



**FINANCE AND GENERAL-PURPOSE COMMITTEE CHARTER  
OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY AS  
APPROVED JUNE 2022**

## GLOSSARY OF TERMS

Term	Meaning
Act	NSIA (Establishment) Act 2011
Authority or NSIA	Nigeria Sovereign Investment Authority
Board	The Board of Directors of NSIA
CBN	Central Bank of Nigeria
a	Chief Executive Officer of NSIA
Chairman	Chairman of the Board of Directors of NSIA
CIO	Chief Investment Officer of NSIA
Committee	The Board Finance and General-Purpose Committee of NSIA
CRO	Chief Risk Officer
Enterprise-Wide Risk Management/Risk	The unit responsible for administering the Authority's risk and compliance functions
External Quality Assurance Assessments	The external assessments of the quality of the Authority's Internal audit activities, conducted at least once every three years by a qualified, independent assessor or assessment team from outside the Authority
General Counsel or GC	The Authority's General Counsel
Governance and Nominations Committee	The committee responsible for the governance, compensation and human resource related matters
Group	The Authority and its subsidiaries
Independent/External Audit	The independent auditor that performs audit of the Authority's financial statements in accordance with applicable laws and rules including the International Financial Reporting Standards (IFRS) and provides an unbiased and independent audit report.
Internal Audit	The unit responsible for administering the Authority's internal audit function
Internal Auditor	An officer in Internal Audit
IT	Information Technology; the unit in charge of implementing the Authority's information technology policies and processes

Management or Executive Management	The executive management team of NSIA comprising its CEO and the executive director(s)
Manual of Authority	The policy that documents the approving authorities and limits for financial and other related activities carried out in NSIA.
Procurement	The unit responsible for administering the Authority's procurement functions
Tenders Committee	The committee that has responsibility for oversight and approval of procurement processes and policies
Unit	Any business unit of the Authority

## **Nigeria Sovereign Investment Authority**

### **Finance and General-Purpose Committee Charter**

#### **A. INTRODUCTION**

This document outlines the purpose and procedures of the Finance and General-Purpose Committee of the Board of Directors of the Nigeria Sovereign Investment Authority ("NSIA").

The Finance and General-Purpose Committee is established in accordance with Section 24 of the NSIA (Establishment) Act 2011. The Committee shall exercise such powers and functions relating to compensation, risk management and audit matters, in fulfilment of the requirements of Section 24(2) of the Act.

#### **B. AUTHORITY AND PURPOSE**

The Finance and General-Purpose Committee is a standing committee of the Board, established to assist the Board in fulfilling its responsibility to:

1. Oversight NSIA's material and strategic financial matters, including those related to the funding of the Authority and subsidiary operations, as well as general operational structure.
2. Oversee the Authority's IT, procurement, financial strategy, operations and administration activities.
3. Ensure that the compensation structure and human capital management for NSIA's employees is consistent with the NSIA's long-term objectives as well as overseeing a plan for continuity and development of senior management for the Authority.
4. Serve as the Governance and Nominations Committee of the Board and in that regard, provide counsel and assistance to the Board in fulfilling its obligations thereto .
5. Provide oversight relating to the NSIA's accounting and financial reporting policies and practices, compliance programs, internal controls and general compliance with applicable laws and regulations.
6. Provide guidance for Financial Reporting, Internal Audit, Independent/External Audit and Enterprise-Wide Risk Management.

7. Receive the reports of the Internal Auditor who shall report directly to the Committee and is accountable to the Board.
8. Advise and, as appropriate, authorize Management with respect to the above matters; and
9. Direct and, as appropriate, make recommendations to the Board with respect to the above matters.

**C. FUNCTIONS AND RESPONSIBILITIES**

**1.0 FINANCE**

**A. General Functions**

The Committee shall:

1. Oversee NSIA's financial strategy from the perspective of strategic financial planning, and implementation.
2. Oversee and/or advise the activities of NSIA's related entities, joint ventures, and subsidiaries.
3. Oversee all the Authority's fund-raising strategies and policies.
4. Assess NSIA's distribution policy and the declaration of distributions or other forms of distributions of NSIA's profits
5. Oversee IT strategy and the progress of major IT projects.
6. Approve IT, Administration, Operations, and related policies and procedures.
7. Oversee the Procurement function, including approval of advisors and other significant items.
8. Act as the Tenders Committee of the Authority whose responsibilities in line with the Procurement Policy are detailed below:
  - i. Consider and approve procurement policies
  - ii. Review and approve the annual procurement plan

- iii. Provide “prior review” approvals for items falling within the prior-review threshold (contract values in accordance with the limits stated in NSIA’s Manual of Authority).
- iv. For activities that fall within this threshold -
  - a) Approve shortlist of bidders
  - b) Review and approve the bid evaluation report; and
  - c) Review and approve the contract award.

