

**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.

REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018
Section B – General Information

| S/No. | Items | Details |
|--------------|---|--|
| i. | Company Name | FBNQuest Asset Management Limited |
| ii. | Date of Incorporation | September 9, 2011 |
| iii. | RC Number | 978831 |
| iv. | License Number | SEC Registration number – 1621 |
| v. | Company Physical Address | 16 Keffi Street, Off Awolowo Road, S/W Ikoyi, Lagos, Nigeria |
| vi. | Company Website Address | www.fbnquest.com/asset-management |
| 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 The Company is a subsidiary of FBNQuest Merchant Bank Limited (the “Parent Entity”) |
| ix. | Name and Address of Company Secretary | Emamuzo Idegbesor 10 Keffi Street, Off Awolowo Road, S/W Ikoyi, Lagos, Nigeria |
| 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 Asset Management Limited 16, Keffi Street, off Awolowo Road, Ikoyi, Lagos |
| xii. | Investor Relations Contact Person (E-mail and Phone No.) | Emamuzo Idegbesor. Emamuzo.Idegbesor@fbnquestmb.com 01-2702290 |

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| xiii. | Name of the Governance Evaluation Consultant | LeishTon Consulting & BoardGov Limited |
| xiv. | Name of the Board Evaluation Consultant | LeishTon Consulting & BoardGov Limited |

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. | Mr. Kayode Akinkugbe | Chairman | Male | 20/07/2017 | |
| 2. | Mr. Ike Onyia | MD | Male | 10/10/2016 | |
| 3. | Mr. Babajide Fetuga | NED | Male | 25/10/2019 | Awaiting regulatory approval |
| 4. | Mrs. Adetoun Dosunmu | NED | Female | 25/10/2019 | Awaiting regulatory approval |
| 5. | Mrs. Ijeoma Agboti-Obatoyinbo | NED | Female | 30/10/2020 | Awaiting regulatory approval |

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. | Mr. Kayode | 5 | 5 | None | Chairman | None | None |

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| | Akinkugbe | | | | | | |
| 2. | Mr. Ike Onyia | 5 | 5 | None | MD | None | None |
| | | | | | | | |
| | | | | | | | |
| 3. | Mr. Babajide Fetuga | 5 | 5 | None | NED | None | None |
| 4. | Mrs. Adetoun Dosunmu | 5 | 5 | None | NED | None | None |
| 5. | Mrs. Ijeoma Agboti-Obatoyinbo | 5 | 1 | None | NED | None | None |

Section D - Details of Senior Management of the Company

1. Senior Management:

| S/No. | Names | Position Held | Gender |
|-------|------------------------|-------------------------------|--------|
| 1. | Ike Onyia | Managing Director | Male |
| 2. | Ifeoluwa Oladapo-Dixon | Head, Fixed Income | Female |
| 3. | Laura Fisayo-Kolawole | Head, Equities & Alternatives | Female |
| 4. | Anne Oragwu | Head, Affluent | Female |

Section E – Application

| Principles | Reporting Questions | Explanation on application or deviation |
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| Part A - Board of Directors and Officers of the Board | | |
| <p>Principle 1: Role of the Board</p> <p><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 the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company”</i></p> | <p>i) Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No</p> <p>If yes, when was it last reviewed?</p> | <p>Yes. It was last reviewed in October 2020</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)</i></p> | <p>i) What are the qualifications and experiences of the directors?</p> | <p>The experience of the Directors ranges from 13 years to 27 years with experience in banking and asset management</p> |
| | <p>ii) Does the company have a Board-approved diversity policy? Yes/No</p> <p>If yes, to what extent have the diversity targets been achieved?</p> | <p>No</p> |
| | <p>iii) Are there directors holding concurrent directorships? Yes/No</p> <p>If yes, state names of the directors</p> | <p>Yes</p> <p>Mr. Kayode Akinkugbe – FBNQuest Merchant Bank; FMDQ Securities Exchange</p> |

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| without compromising competence, independence and integrity “ | and the companies? | |
| | iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the Committees. | No |
| Principle 3: Chairman “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) 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? | July 20, 2017 |
| | 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. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| Principle 4: Managing Director/ Chief Executive Officer “The Managing | 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 |

