

REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018

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.	Items	Details
i.	Company Name	FMDQ Holdings PLC
ii.	Date of Incorporation	January 6, 2011
iii.	RC Number	929657
iv.	License Number	
v.	Company Physical Address	Exchange Place, 35, Idowu Taylor Street, Victoria Island, Lagos
vi.	Company Website Address	https://fmdqgroup.com
vii.	Financial Year End	December 31
	Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company	No, the Company is a Capital Market Holding Company
viii.	Name and Address of Company Secretary	Name: Unekuojo Idachaba Address: Exchange Place, 35, Idowu Taylor Street, Victoria-Island, Lagos
ix.	Name and Address of External Auditor(s)	Name: KPMG Professional Services Address: KPMG Tower, Bishop Aboyade Cole Street, Victoria-Island, Lagos
x.	Name and Address of Registrar(s)	NIL
xi.	Investor Relations Contact Person (E-mail and Phone No.)	Name: Unekuojo Idachaba Email: Unekuojo.idachaba@fmdqgroup.com Phone No.: 0907 048 0066
xii.	Name of the Governance Evaluation Consultant	Name: PriceWaterhouseCoopers Nigeria Address: 5b, Water Corporation Road, Landmark Towers, Victoria-Island, Lagos
xiii.	Name of the Board Evaluation Consultant	Name: PriceWaterhouseCoopers Nigeria Address: 5b, Water Corporation Road, Landmark Towers, Victoria-Island, Lagos

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. Kingsley Obiora	Group Chairman	Male	June 1, 2020	
2.	Mr. Jibril Aku	Group Vice Chairman	Male	February 22, 2012	
3.	Mr. Kennedy Uzoka	NED	Male	August 1, 2016	
4.	Mr. Ebenezer Onyeagwu	NED	Male	June 19, 2019	
5.	Ms. Daisy Ekinah	INED	Female	October 30, 2015	
6.	Mr. Chukwuemeka Onwuka	INED	Male	December 20, 2019	
7.	Mr. Sadiq Mohammed	INED	Male	December 20, 2019	

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8.	Mr. Adebola Onadele	Group Managing Director/CEO	Male	October 4, 2013	
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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	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. Kingsley Obiora	6	4	None	Group Board Chairman		
2.	Mr. Jibril Aku	6	6	Group Board Finance and Strategy Committee ("GBFSTC")	Committee Chair	6	6
3.	Mr. Kennedy Uzoka	6	6	Group Board Governance and Human Resources Committee ("GBGHRC")	Committee Chair	5	5
4.	Mr. Ebenezer Onyeagwu	6	6	Group Board Regulatory and Risk Management Committee ("GBRRMC")	Member	4	4
				GBGHRC		5	5
5.	Ms. Daisy Ekineh	6	6	GBRRMC	Committee Chair	4	4
				GBFSTC	Member	6	6
6.	Mr. Chukwuemeka Onwuka	6	6	GBFSTC	Member	6	6
				GBGHRC		5	5
7.	Mr. Sadiq Mohammed	6	5	GBFSTC	Member	6	6
				GBGHRC		5	5
				GBRRMC		4	4
8.	Mr. Adebola Onadele	6	6	GBFSTC	Member	6	6
				GBRRMC		4	4

Section D - Details of Senior Management of the Company

1. Senior Management:

S/No.	Names	Position Held	Gender
1.	Mr. Adebola Onadele	Group Managing Director/Chief Executive Officer	Male
2.	Ms. Kaodi Ugoji	Group Chief Operating Officer	Female
3.	Mrs. Funlola Akintonde	Head, Human Resources	Female

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4.	Mr. Unekuojo Idachaba	Head, Legal & Company Secretariat	Male
5.	Mr. Shina Oliyide	Head, General Internal Services	Male
6.	Mrs. Adaze Uzor-Kalu	Head, External Relations	Female
7.	Mr. Vincent Nwani	Head, Research	Male