#### **B. Matters Considered for Recommendation to the Board**

The Committee will periodically review and consider the following matters to provide updates and, from time to time, recommendations to the Board:

- (i) the management of NSIA's finances; and
- (ii) appraisal of financial implications of any proposed activities.

#### **C. Matters Reviewed Upon Request of Management**

The Committee will review any other matters submitted to it by Management and, if requested, consider such matters for recommendation to the Board, or for approval by the Committee if such matters are within the authority delegated to it by the Board, including:

- i. capital expenditure, divestments, acquisitions, joint ventures and other investments, and other capital transactions.
- ii. leases, short- and long-term borrowings, and other financing transactions.
- iii. interest rate swaps and similar arrangements for managing the NSIA's exposure on outstanding debt; and
- iv. registration and issuance of the NSIA's debt or equity securities.

### **2.0 COMPENSATION, GOVERNANCE AND NOMINATIONS:**

The Committee’s responsibilities include:

#### **A. Compensation and Employee Benefit Plan and Programmes**

- 1. On a biennial basis, review and approve the overall compensation programmes from a competitive market position for all NSIA staff.
- 2. Review and recommend to the Board the design (including appropriate performance benchmarks) of the annual incentive compensation plan for the NSIA staff.

3. Review the NSIA's employee benefit plans for their competitiveness and compliance with applicable laws and regulations and recommend to the Board any additions, terminations or changes in such plans as may be desirable and appropriate.
4. As appropriate, commission a survey of competitive practices and trends to determine the adequacy of the NSIA's compensation philosophy and programmes.
5. Review the determination by NSIA's senior management of the proposed annual salary pool and increments thereto for the NSIA's staff.

**B. Senior and Executive Management Reviews and Compensation**

1. Determine, review, and approve the compensation arrangements for the NSIA's senior and executive management team, taking into account market conditions, peer practice, performance, and such matters as the Committee may deem appropriate
2. On an annual basis, the Chair of the Committee in conjunction with the Chairman shall assess the Managing Director based on agreed performance metrics, whilst the Managing Director shall assess the performance of Executive Directors.
3. For the Executive Management, the Committee shall review the Managing Director's assessment of performance and approve and report to the Board appropriate compensation.
4. Review management development and succession plans.

**C. Board Reviews and Compensation**

1. Approve and review any proposed changes to the compensation and benefits of Board members in their capacity as directors, considering retention needs, peer practice, administrative efficiency, and other such factors as the Committee may deem relevant and report such matters to the Board.

**D. Human Capital Management**

1. Oversee the Authority's human capital management, including workforce plan, goals and objectives, talent management and succession planning.
2. Oversee the Authority's culture.
3. Oversee the Authority's Code of Ethics and Business Conduct and Conflict of Interests programme for Staff and Directors.

4. Review and make recommendations to the Board on succession planning and give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Authority, and the age, gender, educational and professional backgrounds, skills, knowledge, experience, and diversity needed on the Board in future.
5. Make recommendations to the Board concerning the succession plans for both Executive Management and other staff including the re-appointment of any member of staff at the conclusion of his or her specified term of office, having due regard to their performance and ability to continue to contribute to the organisation in the light of the age, gender, educational and professional backgrounds, skills, knowledge, experience, and diversity required.

#### **E. Governance**

1. Develop and oversee the Authority's corporate governance policies and provide counsel with respect to other matters relating to corporate governance.
2. Advise the Board with respect to the organisation, evaluation and function of the Board and its committees.
3. Review annually and assess the adequacy of the corporate governance policies and procedures and recommend any proposed changes to the Board for approval.
4. Oversee compliance with the Authority's corporate governance guidelines and review and consider any requests for waivers from such corporate governance guidelines for the Authority's directors, executive officers, and other senior officers, and shall make a recommendation to the Board with respect to such request for a waiver.
5. Review and recommend a determination to the Board with respect to each outside director's "independence" under the Security and Exchange Commission and CBN Code standards and other applicable laws and regulations.
6. Review and recommend to the Board for approval, a corporate policy addressing communication, disclosure, and confidentiality of corporate or material information and monitor compliance, including reporting exceptions to the Board.
7. Oversee the Authority's enterprise risk management programme and its corporate social responsibility and sustainability programmes including employee health and safety programmes.