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| <p><i>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></p> | <p>ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No</p> | <p>Yes</p> |
| | <p>iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?</p> | <p>None.</p> |
| | <p>iv) Is the MD/CEO serving as NED in any other company? Yes/no. If yes, please state the company(ies)?</p> | <p>Yes. FBNQuest Capital Limited; FBNQuest Funds Limited</p> |
| | <p>v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No</p> | <p>Yes</p> |
| <p>Principle 5: Executive Directors</p> <p><i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i></p> | <p>i) Do the EDs have contracts of employment? Yes/no</p> | <p>No. The Company does not have any EDs.</p> |
| | <p>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?</p> | <p>No. The Company does not have any EDs</p> |
| | <p>iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No</p> | <p>No. The Company does not have EDs.</p> |
| | <p>iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list</p> | <p>No. The Company does not have EDs.</p> |
| | <p>v) Are their memberships in these companies in line with Board-approved policy? Yes/No</p> | <p>No. The Company does not have EDs.</p> |
| <p>Principle 6: Non-Executive Directors</p> <p><i>Non-Executive Directors bring to bear their knowledge, expertise, and independent judgment on issues of</i></p> | <p>i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?</p> | <p>Yes. The roles and responsibilities of the NEDs are defined in the Board Charter.</p> |
| | <p>ii) Do the NEDs have letters of appointment specifying their duties, liabilities, and terms of</p> | <p>Yes</p> |

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| <i>strategy and performance on the Board</i> | engagement? Yes/No | |
| | 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. |
| | 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 | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. Notwithstanding, the Company operates within a Group structure in which the Parent Entity board (which provides oversight) is duly constituted with INEDs who meet the independence criteria. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <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? | The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| | iii) What is the process of selecting INEDs? | The selection process is contained in the Board Governance & Nomination Committee Charter. |
| | iv) Do the INEDs have letters of appointment specifying their duties, liabilities, and terms of | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |

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| | engagement? Yes/No | |
| | v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| | vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process? | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| | vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding? | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| | viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details. | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| | ix) What are the components of INEDs remuneration? | No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity. |
| Principle 8: Company Secretary <i>“The Company Secretary support 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 with 14 years’ experience. |
| | iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management? | No |
| | 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 |

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| | | 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? | ii) The Company |
| | iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details. | iii) No |
| Principle 10: Meetings of the Board <i>“Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the</i> | i) What is the process for reviewing and approving minutes of Board meetings? | The Minutes are reviewed and adopted at subsequent Board meetings by the Directors. |
| | ii) What are the timelines for sending the minutes to Directors? | The draft Minutes are circulated amongst the Directors 2 weeks after the meeting to which the Minutes relate. |
| | iii) What are the implications for Directors who do not meet the Company policy on meeting attendance? | Directors who do not meet the minimum attendance required are not eligible for renewal of tenure. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <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</i> | i) Do the Board Committees have Board approved Charters which set out their responsibilities and terms of reference? Yes/No | Yes. |
| | ii) What is the process for reviewing and approving minutes of Board | The Minutes will be reviewed and adopted at the subsequent Board Committee meetings |

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| <i>and responsibilities to well-structured committees, without abdicating its responsibilities”</i> | Committee of meetings? | by the Committee members. |
| | iii) What are the timelines for sending the minutes to the directors? | The draft Minutes are to be circulated amongst the members of the Committee 2 weeks after the meeting to which the Minutes relate. |
| | iv) Who acts as Secretary to board committees? | The Company Secretary |
| | v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management | The matters below will be borne by the following Board Committees to be constituted: a) Nomination and Governance- The Board Governance & Nomination Committee. b) Remuneration- The Board Governance & Nomination Committee. c) Audit- Board Audit & Risk Committee. d) Risk Management- Board Audit & Risk Committee |
| | vi) What is the process of appointing the chair of each committee? | The Chairperson of each committee is to be appointed by the Chairman of the Board of Directors. |
| | Committee responsible for Nomination and Governance | |
| | vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance? | The Company does not have INEDs as the directors are employees of the Parent Entity. However, the Committee of the Parent Entity responsible for Nomination and Governance (which also has oversight on the Company) has 25% of INEDs. |
| | viii) Is the chairman of the Committee a NED or INED? | NED |
| | ix) Does the Company have a succession plan policy? Yes/No | Yes. It is reviewed as often as becomes necessary in line with the change structure of |

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| | If yes, how often is it reviewed? | the Company and its Parent Entity. |
| | x) How often are Board and Committee charters as well as other governance policies reviewed? | The Charters are to be reviewed every 3 years. |
| | xi) How does the committee report on its activities to the Board? | The Committee will report to the Board every quarter or as often as required. |
| Committee responsible for Remuneration | | |
| | xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration? | The Company does not have INEDs as the directors are employees of the Parent Entity. However, the Committee of the Parent Entity responsible for remuneration (which also has oversight on the Company) has 25% INEDs. |
| | xiii) Is the chairman of the Committee a NED or INED? | The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| Committee responsible for Audit | | |
| | xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No | No. |
| | xv) Are members of the Committee responsible for Audit financially literate? Yes/No | No. The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| | xvi) What are their qualifications and experience? | The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| | xvii) Name the financial expert(s) on the Committee responsible for Audit | The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & |