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 the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company”</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 has a Charter which sets out its responsibilities and terms of reference. The Board Charter was last reviewed in May 2020
Principle 2: Board Structure and Composition <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>	i) What are the qualifications and experiences of the directors?	The Directors’ qualifications and experiences cover the following areas and are not limited to Capital Markets, Corporate Finance, Risk Management, Strategy, Corporate Governance and Business Development
	ii) Does the company have a Board-approved diversity policy? Yes/No. If yes, to what extent have the diversity targets been achieved?	Yes, the Company has a Board-approved Diversity and Independence policy. The diversity targets of the Company have been achieved at a high degree and this is evidenced in difference in skills, industry experience, background, tribe and gender available on the Board.
	iii) Are there directors holding concurrent directorships? Yes/No. If yes, state names of the directors and the companies?	Yes, there are directors holding concurrent directorships. Kindly see Appendix 1 below for the Directors 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.	The GMD/CEO is not a chairman of any Board Committee.
Principle 3: Chairman	i) Is the Chairman a member or chair of any of the Board Committees? Yes/no. If yes, list them.	No, the Chairman is not a member, nor does he chair any of the Board Committees.

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<p><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></p>	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?	The Chairman is a 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, the Chairman is not a former MD/CEO or ED of the Company.
	v) When was he/she appointed as Chairman?	The Chairman was appointed on June 1, 2020.
	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. They are contained in the Group Corporate Governance Manual (the “CGM”)
<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, the GMD/CEO has a contract of employment setting out his authority
	ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes, the GMD/CEO signs an annual attestation on the adherence to the Employee Code of Conduct, of which one of the areas is conflict of interest. Furthermore, the GMD/CEO, as a member of the Board, is mandated to declare any conflict of interest to the Board Chairman as they occur or on the likelihood of occurrence.
	iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?	During the period under review, the GMD/CEO attended the meetings of the following Board Committees: 1. GBGHRC (as an attendee); 2. GBFSTC (as a Member); and 3. GBRRMC (as a Member)
	iv) Is the MD/CEO serving as NED in any other company? Yes/no . If yes, please state the company(ies)?	Yes, the GMD/CEO serves as NED in the following companies: 1. FMDQ Securities Exchange Limited; 2. FMDQ Depository Limited; 3. FMDQ Clear Limited; 4. FMDQ Private Markets Limited; and 5. iQx Consult Limited
	v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No	Yes, the membership of the GMD/CEO in these companies is in line with Board-approved policies.
<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	The Executive Director and Heads of Business Units support the GMD/CEO in the operations and management of the Company.
	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, the contracts of employment set out the roles and responsibilities of the ED.
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes, the ED signs an annual attestation on the adherence to the Employee Code of Conduct, of which one of the areas is conflict of interest, and declares any conflict of interest thereafter, and as they occur

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	iv) Are there EDs serving as NEDs in any other company? Yes/No . If yes, please list	Yes, the ED serves as a NED in the following subsidiary companies: 1. FMDQ Securities Exchange Limited 2. FMDQ Clear Limited 3. FMDQ Depository Limited 4. FMDQ Private Markets Limited 5. iQx Consult Limited
	v) Are their memberships in these companies in line with Board-approved policy? Yes/No	Yes, the ED's membership in these subsidiary companies is in line with Board-approved policy.
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 and documented in their Letters of Appointment and the CGM.
	ii) Do the NEDs have letters of appointment specifying their duties, liabilities, and terms of engagement? Yes/No	Yes, the NEDs have Letters of Appointment that specify their duties, liabilities, and terms of engagement.
	iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No	Yes. The NEDs are mandated to inform the Chairman/ Company Secretary of any conflict of interest on appointment and thereafter as they occur.
	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 NEDs are regularly provided with information relating to the management of the Company at all meetings of the Board and Committees. They are also provided information on an ad-hoc basis as the occasion demands.
	v) What is the process of ensuring completeness and adequacy of the information provided?	All Information to be provided to the NEDs is thoroughly reviewed by the Company Secretary, GCOO and GMD/CEO for completeness and adequacy prior to transmission
	vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No	Yes, they have unfettered access to the GCOO, Company Secretary, and Internal Auditor.
Principle 7: Independent Non-Executive Directors <i>Independent Non-Executive Directors bring a high degree of objectivity stakeholder trust to the Board for sustaining and confidence"</i>	i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No	Yes, the INEDs on the Board meets the independence criteria prescribed under Section 7.2 of the Code.
	ii) Are there any exceptions?	There are currently no exceptions.
	iii) What is the process of selecting INEDs?	In line with the Group Directors' Appointment Policy, the process of selecting INEDs is as follows: <ul style="list-style-type: none"> ▪ Management and the Company Secretary identify the need for a new appointment (in this case, the appointment of an INED) ▪ The Board Committee in charge of Nomination and Governance (GBGHRC) would consider the resume(s) of the shortlisted candidate(s) ▪ GBGHRC would transmit its recommendation to the Board for consideration

