviewed December 2019 and awaiting CBN approval.
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	The Risk Management controls are reviewed every 3 years. It was last reviewed in December 2019
	xxvii) Does the Company have a Board approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed?	Yes. The framework is reviewed every 2 years.



	xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?	The reports are reviewed quarterly.
	xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No	Yes
	xxx) How many meetings of the Committee did the CRO attend during the period under review?	Four
Principle 12: Appointment to the Board <i>"A written, clearly defined, rigorous, formal and transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality, individuals to the Board"</i>	i) Is there a Board-approved policy for the appointment of Directors? Yes/No	Yes
	ii) What criteria are considered for their appointment?	The Board Governance/HR Committee considers the knowledge, skill, and experience of each appointee to the Board
	iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?	The fit and proper person questionnaire is administered to the prospective director. A copy is submitted to the CBN for verification and a copy retained by Management for independent verification.
	iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED	<p>a. Yes b. Yes c. Yes</p>

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Principles	Reporting Questions	Explanation on application or deviation
	d) NED e) EDs	d. Yes e. Yes
	v) Please state the tenure	NED – 12 years maximum ED – 10 years maximum
	vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No?	Yes



Principle 13: Induction and Continuing Education <i>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</i>	i) Does the Board have a formal induction programme for new directors? Yes/No	Yes
	ii) During the period under review, were new Directors appointed? Yes/No If yes, provide date of induction.	No
	iii) Are Directors provided relevant training to enable them effectively to discharge their duties? Yes/No If yes, provide training details.	Yes. The Directors attended trainings on: Sustainability AML/CFT Corporate Governance. Risk Management Cybersecurity
	iv) How do you assess the training needs of Directors?	Training needs are assessed as part of the Board and Governance appraisal.
	v) Is there a Board-approved training plan? Yes/No	Yes
	vi) Has it been budgeted for? Yes/No	Yes
Principle 14: Board Evaluation <i>"Annual Board evaluation assesses how each Director, the committees of the Board and the Board are committed to their roles, work together and continue to contribute effectively to the achievement of the Company's objectives"</i>	i) Is there a Board-approved policy for evaluating Board performance? Yes/No	Yes
	ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No	Yes
	iii) If yes, indicate whether internal or external. Provide date of last evaluation.	External. April, 2020
	iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation.	Yes. The Board Evaluation report was presented in October 2020.
	v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No	Yes
	vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No	Yes



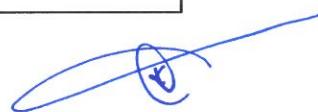
Principle 15: Corporate Governance Evaluation <i>"Institutionalizing a system for evaluating the Company's corporate governance practices ensures that its governance standards, practices and processes are adequate and effective"</i>	i) For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation.	Yes. April 2020 (as part of the Board Appraisal)
	ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No	Yes
	iii) If yes, please indicate the date of last presentation.	October 2020
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investor's portal? Yes/No	Yes
Principle 16: Remuneration Governance	i) Is there a Board-approved Directors' remuneration policy? Yes/No If yes, how often is it reviewed?	Yes. The policy is reviewed every two years.

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Principles	Reporting Questions	Explanation on application or deviation
<i>"The Board ensures that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term"</i>	ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review	Total remuneration paid to all Directors was N395,447,743.15, broken down as follows: Fees and sitting allowances - N143,294,144.00 Executive compensation - N235,613,572.44 Other Director expenses - N16,540,026.71
	iii) Is the remuneration of NEDs presented to shareholders for approval? Yes/No If yes, when was it approved?	Yes. The NED remuneration was approved in April 2017
	iv) What portion of the NEDs remuneration is linked to company performance?	None
	v) Is there a Board-approved remuneration policy for Executive and Senior management? Yes/No If yes, to what extent is remuneration	Yes Performance incentives are evaluated
		

