

**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/N o.	Items	Details
i.	Company Name	FBNQuest Securities Limited
ii.	Date of Incorporation	23 rd July 1991
iii.	RC Number	RC 169024
iv.	License Number	SEC Registration number – SEC/BD/00065 NSE Dealing license Number- 0054
v.	Company Physical Address	16 Keffi Street, Off Awolowo Road, S/W Ikoyi, Lagos, Nigeria
vi.	Company Website Address	https://fbnquest.com/securities/
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 Securities Limited 16, Keffi Street, off Awolowo Road, Ikoyi, Lagos
xii.	Investor Relations Contact Person	Emamuzo Idegbesor Emamuzo.Idegbesor@fbnquestmb.com

	(E-mail and Phone No.)	01-2702290
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. Taiwo Okeowo	Chairman	Male	JULY 20, 2017	
2.	Mrs. Fiona Ahimie	MD	Female	MARCH 15, 2019	
3.	Mr. Bunmi Asaolu	NED	Male	JUNE 18, 2019	
4.	Mr. Tseyi Hammond	NED	Male	MARCH 15, 2019	
5.	Mr. Afolabi Olorode	NED	Male	AUGUST 28, 2020	

2. Attendance at Board and Committee Meetings:

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Members hip 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. Taiwo Okeowo	5	5	None	Chairman	None	None

2.	Mrs. Fiona Ahimie	5	5	None	MD	None	None
3.	Mr. Bunmi Asaolu	5	5	None	NED	None	None
4.	Mr. Tseyi Hammond	5	3	None	NED	None	None
5.	Mr. Afolabi Olorode	5	2	None	NED	None	None

Section D - Details of Senior Management of the Company

1. Senior Management:

S/No.	Names	Position Held	Gender
1.	Fiona Ahimie	Managing Director	Female
2.	Omotola Imafidon	Head, Equities Trading	Female
3.	Abiodun Adedotun	Head, Sales Trading	Male
4.	Clement Adaba	Equities Trader	Male

Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
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 If yes, when was it last reviewed?</p>	<p>Yes. It was last reviewed in 2018</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</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, accounting, technology, and consulting</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>No</p>

<i>balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity “</i>	iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?	Yes Mr. Taiwo Okeowo – FBNQuest Merchant Bank; Main One Cable Company Limited Mrs. Fiona Ahimie- Purplemoney Microfinance Bank. Mr. Bunmi Asaolu - FBNQuest Funds Limited. Mr. Tseyi Hammond – FBNQuest Capital Limited.
	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 <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. Board Committees are yet to be operational.
	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
<p>Principle 4: Managing Director/ Chief Executive Officer</p> <p><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></p>	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?	None. Board Committees are yet to be operational.
	iv) Is the MD/CEO serving as NED in any other company? Yes/no . If yes, please state the company(ies)?	Yes. Purplemoney Microfinance Bank
	v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No	Yes
<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>	i) Do the EDs have contracts of employment? Yes/no	No. The Company does not have any EDs
	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?	No. The Company does not have any EDs
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	No. The Company does not have any EDs
	iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list	The Company does not have any EDs
	v) Are their memberships in these companies in line with Board-approved policy? Yes/No	The Company does not have any EDs

<p>Principle 6: Non-Executive Directors</p> <p><i>Non-Executive Directors bring to bear their knowledge, expertise, and independent judgment on issues of strategy and performance on the Board</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 engagement? Yes/No</p>	<p>Yes</p>
	<p>iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No</p>	<p>Yes</p>
	<p>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</p>	<p>Yes. The information is provided quarterly.</p>
	<p>v) What is the process of ensuring completeness and adequacy of the information provided?</p>	<p>Information provided to the Directors are reviewed and independently verified by the NEDs.</p>
	<p>vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No</p>	<p>Yes</p>
<p>Principle 7: Independent Non-Executive Directors</p>	<p>i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No</p>	<p>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 is duly constituted with INEDs who meet the independence criteria.</p>

Principles	Reporting Questions	Explanation on application or deviation
<p><i>Independent Non-Executive Directors bring a high degree of</i></p>	<p>ii) Are there any exceptions?</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>