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		<ul style="list-style-type: none"> ▪ As a Securities and Exchange Commission regulated entity, a Letter of “No Objection” is requested for and obtained ▪ The Board passes a resolution for the appointment of the INED
	iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes, the INEDs of the Company have individual letters of appointment specifying their duties, liabilities and terms of engagement.
	v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes, the INEDs are mandated to declare any conflict of interest to the Board Chairman as they occur or on the likelihood of occurrence.
	vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No . If yes, how often? What is the process?	Yes, the Board ascertains and confirms the independence of the INED at appointment. Although there is currently no process for such confirmation of independence post appointment, a policy in this regard, would be developed in the current financial year.
	vii) Is the INED a Shareholder of the Company? Yes/No . If yes, what is the percentage shareholding?	No, the INEDs are not shareholders of the Company.
	viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No . If yes, provide details.	No, the INEDs have no other relationship with the Company apart from directorship. The INEDs hold no shares in the Company.
	ix) What are the components of INEDs remuneration?	The INED’s remuneration comprises of Sitting Allowances, Annual Director’s Fees, Holiday Travel Allowance and Long-Term Incentives (payable upon exit from the Board).
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?	The Company Secretary is a lawyer with over fourteen (14) years post qualification experience in general corporate matter, capital markets, corporate governance, mergers and acquisitions
	iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?	The Company Secretary is a member of Senior Management.
	iv) Who does the Company Secretary report to?	The Company Secretary reports to the GMD/CEO and ultimately, the Board.
	v) What is the appointment and removal process of the Company Secretary?	<p>The appointment process for a Company Secretary is:</p> <ul style="list-style-type: none"> Management identifies a suitable candidate for the role of the Company Secretary ▪ The resume of the identified candidate is presented before the Board Committee in charge of Governance (GBGHRC) for consideration ▪ The Committee transmits its recommendation to the Board for the consideration and approval ▪ The Board passes a resolution for the appointment of the Company Secretary

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		The Company defers to the provisions contained in the Companies and Allied Matters Act 2020 and Companies Regulations with respect to the removal of the Company Secretary and where the Company Secretary resigns from the Company, the notice of resignation is received by the Board and a resolution of the Board is passed accepting same.
	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	The performance appraisal of the Company Secretary is conducted by the GMD/CEO.
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, the Company’s CGM makes provision for the availability of independent professional advice to Directors.
	ii) Who bears the cost for the independent professional advice?	The Company bears the cost for the Independent professional advice.
	iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No. If yes, provide details.	No, the Directors did not obtain any independent professional advice during the period under review.
Principle 10: Meetings of the Board <i>“Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the strategic objectives of the Company”</i>	i) What is the process for reviewing and approving minutes of Board meetings?	Minutes are internally reviewed by the GMD/CEO and subsequently presented to the Board for review and adoption.
	ii) What are the timelines for sending the minutes to Directors?	Minutes are uploaded onto the Directors’ Board portal and sent to Directors at least seven (7) clear days before the next Board meetings.
	iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?	The record of their attendance will be disclosed in the annual reports as part of the evaluation criteria used in the Board Performance Evaluation.
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>	i) Do the Board Committees have Board approved Charters which set out their responsibilities and terms of reference? Yes/No	Yes, the Board Committees have approved Charters which set out their responsibilities and terms of reference.
	ii) What is the process for reviewing and approving minutes of Board Committee of meetings?	Minutes are internally reviewed by the MD/CEO. They are subsequently presented to the respective Board Committees for review and adoption.
	iii) What are the timelines for sending the minutes to the directors?	Minutes are sent to Directors at least seven (7) clear days before the respective meetings.
	iv) Who acts as Secretary to board committees?	The Company Secretary is the secretary of the Board Committees.
	v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management	Please see below the Committees responsible for the requested matters: a) Nomination and Governance – GBGHRC b) Remuneration – GBGHRC c) Audit – GBRRMC and Statutory Audit Committee d) Risk Management - GBRRMC