	linked to company performance?	against KPIs defined in the individual score cards.
	vi) Has the Board set KPIs for Executive Management? Yes/No	Yes
	vii) If yes, was the performance measured against the KPIs? Yes/No	Yes
	viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? Yes/No	No
	ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff	None
	x) Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy.	No. A draft claw back policy will be presented to the Board for consideration at the next meeting.
Principle 17: Risk Management <i>"A sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company"</i>	i) Has the Board defined the company's risk appetite and limit? Yes/No	Yes
	ii) How often does the company conduct a risk assessment?	Quarterly
	iii) How often does the board receive and review risk management reports?	Quarterly.
Principle 18: Internal Audit <i>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems"</i>	i) Does the company have an Internal Audit function? Yes/No If no, how has the Board obtained adequate assurance on the effectiveness of internal processes and systems?	Yes
	ii) Does the company have a Board-approved internal audit charter? Yes/No	Yes
	iii) Is the head of internal audit a member of senior management? Yes/No	Yes



	iv) What is the qualification and experience of the head of internal audit?	Ph.D., CIA, ACA, ACIB, ACCA CertIFR. The Chief Audit Executive has over 20years experience.
	v) Does the company have a Board-approved annual risk-based internal audit plan? Yes/No	Yes
	vi) Does the head of the internal audit function report at least once every quarter to the committee responsible for audit, on the	Yes

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Principles	Reporting Questions	Explanation on application or deviation
	adequacy and effectiveness of management, governance, risk, and control environment; deficiencies observed and management mitigation plans? Yes/No	
	vii) Is there an external assessment of the effectiveness of the internal audit function at least once every three years by a qualified independent reviewer appointed by the Board? Yes/No If yes, when was the last assessment?	Yes. The last assessment was done in 2019.
	viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?	The Board Audit Committee
Principle 19: Whistleblowing <i>"An effective whistleblowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and recurrence"</i>	i) Does the company have a Board-approved whistleblowing framework? Yes/No If yes, when was the date of last review	Yes. The Whistleblowing Policy was last reviewed on April 24, 2019
	ii) Does the Board ensure that the whistleblowing mechanism and are process reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistleblower? Yes/No	Yes



	<p>iii) Is the Audit committee provided with the following reports on a periodic basis?</p> <p>a) Reported cases b) Process and results of Investigated cases</p>	Yes
<p>Principle 20: External Audit</p> <p><i>"An external auditor is appointed to provide an independent opinion on the true and fair view of the financial statements of the Company to give assurance to stakeholders on the reliability of the financial statements"</i></p>	<p>i) Who makes the recommendations for the appointment, re-appointment, or removal of external auditors?</p>	Management makes the recommendation to the Board Audit Committee.
	<p>ii) Who approves the appointment, re-appointment, and removal of External Auditors?</p>	The Board
	<p>iii) When was the first date of appointment of the External auditors?</p>	2010
	<p>iv) How often are the audit partners rotated?</p>	Maximum of 5 years
<p>Principle 21: General Meetings</p> <p><i>"General Meetings are important platforms for the Board to engage shareholders to facilitate greater understanding of the Company's business, governance, and performance. They provide shareholders with an opportunity to exercise their ownership rights and express their views to the Board on any areas of interest"</i></p>	<p>i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?</p>	Twenty-One days
	<p>ii) Were the Chairmen of all Board Committees and the Chairman of the Statutory Audit Committee present to respond to Shareholders' enquiries at the last meeting? Yes/No</p>	Yes
<p>Principle 22: Shareholder Engagement</p> <p><i>"The establishment of a system of regular dialogue with shareholders balance</i></p>	<p>i) Is there a Board-approved policy on shareholders' engagement? Yes/No</p> <p>If yes:</p> <p>a) when was it last reviewed? b) Is the policy hosted on the company's website?</p>	No. The Company has a single shareholder whose representatives are in frequent communication with Management.



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Principles	Reporting Questions	Explanation on application or deviation
<i>their needs, interests and expectations with the objectives of the Company”</i>	ii) How does the Board engage with Institutional Investors and how often?	The Company being a wholly owned subsidiary has frequent engagements with the parent entity.
Principle 23: Protection of Shareholder Rights <i>“Equitable treatment of shareholders and the protection of their statutory and general rights, particularly the interest of minority shareholders, promote good governance”</i>	i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company's activities? Yes/No	Yes
Principle 24: Business Conduct and Ethics <i>“The establishment of professional business and ethical standards underscore the values for the protection and enhancement of the reputation of the Company while promoting good conduct and investor confidence”</i>	i) Does the company have a Board-approved Code of Business Conduct and Ethics (COBE) that guides the professional business and ethical standards? Yes/No If yes: a) Has the COBE been communicated to all internal and external Stakeholders? Yes/No b) Is the COBE applicable to any or all the following: 1. Board 2. Senior management 3. Other employees 4. Third parties	Yes Yes Yes
	ii) When was the date of last review of the policy?	April 24, 2019
	iii) Has the Board incorporated a process for identifying, monitoring, and reporting adherence to the COBE? Yes/No	Yes