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| | | Exchange Commission (SEC). |
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| Principles | Reporting Questions | Explanation on application or deviation |
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| | xviii) How often does the Committee responsible for Audit review the internal auditor's reports? | The Internal Auditor's report is reviewed quarterly by the Board of Directors as the Directors to be appointed to the Board Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| | 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 compliance quarterly via the reports of the Risk Management department. |
| | 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. | No. The Board of Directors review the External Auditors management letter, key audit matters and management's response to the issues raised. |
| | 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? | The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| Committee responsible for Risk Management | | |
| | xxiv) Is the Chairman of the Risk Committee a NED or an INED? | The Directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & |

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| | | Exchange Commission (SEC). |
| | xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved? | Yes. The Risk Management Policy of the Parent Entity (in line with the shared services model of the group) was reviewed in 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 | 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 IT Data Governance Framework of the Parent Entity (in line with the shared services model of the group) is reviewed every 2 years. |
| | xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework? | The Board of Directors review the reports quarterly as the directors to be appointed to the Committee are yet to be approved by the Company's regulator, i.e. the Securities & Exchange Commission (SEC). |
| | xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No | No. The Group CRO has the relevant experience as the Group operates a shared services model. |
| | xxx) How many meetings of the Committee did the CRO attend during the period under review? | The Group CRO made presentations to the Board at all the Board meetings. |
| 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</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 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 Board Governance/HR Committee of the Parent Entity considers the knowledge, skill, and experience of each appointee to the Board of the Company, and appointments are |

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| <i>high-quality individuals to the Board”</i> | | subject to the approval of the Securities and Exchange Commission (SEC). |
| | iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED | a) No b) No c) No d) No e) No |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | d) NED e) EDs | The tenures are yet to be set by the Parent Entity. |
| | v) Please state the tenure | The tenures are yet to be set by the Parent Entity. |
| | 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. | Yes. Regulatory approval is yet to be received for the appointments. |
| | 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 during the appraisal by the Board of the Parent Entity. |
| | v) Is there a Board-approved training plan? Yes/No | Yes |
| | vi) Has it been budgeted for? Yes/No | Yes |

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| <p>Principle 14: Board Evaluation</p> <p><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></p> | 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 – January 2021 for the appraisal of the board in the 2020 financial year. |
| | iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation. | No. The evaluation is ongoing. |
| | v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No | No. The evaluation is ongoing. |
| | vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No | No. The evaluation is ongoing. |
| <p>Principle 15: Corporate Governance Evaluation</p> <p><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></p> | i) For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation. | Yes |
| | ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No | No. The evaluation is ongoing. |
| | iii) If yes, please indicate the date of last presentation. | The evaluation is ongoing. |
| | iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investor’s portal? Yes/No | No. The evaluation is ongoing. |
| <p>Principle 16: Remuneration Governance</p> | i) Is there a Board-approved Directors’ remuneration policy? Yes/No If yes, how often is it reviewed? | No. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <p><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></p> | ii) Provide details of directors’ fees, allowances and all other benefits paid to them during the period under review | The Directors are employees of the Parent Entity and do not receive fees. |
| | iii) Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved? | No. The Directors are employees of the Parent Entity and do not receive fees. |
| | iv) What portion of the NEDs remuneration is linked to company performance? | The Directors are employees of the Parent Entity and do not receive remuneration. |
| | v) Is there a Board-approved remuneration policy for Executive and Senior management? Yes/No If yes, to what extent is remuneration linked to company performance? | Yes. Performance incentives are evaluated 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 claw back policy for Executive management? Yes/No If yes, attach the policy. | No |
| | Principle 17: Risk | i) Has the Board defined the company’s risk appetite and limit? Yes/No |

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| 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> | 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. The group operates a shared services model. |
| | 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 | No. |
| | iv) What is the qualification and experience of the head of internal audit? | Ph.D., CIA, ACA, ACIB, ACCA CertIFR. The Group 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. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | adequacy and effectiveness of management, governance, risk, and control environment; deficiencies observed and management mitigation plans? Yes/No | |