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vi) What is the process of appointing the chair of each committee?	The Chairman of each Committee is nominated by the members of the respective Committees and presented to the Committee charged with Governance (GBGHRC) for recommendation and subsequently laid before the Board for approval.
Committee responsible for Nomination and Governance	
vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?	The Committee is composed of two (2) INEDs and two (2) NEDs.
viii) Is the chairman of the Committee a NED or INED?	The Chairman of the Committee is a NED.
ix) Does the Company have a succession plan policy? Yes/No . If yes, how often is it reviewed?	Yes, the Company has a Succession Plan Policy which is reviewed periodically or as the occasion demands.
x) How often are Board and Committee charters as well as other governance policies reviewed?	The Board and Committees charters, as well as other governance policies are reviewed periodically or as the occasion demands.
xi) How does the committee report on its activities to the Board?	The Committee reports its activities to the Board <i>via</i> a Committee Report detailing items deliberated upon at Committee meetings.
Committee responsible for Remuneration	
xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	The Committee is composed of two (2) INEDs and two (2) NEDs.
xiii) Is the chairman of the Committee a NED or INED?	The chairman of the Committee is a NED.
Committee responsible for Audit	
xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	No, the Company does not have a Board Audit Committee separate from its statutory Audit Committee.
xv) Are members of the Committee responsible for Audit financially literate? Yes/No	Yes, the members of the Committee responsible for Audit are financially literate.
xvi) What are their qualifications and experience?	The Audit Committee members have a diverse experience in Finance, Banking, Risk and Investment Management, Audit, Investment Management, and Credit Ratings.
xvii) Name the financial expert(s) on the Committee responsible for Audit	<ol style="list-style-type: none"> 1. Mrs. Hamda Ambah 2. Mr. Banjo Adegbohunge 3. Mrs. Onyeali-Ikpe 4. Mr. Ebenezer Onyeagwu 5. Mr. Emeka Onwuka 6. Mr. Sadiq Mohammed
xviii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Committee reviews the Internal Auditor's reports on a quarterly basis.
xix) Does the Company have a Board approved internal control framework in place? Yes/No	Yes, the Company has an approved Internal Control Policy/Framework.

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	xx) How does the Board monitor compliance with the internal control framework?	The Board receives Internal Control reports on a quarterly basis through its Regulatory and Risk Management Committee which has oversight over the Company's Internal Control functions.
	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 Audit Committee receives and reviews the Management Letter, key audit matters and Management's response to issues raised as presented by the External Auditors at a Committee meeting. The Committee then directs that the audit exceptions (where applicable) be extracted, tracked and presented by Management at every meeting until all the identified exceptions have been treated and closed.
	xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No	No, the Company does not have a Board-approved Policy that clearly specifies the non-audit services that the external auditor shall not provide
	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?	We are not aware of or privy to any no such discussion during the period under review.
	Committee responsible for Risk Management	
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	The Chairman of the Committee saddled with risk functions is an INED.
	xxv) Is there a Board approved Risk Management framework? Yes/No ? If yes, when was it approved?	The Company has a Risk Management Framework. It was revised and approved by the Board November 2020.
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	The Committee receives the Risk and Control Assessment (RCSA) report on an annual basis, and receives the Risk Management reports on a quarterly basis to monitor the effectiveness of the Risk Management Controls in place. The last review was done in Q4 2020.
	xxvii) Does the Company have a Board approved IT Data Governance Framework? Yes/No . If yes, how often is it reviewed?	Yes, the Company has a Board approved Data Protection Policy.
	xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?	The Committee received and reviews compliance as the need arises.
	xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he/she have relevant experience for this role? Yes/No	The Chief Risk Officer (" CRO ") is a member of Senior Management and has relevant experience for the role
	xxx) How many meetings of the Committee did the CRO attend during the period under review?	The CRO attended all the meetings of the Committee during the period under review.
Principle 12: Appointment to the Board	i) Is there a Board-approved policy for the appointment of Directors? Yes/No	Yes, the Company has a Board-approved Directors' Appointment Policy.
	ii) What criteria are considered for their appointment?	The criteria considered for the appointment of Directors include and are not limited to the following:

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<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>		<ul style="list-style-type: none"> ▪ Qualification, experience, age, and skill set of the proposed Director ▪ Nature of appointment/area of responsibility (whether the appointment is executive, Non-Executive or Independent) ▪ Current directorships and appointments ▪ Any real or potential conflict of interest ▪ Information set out in Appendix 1
	iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?	As a first step, the Company adheres to the provisions of S. 283 of the Companies and Allied Matters Act 2020, which lists the instances in which Directors may be disqualified and ensures to benchmark the nominations of proposed Directors against same. In addition, the Board adheres rigorously with the provisions contained in the Directors’ Appointment Policy which ensures that prospective Directors are fit and proper persons.
	iv) Is there a defined tenure for the following: a. The Chairman b. The MD/CEO c. INED d. NED e. EDs	There is a defined tenure for the GMD/CEO, the INED and certain classes of NEDs
	v) Please state the tenure	<p>GMD – A term of five (5) years renewable once</p> <p>INED – A term of four (4) years renewable once</p> <p>NED (Chairman) – Tenure is attached to the office of the Deputy Governor of the Central Bank of Nigeria</p> <p>NED – A term of four (4) years (for representatives of certain institutional shareholders)</p>
	vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No?	<p>Yes, the Board is prompted when the tenure of a Director ends by resignation or upon recommendations taken by Board Performance Evaluations.</p> <p>Yes. The Board has a Composition Framework which states the representing interests and tenure for each stakeholder class for Board membership.</p>
<p>Principle 13: Induction and Continuing Education</p> <p><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></p>	i) Does the Board have a formal induction programme for new directors? Yes/No	Yes, the Board has a formal induction programme for new Directors. New Directors are provided an onboarding pack containing relevant information about the Company. In addition, the Director is given a formal induction presentation facilitated by the Company Secretary and GMD/CEO upon their appointment to the Board of the Company.
	ii) During the period under review, were new Directors appointed? Yes/No . If yes, provide date of induction.	Yes, a new Board Chairman was appointed, and the date of induction was in May, 2020.

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	iii) Are Directors provided relevant training to enable them effectively discharge their duties? Yes/No . If yes, provide training details.	Yes, Directors are normally provided with relevant trainings to enable them effectively discharge their duties; however, due to the Covid-19 pandemic, no director trainings were conducted during the period under review.
	iv) How do you assess the training needs of Directors?	Training needs are assessed based on the recommendation from the Board Performance Evaluation and from the Directors' feedback.
	v) Is there a Board-approved training plan? Yes/No	There is currently no Board-approved training plan for the Company. However, relevant Board trainings are identified for the Directors during the course of the year, which are tailored to meet their respective training needs
	vi) Has it been budgeted for? Yes/No	Yes, the Board trainings are budgeted for annually.
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, the CGM sets out provisions on the Performance Evaluation of the Board.
	ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No	A Board Evaluation for the period under review is currently ongoing.
	iii) If yes, indicate whether internal or external. Provide date of last evaluation.	The evaluation is external and the last completed evaluation was in relation to 2019 Board performance.
	iv) Has the Board Evaluation report been presented to the full Board? Yes/No . If yes, indicate date of presentation.	No, the Board Evaluation report has not been presented to the full Board as the Evaluation is still ongoing. However, upon completion the Board Evaluation report will be presented to the full Board.
	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	Yes, the result of the evaluation for each Director is considered in the re-election process in line with the Board Composition Framework.
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.	A Corporate Governance Evaluation for the period under review is currently ongoing.
	ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No	The Corporate Governance Evaluation is currently ongoing. the result of the Corporate Governance Evaluation will be presented and considered by the Board once completed.
	iii) If yes, please indicate the date of last presentation.	
	iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors' portal? Yes/No	Upon completion of the Corporate Governance evaluation, the summary of same shall be included in the Company's 2020 Annual Report.
Principle 16: Remuneration Governance	i) Is there a Board-approved Directors' remuneration policy? Yes/No . If yes, how often is it reviewed?	The Company has a Directors' Emoluments Policy which is reviewed as the need arises.

