



**BOARD OF DIRECTORS CHARTER  
OF THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY**

## Version Control Page

### Approvals

<b>Title</b>	<b>Policy Adoption Date</b>
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1.0	March 23, 2013	Cambridge Associates	New Policy
2.0	March 24, 2015		First Policy Review
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4.0	February 16, 2018	Ezinwa Okoroafor	Update to reflect Board approved amendment.
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## **GLOSSARY OF TERMS**

<b>Term</b>	<b>Meaning</b>
Authority or NSIA	Nigeria Sovereign Investment Authority
Board	The Board of Directors of NSIA
CEO	Chief Executive Officer of NSIA
Chair	Chair of the Board Committees
Chairman	Chairman of the Board of Directors of NSIA
Committee	The Committees appointed by the Board
Group	The Authority and its subsidiaries
Management or Executive Management	The Executive Management team of NSIA comprising its CEO and the Executive Director(s)
Unit	Any business unit of the Authority

**Nigeria Sovereign Investment Authority ("NSIA" or "the Authority")**

**BOARD OF DIRECTORS' CHARTER ("Charter")**

**1. INTRODUCTION**

- 1.1 The Board of Directors ("Board") of the Nigeria Sovereign Investment Authority ("NSIA") has been established to attain the objectives of the NSIA, as set out in the Nigeria Sovereign Investment Authority Act ("Act").
- 1.2 This Board of Directors' Charter (the "Charter") has been adopted by the Board of Directors of the Authority to assist the Board and its Committees in discharging their duties and responsibilities.
- 1.3 The principles and statements in this Charter are in addition to and are not intended to change or interpret any law or regulations applicable to the Authority.
- 1.4 The Board of Directors will review this Charter from time to time whenever it is considered necessary and appropriate to do so.

**2. PURPOSE**

- 2.1 This Charter sets out the key values and principles of the Authority's Board of Directors.
- 2.2 It provides a concise overview of the roles and responsibilities of the Board of Directors, the powers of the Board and Board Committees, the separation of roles between the Board and Management, and the practice of the Board concerning corporate governance matters.
- 2.3 This Board Charter is subject to the provisions of the NSIA Act, the Companies and Allied Matters Act ("Act") 2020 to the extent applicable, and any applicable law or regulatory requirement.

**3. ROLES AND RESPONSIBILITIES OF THE BOARD**

- a. Establish a sound system of internal control for the Authority.
- b. Oversee the corporate governance framework.
- c. Establish clear roles and responsibilities in discharging its fiduciary and leadership functions.
- d. Ensure that Management actively cultivates a culture of ethical conduct and sets the values to which the Authority will adhere.
- e. Articulate, oversee, and ultimately approve the development of a Strategic Plan to meet the long-term goals of the NSIA.
- f. Oversee the financial performance of the NSIA, including the following, among others:
  - i. Review of the investment performance of each of the Funds and portfolios.

- ii. Approval of the NSIA's operating and capital budgets;
  - iii. Review and approval of quarterly and year-end financial statements.
  - iv. Identify risks to the NSIA and ensure that systems are in place to manage those risks.
  - v. Monitor the NSIA's performance against agreed goals and objectives.
- g. Approve or ratify the NSIA's policies, including but not limited to:
- i. Investment Policy
  - ii. Audit Policy
  - iii. Risk Policy
  - iv. Compensation Policy
  - v. Finance and General-Purpose Policy
  - vi. Conflict of Interest Policy
  - vii. Environmental, Social and Governance Policy
- h. Provide for the Board's proper management and ongoing effectiveness, including establishing committees to assist the Board and a succession plan for the orderly turnover of Directors and Management staff.
- i. Evaluate the performance of the Managing Director and Executive Directors and ensure succession planning in the Authority.
- j. Review this Board Charter biennially in line with the Authority's Policy governance Framework and assess the Board's effectiveness in advancing the strategic goals of the NSIA.
- k. Review key documents relating to the governance of the NSIA (e.g., Charters for the standing committees, the Investment Policy Statements, and the Conflict of Interests Policy) for their continued efficacy in line with the Policy Governance Framework.
- l. Review the performance of standing committees on an annual basis.
- m. Periodically review Board governance practices.
- n. Approve the criteria for appointment of candidates when filling Board vacancies for subsidiaries.
- o. Ensure that the strategies adopted promote the sustainability of the Authority.
- p. Establish appropriate staffing and remuneration policies for all employees, including the executive Management, as may be applicable, appropriate or required.
- q. Ensure the Authority's compliance with all applicable laws, regulations, governance codes, guidelines, and regulations and establish systems to monitor and control compliance across the Authority effectively.