<p><i>objectivity to the Board for sustaining stakeholder trust and confidence"</i></p>	<p>iii) What is the process of selecting INEDs?</p>	<p>The selection process is contained in the Board Governance & Nomination Committee Charter</p>
	<p>iv) Do the INEDs have letters of appointment specifying their duties, liabilities, and terms of engagement? Yes/No</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
	<p>v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
	<p>vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
	<p>vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
	<p>viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details.</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
	<p>ix) What are the components of INEDs remuneration?</p>	<p>No. The Company does not have INEDs as the Board comprises of Management staff of the Parent Entity.</p>
<p>Principle 8: Company Secretary</p> <p><i>"The Company Secretary support the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices</i></p>	<p>i) Is the Company Secretary in-house or outsourced?</p>	<p>The Company Secretary is in-house</p>
	<p>ii) What is the qualification and experience of the Company Secretary?</p>	<p>BL, LLB with 14 years' experience.</p>
	<p>iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?</p>	<p>No</p>

<i>and culture within the Company”</i>	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?	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
<i>strategic objectives of the Company”</i>		

<p>Principle 11: Board Committees</p> <p><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>	<p>i) Do the Board Committees have Board approved Charters which set out their responsibilities and terms of reference? Yes/No</p>	<p>No. The Board Committees were established and constituted at the March 10, 2021 Board meeting. Notwithstanding, the Charters of the Board Committees set out the responsibilities of the Board Committees.</p>
	<p>ii) What is the process for reviewing and approving minutes of Board Committee of meetings?</p>	<p>The Minutes are to be reviewed and adopted at the subsequent Board Committee meetings by the Committee members.</p>
	<p>iii) What are the timelines for sending the minutes to the directors?</p>	<p>The draft Minutes are to be circulated amongst the members of the Committee 2 weeks after the meeting to which the Minutes relate.</p>
	<p>iv) Who acts as Secretary to board committees?</p>	<p>The Company Secretary</p>
	<p>v) What Board Committees are responsible for the following matters?</p> <p>a) Nomination and Governance</p> <p>b) Remuneration</p> <p>c) Audit</p> <p>d) Risk Management</p>	<p>The matters below will be borne by the following Board Committees:</p> <p>a) Nomination and Governance- The Board Governance Nomination Committee.</p> <p>b) Remuneration- The Board Governance & Nomination Committee.</p> <p>c) Audit- Board Audit Risk Committee.</p> <p>d) Risk Management- Board Audit Risk Committee</p>
	<p>vi) What is the process of appointing the chair of each committee?</p>	<p>The Chairperson of each committee is to be 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>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 is duly constituted with a balanced number of INEDs to NEDs.</p>

	viii) Is the chairman of the Committee a NED or INED?	The Board Committee is yet to be operational as it was constituted on March 10, 2021.
	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 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 proposed 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 Board Committee is yet to be constituted.
	xiii) Is the chairman of the Committee a NED or INED?	The Board Committee is yet to be constituted.
Committee responsible for Audit		
	xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	No. The Board Committee is yet to be operational.
	xv) Are members of the Committee responsible for Audit financially literate? Yes/No	No. The Board Committee is yet to be operational.
	xvi) What are their qualifications and experience?	The Board Committee is yet to be constituted.
	xvii) Name the financial expert(s) on the Committee responsible for Audit	The Board Audit & Risk Committee is yet to be operational.

REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

Principles	Reporting Questions	Explanation on application or deviation
------------	---------------------	---

	xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Board Committee is yet to be constituted
	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 Board Committees is yet to be operational.
Committee responsible for Risk Management		
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	Board Committees are yet to be constituted
	xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?	Yes. The Company relies on the Risk Management Policy of the Parent Entity (which was reviewed in December 2019 and awaiting CBN approval) as a few policies are operated at the group level.
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place?	Every 3 years. It was last reviewed in December 2019.