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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>	<p>ii) Provide details of directors’ fees, allowances and all other benefits paid to them during the period under review</p>	<p>Directors were paid the relevant allowances during the period under review. The details of the directors’ fees, allowances and benefits paid for the period of review are reflected in Appendix 2</p>
	<p>iii) Is the remuneration of NEDs presented to shareholders for approval? Yes/No If yes, when was it approved?</p>	<p>Yes, the remuneration of NEDs is presented to shareholders for approval at the Annual General Meeting (AGM). The remuneration was approved at the last AGM of the Company held on July 24, 2020.</p>
	<p>iv) What portion of the NEDs remuneration is linked to company performance?</p>	<p>Over the reporting period, the portion of the NEDs remuneration linked to Company performance are the Holiday Travel Allowance, Annual Directors’ Fees, and Long Term Incentives (payable upon exit of the Board), as these payments are made based on the profitability of the Company per year.</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, the Company has a remuneration policy for Executive and Senior Management. Additionally, performance bonuses are linked to the Company’s performance.</p>
	<p>vi) Has the Board set KPIs for Executive Management? Yes/No</p>	<p>Yes, the Board sets KPIs for Executive Management.</p>
	<p>vii) If yes, was the performance measured against the KPIs? Yes/No</p>	<p>Yes, the performance was measured against the KPIs.</p>
	<p>viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? Yes/No</p>	<p>No, the GMD/CEO and Company Secretary do not receive any sitting allowance and/or Directors’ fees</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 of the listed individuals receive sitting allowance and/or fees.</p>
	<p>x) Is there a Board-approved clawback policy for Executive management? Yes/No. If yes, attach the policy.</p>	<p>No. There is currently no Board-approved clawback policy for Executive management.</p>
<p>Principle 17: Risk Management</p> <p><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></p>	<p>i) Has the Board defined the company’s risk appetite and limit? Yes/No</p>	<p>Yes, the Company has defined the Company’s risk appetite and limit.</p>
	<p>ii) How often does the company conduct a risk assessment?</p>	<p>The risk assessment is conducted on an annual basis.</p>
	<p>iii) How often does the board receive and review risk management reports?</p>	<p>The Board through GBRRMC receives and reviews the risk management reports on a quarterly basis.</p>
<p>Principle 18: Internal Audit</p> <p><i>“An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal control systems”</i></p>	<p>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?</p>	<p>Yes, the Company has an Internal Audit function.</p>
	<p>ii) Does the company have a Board-approved internal audit charter? Yes/No</p>	<p>Yes, the Company has a Board-approved Internal Audit Charter.</p>