	iv) What sanctions were imposed for the period under review for non-compliance with the COBE?	None
Principle 25: Ethical Culture <i>"The establishment of policies and mechanisms for monitoring insider trading, related party transactions, conflict of interest and other corrupt activities, mitigates the adverse effects of these abuses on the Company and promotes good ethical conduct and investor confidence"</i>	i) Is there a Board- approved policy on insider trading? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy?	No. The Company is not a Plc.
	ii) Does the company have a Board approved policy on related party transactions? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy? c) Is the policy applicable to any or all the following: 1. Board 2. Senior management 3. Other employees (Specify) 4. Third parties (Specify)	Yes a. March 2020 b. Quarterly reports are presented to the Board. c. The Policy is applicable to the Board and senior management
	iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?	All insider related credits are approved by the Board Credit Committee and reported to the Board.

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Principles	Reporting Questions	Explanation on application or deviation
	iv) Does the company have a Board approved policy on conflict of interest? Yes/No If yes: a) When was the last date of review? b) How does the Board monitor compliance with this policy? c) Is the policy applicable to any or all the following: 1. Senior management 2. Other employees (Specify)	Yes. a) The Policy was last reviewed on April 24, 2019. b) The Board monitors compliance via the Board Credit Committee c) Yes.
Principle 26: Sustainability	i) Is there a Board-approved sustainability policy? Yes/No	Yes.

<p><i>"Paying adequate attention to sustainability issues including environment, social, occupational and community health and safety ensures successful long-term business performance and projects the Company as a responsible corporate citizen contributing to economic development"</i></p>	If yes, when was it last reviewed?	October 2020.
	ii) How does the Board monitor compliance with the policy?	Reports on sustainability are provided to the Board quarterly.
	iii) How does the Board report compliance with the policy?	A quarterly sustainability report is presented to the Company's regulator.
	iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?	No. A draft of this Policy would be considered by the Board at its next meeting.
<p>Principle 27: Stakeholder Communication</p> <p><i>"Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions"</i></p>	i) Is there a Board-approved policy on stakeholder management and communication? Yes/No	Yes
	ii) Does the Company have an up-to-date investor relation portal? Yes/No If yes, provide the link.	No
<p>Principle 28: Disclosures</p> <p><i>"Full and comprehensive disclosure of all matters material to investors and stakeholders, and of matters set out in this Code, ensures proper monitoring of its implementation which engenders good corporate governance practice"</i></p>	i) Does the company's annual report include a summary of the corporate governance report? Yes/No	Yes
	ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.	No



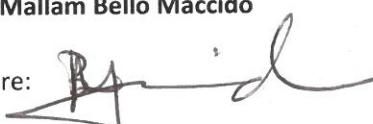
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Section F – Certification

We hereby make this declaration in good faith and confirm that the information provided in this form is true.

Chairman, Board of Directors

Name: **Mallam Bello Maccido**

Signature: 

Date: **March 25, 2021**

Chair, Board Governance/HR Committee

Name: **Dr. Omobola Johnson**

Signature: 

Date: **March 24, 2021**

Managing Director/CEO

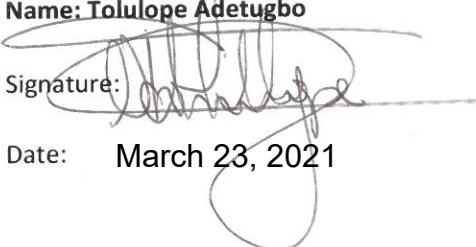
Name: **Kayode Akinkugbe**

Signature: 

Date: **March 23, 2021**

Company Secretary

Name: **Tolulope Adetugbo**

Signature: 

Date: **March 23, 2021**