	Date of last review	
	xxvii) Does the Company have a Board approved IT Data Governance Framework? Yes/No If yes, how often is it reviewed?	Yes. The Company relies on the IT Data Governance Framework of the Parent Entity. 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 Board Committee is yet to be operational; however, the Board of Directors review the reports quarterly.
	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 Board Committee is yet to be operational. However, the Group CRO made presentations to the Board at all the Board meetings.
<p>Principle 12: Appointment to the Board</p> <p><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></p>	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 subject to the approval of the Securities and Exchange Commission (SEC) and the NSE (Nigerian Stock Exchange).
	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
	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. 03/03/2021
	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
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</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	External – January 2021 for the appraisal of the board in the 2020 Financial Year

<i>and continue to contribute effectively to the achievement of the Company's objectives"</i>	evaluation.	
	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.
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.
	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.	No.
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No	No. The evaluation is ongoing.
Principle 16: Remuneration Governance	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
<i>"The Board ensures that the Company remunerates fairly, responsibly and</i>	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.

<p><i>transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term”</i></p>	<p>iii) Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved?</p>	<p>No. The Directors are employees of the Parent Entity and do not receive fees.</p>
	<p>iv) What portion of the NEDS remuneration is linked to company performance?</p>	<p>The Directors are employees of the Parent Entity and do not receive remuneration.</p>
	<p>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?</p>	<p>Yes. Performance incentives are evaluated against KPIs defined in the individual score cards.</p>
	<p>vi) Has the Board set KPIs for Executive Management? Yes/No</p>	<p>Yes.</p>
	<p>vii) If yes, was the performance measured against the KPIs? Yes/No</p>	<p>Yes.</p>
	<p>viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? Yes/No</p>	<p>No.</p>
	<p>ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff</p>	<p>None</p>
	<p>x) Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy.</p>	<p>No</p>
	<p>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</i></p>	<p>i) Has the Board defined the company’s risk appetite and limit? Yes/No</p>
	<p>ii) How often does the company conduct a risk assessment?</p>	<p>Quarterly</p>
	<p>iii) How often does the board receive and review risk management reports?</p>	<p>Quarterly</p>

Company”		
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
	adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans? Yes/No	

	<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 Board Audit & Risk Committee is yet to be operational. Notwithstanding, the Group Chief Audit Executive is obligated to give the Board quarterly reports on whistleblowing incidents.
<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

<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</p> <p>If yes:</p> <p>a) when was it last reviewed?</p> <p>b) Is the policy hosted on the company’s website?</p>	<p>No. The Company has a single shareholder whose representatives are in frequent communication with Management.</p>

Principles	Reporting Questions	Explanation on application or deviation
<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 of minority shareholders, promote good governance”</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>
<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</p> <p>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 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></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>	No. The Company is not a Plc.
	<p>ii) Does the company have a Board approved policy on related party transactions? 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>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees (Specify) 4. Third parties (Specify) 	<p>Yes.</p> <p>a. March 2020</p> <p>b. Quarterly reports are presented to the Board.</p> <p>The Policy is applicable to the Board and senior management</p>
	<p>iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?</p>	All insider related credits are approved by the Board.

Principles	Reporting Questions	Explanation on application or deviation
	<p>iv) Does the company have a Board approved policy on conflict of interest? 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>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Senior management 2. Other employees (Specify) 	<p>Yes.</p> <p>a) The Policy was last reviewed in December 2018.</p> <p>b) The Board monitors compliance via the Compliance Department</p> <p>c) Yes.</p>
<p>Principle 26: Sustainability</p>	<p>i) Is there a Board-approved sustainability policy? Yes/No</p> <p>If yes, when was it last reviewed?</p>	<p>Yes.</p> <p>The group policy was last reviewed in</p>

<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>		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.
	iv) Is there a Board-approved policy on diversity in the workplace? Yes/No If yes, when was it last reviewed?	No.
<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.	Yes FRCN: N1.3m Expiration of FRC Registration /2020 Subscription payment for Directors/Signatories


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. Taiwo Okeowo

Signature: 

Date: 29/03/2021

Managing Director/Chief Executive Officer

Name: Mrs. Fiona Ahimie

Signature: 

Date: 29/03/2021

Company Secretary

Name: Mrs. Emamuzo Idegbesor

Signature: 

Date: 29/03/2021