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	iii) Is the head of internal audit a member of senior management? Yes/No	No, the head of internal audit is considered a member of middle Management.
	iv) What is the qualification and experience of the head of internal audit?	The head of internal audit has a Bachelor's degree in Economics and a Master's degree in finance, with about twelve (12) years' work experience in internal control, enterprise risk, assurance and finance.
	v) Does the company have a Board-approved annual risk-based internal audit plan? Yes/No	Yes, the Company has a Board approved annual risk-based Internal Audit Plan
	vi) Does the head of the internal audit function report at least once every quarter to the committee responsible for audit, on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans? Yes/No	Yes, the Head of the Internal Audit function reports at least once every quarter to the Committee responsible for audit, on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed and management mitigation plans.
	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, there is an external assessment of the internal audit function. The last assessment was conducted in 2018.
	viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit?	The performance evaluation is undertaken and approved by the GMD/CEO.
Principle 19: Whistleblowing <i>"An effective whistle-blowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and prevents 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 Company has a whistle-blowing framework. The date of the last review was April 2019
	ii) Does the Board ensure that the whistleblowing mechanism and process are reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistle-blower? Yes/No	Yes, the Board ensures that the whistleblowing mechanism and process are reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistle-blower.
	iii) Is the Audit committee provided with the following reports on a periodic basis? a) Reported cases b) Process and results of Investigated cases	Where there are reported cases, the Audit Committee would receive such report and results of investigated cases.
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>	i) Who makes the recommendations for the appointment, re-appointment or removal of external auditors?	The Audit Committee makes the recommendations to the Board, which in turn recommends to the shareholders.
	ii) Who approves the appointment, reappointment, and removal of External Auditors?	The shareholders in General Meeting.
	iii) When was the first date of appointment of the External auditors?	December 2013
	iv) How often are the audit partners rotated?	No rotation has occurred as the external auditor has not served the Company for a period of ten (10) years.

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Principle 21: General Meetings <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>	i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders?	Notices, Annual Reports and other materials were dispatched to shareholders a month before the Annual General Meeting (AGM).
	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	Yes, the Board Committees’ Chairmen and the Statutory Audit Committee Chairman were available and present at the last AGM.
Principle 22: Shareholder Engagement <i>“The establishment of a system of regular dialogue with shareholders balance their needs, interests and expectations with the objectives of the Company”</i>	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?	Yes, the Company has a relationship with shareholders policy that is embedded in the Corporate Governance Manual. The information is not hosted on the Company’s website.
	ii) How does the Board engage with Institutional Investors and how often?	The Board engages with the Company’s institutional shareholders through its Annual General Meetings or as may be required.
Principle 23: Protection of Shareholder Right <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, the Board ensures adequate and timely information on the Company’s activities are provided to the Shareholders, as required.
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 of the following: 1. Board 2. Senior management 3. Other employees 4. Third parties	The Company has a Code of Business Conduct and Ethics. a. The COBE has been communicated to all internal and external stakeholders b. There are COBE documents applicable to the Board, Senior Management and Other employees respectively
	ii) When was the date of last review of the policy?	The COBEs as embedded in the CGM are currently undergoing review.
	iii) Has the Board incorporated a process for identifying, monitoring and reporting adherence to the COBE? Yes/No	Yes, Management is mandated to report any illegal or unethical behaviour to the Board.
	iv) What sanctions were imposed for the period under review for non-compliance with the COBE?	No occasion of non-compliance occurred during the period under review.

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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?	Yes, this is in the Employee Code of Conduct Policy. It was last reviewed in 2019. The Board monitors compliance through the self-attestations made by staff annually. Also, Management is mandated to report incidence of insider trading to the Board if and when same occurs
	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, this is in the Employee Code of Conduct Policy. It was last reviewed in 2019. The Board monitors compliance through the self-attestations made by staff annually. Also, staff are mandated to disclose any incidences of related party transactions before they are entered into. The Policy is applicable to Senior Management, Employees and third-parties.
	iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?	The Board currently relies on the provisions of its Employee Code of Conduct Policy.
	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, the Company has a Board-approved Conflict of Interest Policy. <ul style="list-style-type: none"> ▪ The Conflict of Interest Policy, applicable to Directors, was last reviewed in December 2019 ▪ The Board requires new Directors to disclose any actual or potential conflicts of interest to the Chairman of the Board with the MD and Company Secretary in copy of the correspondence. Thereafter Directors are required to recuse themselves from any meeting or voting on any matter where there is an actual or potential conflict and to disclose with the Chairman of the Board or the Committee charged with governance where he or she is uncertain of a potential conflict ▪ The Employee Code of Conduct Policy is applicable to all staff (Management and non-Management)
Principle 26: Sustainability <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>	i) Is there a Board-approved sustainability policy? Yes/No . If yes, when was it last reviewed?	Yes, the Company has a Board-approved Sustainability Policy. This was last reviewed in 2019.
	ii) How does the Board monitor compliance with the policy?	Compliance is monitored by periodic sustainability reports.
	iii) How does the Board report compliance with the policy?	Compliance with the policy is reported in the Group's annual reports.
	iv) Is there a Board-approved policy on diversity in the workplace? Yes/No . If yes, when was it last reviewed?	Yes, The Sustainability Policy cover diversity at work and this was last reviewed in 2019.
Principle 27: Stakeholder Communication	i) Is there a Board-approved policy on stakeholder management and communication? Yes/No	Yes, the Company has a Communication Policy