## **F. ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG ) STRATEGY**

The Committee shall:

1. Provide guidance on the development of the ESG Framework and advise the Board and other Committees generally on ESG-related matters.
2. Monitor and evaluate the implementation of the Authority's ESG Strategy and make appropriate recommendations to the Board for oversight of the Authority's ESG Strategy.

## **G. Nominations**

1. Identify individuals believed to be qualified as candidates to serve as executives on the boards of subsidiaries, affiliates, and associate companies, consistent with the criteria approved by the Board, and recommend to the Board the selection of candidates for all directorships to be filled by the Board.
2. Identify, review, and recommend qualified candidates for election and/or appointment to the boards of the Authority's subsidiaries, affiliates, and associates.

## **H. Director Orientation and Continuing Education**

1. The Committee shall review the Authority's orientation programme for new Board members and take reasonable steps to ensure that all new Directors received a comprehensive orientation so that each Director fully understands the nature and operations of the Authority's business, the role of the Board and Committees and the contribution that each Director is expected to make.
2. The Committee shall advise Directors on opportunities for continuing education.

### **3.0 AUDIT.**

The Committee's responsibilities include:

#### **A. Independent (External) Auditor**

1. Ensure that Management undertakes responsibility for maintaining appropriate systems for accounting and internal control over financial reporting and for the preparation of the NSIA's financial statements, while the Independent (External) Auditor is responsible for planning and carrying out a proper audit.
2. Recommend to the Board the appointment of the Independent (External) Auditor and, if the Committee deems it appropriate, recommend to the Board the termination of the Independent Auditor.

3. Review and recommend for the Board's approval, the fees, scope of work and other terms of the audit engagement.
4. Review the performance of the Independent (External) Auditor and, at such times as the Committee deems appropriate, consider the desirability of replacing the current Independent (External) Auditor with a different independent registered public accounting firm.
5. Review and recommend for the Board's approval the External Audit Plan and Strategy as well as the Audited Financial Statements for the year ended.
6. Evaluate the independence of the Independent (External) Auditor:
  - i. Review at least annually a written report from the Independent (External) Auditor describing the relationships between the Independent (External) Auditor and the NSIA, its Management or any affiliate, which report shall include all disclosures required of the Independent (External) Auditor under applicable rules and regulations as well as the amount and nature of all compensation relating to such relationships.
  - ii. Review with the Independent (External) Auditor any disclosed relationships or services that may affect the objectivity and independence of the Independent (External) Auditor and take or recommend the Board takes appropriate action to ensure independence of the Independent Auditor.
7. Review information and reports provided by the Independent (External) Auditor and, as the Committee deems appropriate, discuss with the Independent (External) Auditor with respect to the following:
  - i. Any matters of importance or significant concern relating to the NSIA's financial statements.
  - ii. The results of the audit(s) conducted by the Independent (External) Auditor.
  - iii. Any difficulties encountered by the Independent (External) Auditor in the course of conducting the audit(s).
  - iv. Any restrictions by the Management on the scope of the Independent (External) Auditor's activities or access to requested information.
  - v. Any disagreements between the Independent (External) Auditor and the Management regarding financial reporting or other matters.

- vi. Any adjustments to the financial statements recommended by the Independent (External) Auditor.
- vii. The NSIA's significant accounting policies followed when preparing the financial statements.
- viii. Any discussions with Management regarding alternative accounting treatments.
- ix. Changes in the NSIA's critical accounting policies and practices used when preparing the financial statements.
- x. The effect on the NSIA of any changes in accounting principles or practices proposed by the Independent Auditor and any other matters that may have a material effect on the NSIA's financial statements.
- xi. Any material, written communications between the Independent (External) Auditor and the Management, including management letters and Management's response.
- xii. Any material changes to the NSIA's disclosure controls and procedures.
- xiii. Any matters relating to the adequacy and effectiveness of internal controls with respect to the NSIA.
- xiv. The Independent (External) Auditor's attestation to and report on management's assessment of the effectiveness of the NSIA's internal controls for financial reporting.
- xv. Any concerns relating to the quality of the NSIA's financial, accounting, compliance and internal audit personnel and other members of management having an impact on internal accounting controls or financial reports.
- xvi. Significant new or revised accounting and financial reporting standards under consideration or adopted by professional or regulatory bodies.
- xvii. An annual report describing: (1) the Independent (External) Auditor's quality control policies and procedures; and (2) any material issues raised by any internal quality control review, or peer review, or by any inquiry or investigation by governmental or professional authorities, including any remedial measures, and discuss the impact of the matters addressed in such report on the quality of services performed by the Independent Auditor;

xviii. The External Quality Assurance Assessment of the Internal Audit function; and

xix. Any other required communications from the Independent Auditor.