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| | <p>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?</p> | Yes. The last assessment was done in 2019. |
| | <p>viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?</p> | The Board Audit Committee of the Parent Entity. |
| <p>Principle 19: Whistleblowing <i>“An effective whistleblowing framework for reporting any illegal or unethical behaviour minimises the Company’s exposure and prevents recurrence”</i></p> | <p>i) Does the company have a Board-approved whistleblowing framework? Yes/No If yes, when was the date of last review</p> | Yes. The Whistleblowing Policy was last reviewed in March 2021. |
| | <p>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</p> | 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> | The Group Chief Audit Executive is obligated to give the Board quarterly reports on whistleblowing incidents (until the Directors to be appointed to the Committee are approved by the Company’s regulator, i.e. the SEC. |
| <p>Principle 20: External Audit <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 of Directors. |
| | <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> | January 1, 2013 |
| | <p>iv) How often are the audit partners rotated?</p> | Maximum of 5 years |

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| <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> | <p>Twenty-One days</p> |
| | <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> | <p>No. The Chairman of the Board was present to respond to Shareholders’ enquiries.</p> |
| <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 If yes: a) when was it last reviewed? b) Is the policy hosted on the company’s website?</p> | <p>No. The Parent Entity is the single shareholder whose representatives are in frequent communication with Management.</p> |

| Principles | Reporting Questions | Explanation on application or deviation |
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| <p><i>their needs, interests and expectations with the objectives of the Company”</i></p> | <p>ii) How does the Board engage with Institutional Investors and how often?</p> | <p>The Company being a wholly owned subsidiary has frequent engagements with the Parent Entity.</p> |
| <p>Principle 23: Protection of Shareholder Rights</p> <p><i>“Equitable treatment of shareholders and the protection of their statutory and general rights, particularly the interest</i></p> | <p>i) Does the Board ensure that adequate and timely information is provided to the shareholders on the Company’s activities? Yes/No</p> | <p>Yes</p> |

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| <p><i>of minority shareholders, promote good governance”</i></p> | | |
| <p>Principle 24: Business Conduct and Ethics</p> <p><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></p> | <p>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</p> <p>If yes:</p> <p>a) Has the COBE been communicated to all internal and external Stakeholders? Yes/No</p> <p>b) Is the COBE applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees 4. Third parties | <p>Yes</p> <p>a) Yes b) Yes</p> |
| | <p>ii) When was the date of last review of the policy?</p> | <p>December 2018</p> |
| | <p>iii) Has the Board incorporated a process for identifying, monitoring, and reporting adherence to the COBE? Yes/No</p> | <p>Yes</p> |
| | <p>iv) What sanctions were imposed for the period under review for non-compliance with the COBE?</p> | <p>None</p> |
| <p>Principle 25: Ethical Culture</p> <p><i>“The establishment of policies and mechanisms for</i></p> | <p>i) Is there a Board- approved policy on insider trading? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> | <p>No. The Company is not a Plc.</p> |

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| <i>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> | 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 of 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. 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. |

| Principles | Reporting Questions | Explanation on application or deviation |
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| | 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 of the following: 1. Senior management 2. Other employees (Specify) | Yes. a) The Policy was last reviewed in March 2021. b) The Board monitors compliance via the Compliance Department c) Yes. |
| Principle 26: Sustainability <i>“Paying adequate attention to sustainability issues including environment, social, occupational and community health and safety ensures</i> | i) Is there a Board-approved sustainability policy? Yes/No If yes, when was it last reviewed? | Yes. The group policy was last reviewed in October 2020. |
| | ii) How does the Board monitor compliance with the policy? | Reports on sustainability are provided to the Board of the Parent Entity quarterly. |
| | iii) How does the Board report compliance with the policy? | A quarterly sustainability report is presented to the Parent Entity’s regulator. |

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| <p><i>successful long-term business performance and projects the Company as a responsible corporate citizen contributing to economic development”</i></p> | <p>iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?</p> | <p>No.</p> |
| <p>Principle 27: Stakeholder Communication <i>“Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions”</i></p> | <p>i) Is there a Board-approved policy on stakeholder management and communication? Yes/No</p> | <p>Yes</p> |
| | <p>ii) Does the Company have an up-to-date investor relation portal? Yes/No If yes, provide the link.</p> | <p>No, the Company has just one majority shareholder</p> |
| <p>Principle 28: Disclosures <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> | <p>i) Does the company’s annual report include a summary of the corporate governance report? Yes/No</p> | <p>Yes</p> |
| | <p>ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties.</p> | <p>Yes FRCN: N1.04m Expiration of FRC Registration /2020 Subscription payment for Directors/Signatories</p> |

REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

Section F – Certification

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

Chairman of the Board of Directors

Name: Mr. Kayode Akinkugbe

Signature:



Date: 29/03/2021

Managing Director/Chief Executive Officer

Name: Mr. Ike Onyia

Signature:



Date: 29/03/2021

Company Secretary

Name: Mrs. Emamuzo Idegbesor

Signature:



Date: 29/03/2021