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<i>"Communicating and interacting with stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions"</i>	ii) Does the Company have an up-to-date investor relation portal? Yes/No If yes, provide the link.	No, the Company does not currently have an investor relation portal.
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>	i) Does the company's annual report include a summary of the corporate governance report? Yes/No ii) Has the company been fined by any regulator during the reporting period? Yes/No . If yes, provide details of the fines and penalties.	Upon completion of the Corporate Governance evaluation, the summary of same shall be included in the Annual Reports of the Company. No. The Company has not been fined by any regulatory during the reporting period.

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	Chairman of the Committee responsible for Governance
Name: Dr. Kingsley Obiora	Name: Mr. Kennedy Uzoka
Signature:	Signature:
Date:	Date:

Managing Director/Chief Executive Officer	Company Secretary/Chief Compliance Officer
Name: Mr. Bola Onadele	Name: Mr. Unekuojo Idachaba
Signature: 	Signature: 
Date: March 31, 2021	Date: March 31, 2021

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Appendix 1 – Details of Directors Concurrent Directorship and Criteria for Appointment

S/N	Name	Directorship	Criteria for Appointment
1.	Dr. Kingsley Obiora	FMDQ Holdings PLC Africa Finance Corporation Nigerian Export-Import Bank Central Bank of Nigeria	Nominee from the Central Bank of Nigeria
2.	Mr. Jibril Aku	FMDQ Holdings PLC Marathon Asset and Fund Management Limited Financial Markets Dealers Association	Nominee from FMDA Board of Trustees
3.	Mr. Kennedy Uzoka	FMDQ Holdings PLC United Bank for Africa PLC UBA UK Limited UBA Foundation	Nominee representing Systematically Important Banks
4.	Mr. Sadiq Mohammed	INED – FMDQ Holdings PLC ARM Holding Company Limited ARM Pensions Limited ARM Investment Managers Limited ARM Trustees Limited ARM Capital Partners Limited ARM Traditional Asset Management Company Limited Mixta Real Estate Nigeria PLC The Moorhouse Company Limited	Independent Director
5.	Ms. Daisy Ekineh	FMDQ Holdings PLC FMDQ Depository Limited International Energy Insurance PLC Greenwich Merchant Bank Ltd DSE Advisory Services Ltd Global Mandate Consulting	Independent Director
6.	Mr. Ebenezer Onyeagwu	FMDQ Holdings PLC Zenith Bank PLC Zenith Pensions Custodian Limited Zenith Nominees Limited Zenith Bank (UK) Limited Shared Agent Network Expansion Facilities (SANEF) Limited Lagos State Security Trust Fund	Nominee representing Systematically Important Banks
7.	Mr. Emeka Onwuka	FMDQ Holdings PLC FMDQ Securities Exchange Limited Seplat Petroleum Development Company PLC Ecobank Nigeria PLC Bharti Airtel Network Nigeria Limited Africa Foundries Limited African Steel Mills Limited Abuja Steel Mills Limited Epe Metals Limited Tower Alloys Industries Limited	Independent Director

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8.	Mr. Bola Onadele. Koko	MD/CEO – FMDQ Holdings PLC NED – FMDQ Securities Exchange Limited NED – FMDQ Clear Limited NED – FMDQ Depository Limited Chairman – FMDQ Private Markets Limited Chairman – iQx Consult Limited	Group Managing Director
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