**B. Internal Audit**

1. Review information and reports from the Head, Internal Audit with respect to the following and, as the Committee deems appropriate, discuss with the Board:
  - i. The Internal Audit function's responsibilities, staffing, and annual audit plan, including any subsequent changes, as they pertain to the NSIA's activities, and reasonable assurance that the Internal Audit Function's resources are sufficient to conduct thorough and effective internal audits.
  - ii. Audits executed pertaining to the NSIA's activities, including any difficulties the Internal Audit Function encountered in the course of its audits, any restrictions on the scope of its work or access to required information, and any significant issues discussed or significant disagreements with management; and
  - iii. Reasonable assurance that NSIA's approved governance documents such as Policy, Framework and Guideline / Procedure reviews are implemented, operational and complied with as required.
2. Review and recommend for the Board's approval, the implementation of Internal Audit Plans as proposed by the Head of Internal Audit.
3. Keep the effectiveness of the system of accounting, reporting and internal control under review and ensure compliance with legal and regulatory requirements; and
4. Review Internal Audit's reports and recommendations on the Authority's operations, including the activities of all NSIA departments during the year.

**C. Accounting and Financial Matters (Financial Reporting, Policies and Practices)**

1. Review information and reports provided by Management and/or the Independent (External) Auditor with respect to the following and, as the Committee deems appropriate, discuss with senior management and/or the Independent Auditor:

- i. Any significant estimates and judgments or, as appropriate, significant changes thereto made in Management's preparation of the financial statements
  - ii. Any question as to whether reviewed reports comply with relevant accounting standards, and if applicable:
    - (a) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are likely to adversely affect the NSIA's ability to record, process, summarize, and report financial information; and
    - (b) any fraud, whether material, that involves Management or other employees who have a significant role in the NSIA's internal control over financial reporting, each of which must be disclosed to the Committee.
2. Review and approve, the Authority's Audit, Internal control, Financial, Fraud Risk and Financial Risk Management policies and procedures.
  3. Review and recommend for the Board's approval, the Authority and Group's annual budgets.
  4. Review the Authority and Group's financial performance against approved budgets and benchmarks.

#### **4.0. RISK**

The Committee shall:

1. review and recommend to the Board for approval the Authority's risk management policies, risk philosophy, risk appetite, risk tolerance, risk acceptance criteria, risk culture statement and risk strategy to ensure a robust risk framework and control systems are in place to effectively identify, measure, manage, and monitor all risk (market risk, credit risk, infrastructure risk, operational risk, compliance and regulatory risk, including financial risk, fiduciary risk and non-financial risk exposure) in all areas of the Authority's operation
2. Provide oversight to the key risks to the NSIA's objectives and be assured that the risk exposure is within the Board approved risk appetite, risk tolerance and risk limits.
3. Review the quarterly reports submitted by Management on the efficiency and effectiveness of the Enterprise-wide risk management process, compliance, and control procedures in the Authority

4. Provide guidance and advice to the Chief Investment Officer and Chief Risk Officer.
5. Oversee Management's process for the identification, assessment, mitigation, and monitoring of significant risks across the NSIA and the adequacy of preventive, detective, and corrective controls in the Authority
6. Ensure that appropriate policies are in place to manage and mitigate the adverse effects of both business and control risks on the operations of the Authority and its subsidiaries.
7. Ensure compliance with established policy through periodic review of reports provided by Management, Internal and External (statutory) Auditors and the supervisory authorities.
8. Review changes in the economic and business environment, including emerging trends, corporate accountability, and other factors relevant to the Authority's risk profile including, considering risk concerns raised by Management in the Internal Audit Report.
9. Review the functions of the Risk Management Unit in the Authority and ensure the appointment of qualified personnel to manage the Unit.
10. Annually review and discuss with Management the risk factors applicable to the Authority prior to the filing of the Authority's financial accounts.
11. Coordinate with the Investment Committee to assist with its designated oversight responsibilities with specific risk review and implication for Investment decision making.
12. Undertake such other functions relating to Investment strategy and Risk Management as the Board of Directors may from time to time, determine.

## **5.0 LEGAL AND GENERAL MATTERS**

The Committee shall:

1. Review with the General Counsel any legal matter which the Committee has been advised could have a significant impact on the NSIA's financial statements.
2. Review any information or reports provided by the GC with respect to legal, regulatory or compliance matters and, as the Committee deems appropriate, discuss the administration of the NSIA's compliance program and such other matters relating to the NSIA's compliance.
3. Review and discuss, as applicable, any reports presented by Management on potential management and employee conflicts of interest and on controls to address any such potential conflict

4. Review procedures for:
  - (i) the receipt, retention and treatment of any complaints received by the NSIA or any of its service providers regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by NSIA's employees service providers of any concerns regarding questionable accounting or auditing matters
5. Review a summary of the NSIA-related complaints regarding accounting, internal accounting controls or auditing matters and any reports on the status and resolution of those complaints
6. Investigate any actual or suspected improprieties in the NSIA's financial operations, any matter brought to the Committee's attention within the scope of the Committee's duties, functions and responsibilities or any other significant matters as deemed warranted by the Committee minutes of its meetings to the Board.
7. Perform such other duties as the Committee deems appropriate, consistent with the Charter, NSIA's bylaws, and applicable law, or as may be assigned it by the Board.

**D. MEMBERSHIP AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board, appointed by the Board on the recommendation of the Chairman of the Board.
2. One of the Committee members shall also be the Committee's Chair
3. Committee members should aim to serve for a term of at least two years. The Board may appoint members to fill vacancies.
4. The Committee members shall serve until their successors are appointed or their earlier resignation or removal. Any member of the Committee may be removed or replaced, for any reason at any time, by a majority vote of the Board.
5. The Committee shall review and reassess the adequacy of this Charter as it deems appropriate, however, changes will only be made following approval of the Board.

**E. MEETINGS AND PROCEDURES**

1. The Committee shall hold regular meetings at such dates, times, and places as it may determine from time to time, subject to a minimum of 4 meetings a year, one in each quarter. The Chair of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee upon notice to other members at least 48 hours prior to the meeting.
2. A majority of members of the Committee present, shall constitute a quorum and shall decide any question brought before the Committee.
3. The Committee shall meet at least annually in executive sessions with the Internal Auditor as well as the Independent (External) Auditor.
4. The Committee shall inform the Board of the significant actions taken or issues discussed at its meetings and otherwise report to the Board as the Committee (or the Chair of the Committee) deems desirable and appropriate.
5. The Committee shall keep written minutes of its meetings, which minutes shall be maintained along with all other corporate books and records of NSIA.
6. The Committee may request that any directors, officers, or employees of NSIA, or other persons whose advice and counsel are sought by the Committee, attend any meetings of the Committee, to provide such pertinent information as the Committee requests. The Committee may request that any such individual meet with the Committee in an executive session. It is expected that the Heads of the various Units reporting to the Committee will attend Committee meetings.
7. Committee meetings may be held or continued through electronic and other alternative means of communication, including video or tele conferencing or other audio-visual means which enables all members or invited participants communicate concurrently with each other without an intermediary and participate effectively in deliberations.
8. The Committee may pass a resolution without a meeting being held if all its members entitled to vote on the resolution sign and date on one or more copies of a document containing a statement that they are in favour of the resolution in the document and any such resolution shall be deemed passed on the date of the last signature to be applied.
9. Committee decisions will as much as possible, be reached by consensus; however, where a consensus is not achieved any minority views/opinions on significant matters, shall be reflected in the minutes of the meeting, where requested, and presented in the report to the full Board.



10. In carrying out the Committee's responsibilities, each member of the Committee shall be entitled to rely, in good faith, on information, opinions, reports or statements, including financial statements and other financial data that are prepared and presented by persons who the Committee member reasonably believes to be reliable and competent in the matters presented, which persons may include, as applicable:
  - (a) one or more executive staff of the NSIA or other members of Management.
  - (b) legal counsel, public accountants, or other persons as to matters within the person's professional or expert competence; or
  - (c) another committee of the Board.

**F. ADVISORS**

The Committee shall have authority at NSIA's expense, to retain such independent accountants, lawyers, consultants, or other advisors as it deems appropriate, to assist and advise the Committee in connection with its responsibilities or any investigations.

**G. COMMITTEE'S SELF EVALUATION**

1. The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope.
2. The Committee shall address all matters that the Committee considers relevant to its performance, including the following:
  - a. the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board,
  - b. the way they were discussed or debated, and
  - c. whether the number and length of the meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.
3. The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to NSIA's or the Board's policies or procedures. Any such recommendations and changes shall also be communicated to the Board.
4. The report to the Board may take the form of an oral report by the Chair of the Committee or any other member of the Committee designated by the Committee to make this report.

5. The Committee shall set goals for itself, which shall be the basis for the self-evaluation.