#### **4. FIDUCIARY AND OTHER DUTIES OF BOARD MEMBERS**

Each Board member shall have the fiduciary duty to:

- a. exercise a reasonable degree of care, skill, and diligence;
- b. act in good faith and in the best interests of the Authority and not for any other purpose;
- c. act honestly at all times and must not place themselves in a situation where personal interests conflict with those of the Authority;
- d. exercise independent judgement at all times;
- e. devote sufficient time to carry out his or her responsibilities and enhance his or her skills;
- f. promote and protect the image of the Authority;
- g. owe their duty to the Authority, including the duty to hold in confidence all information available to them under their position as a Board member.

## **5. DELEGATION OF AUTHORITY**

- a. Effective governance of the Authority requires Management to be involved in significant decisions and accountable to the Board.
- b. The Board shall ensure clear demarcation of duties, responsibilities and authorities between the Board and the Management. In this regard, the Board shall clearly define and communicate the limits of management responsibility and performance metrics for assessing Management's effectiveness in achieving the corporate objectives set by the Board
- c. In establishing delegated authority, whether for risk/operations approval, financial expenditure approval, or other approvals, the Board mirrors its delegation of authority concerning both quantum and individuals to be granted authority.
- d. All delegated authority must emanate from the Board. Accordingly, The CEO must raise with the Board any matter of significance affecting the Authority that requires the Board's attention, including any issues that exceed the delegated authority of the Executive Management.

## **6. MATTERS RESERVED FOR THE BOARD**

- a. The Board reserves specific powers and delegates other matters to the Management of the Authority.
- b. The Board delegates its duties to the Chief Executive Officer and the Executive Committee, which will make further delegations under the Authority's structure.
- c. The matters reserved for the Board are stated in Appendix 1 of this Charter

## **7. COMPOSITION OF THE BOARD, MEMBERSHIP, TENURE AND OTHER DIRECTORSHIPS**

- a. The Board shall ensure that it deploys a diverse mix of skills and expertise critical for effective oversight of the Management of the Authority. This shall be underscored by ensuring that each member deploys the requisite skills and access the necessary tools for effective performance.
- b. All directors must disclose outside directorships and inform the General Counsel/Secretary of any changes to such directorships as soon as the changes take place.
- c. Executive directors intending to accept a board position outside of the Authority for personal interests must receive prior clearance from the Chairman of the Board. Such appointments should be limited to one and subject to regulatory requirements, and there must be no conflict of interest.
- d. In accordance with the Act establishing the NSIA, the Board will consist of nine Directors.
- e. The Board shall be comprised of Directors with a range of backgrounds and experience and shall consist of:
  - i. A non-executive Chairman
  - ii. The Managing Director, who is also the Chief Executive Officer of the NSIA
  - iii. Two other Executive Directors of the NSIA
  - iv. One Non-Executive Director with at least ten (10) years of post-qualification legal experience
  - v. Four other Non-Executive Directors
- f. The terms of office for Non-Executive Directors are as follows:
  - 1. Non-Executive Chairman: initial four-year term
  - 2. Non-Executive Directors: initial four-year term
  - 3. All Non-Executive Board members are eligible for another term of four years and no more.

## **8. BOARD INDEPENDENCE**

- a. To enhance independence, the Board shall avail an environment that ensures the members are independent of one another to promote independent and objective judgment.
- b. An annual review shall evaluate the directors' independence and determine the Authority's succession planning needs.

## **9. THE BOARD CHAIRMAN**

- 1. The Board Chairman is responsible for managing Board affairs and ensuring effective Board performance with specific responsibility for:

- a. Setting, with input from the Managing Director and other appropriate officers, the agenda for Board meetings.
  - b. Providing leadership to the Board and ensuring its effectiveness in all aspects of its role.
  - c. Facilitating the effective contribution of non-executive directors and encouraging constructive relations between executive and non-executive directors.
  - d. Monitoring attendance at Board meetings;
  - e. Chairing meetings of the Board of the Authority;
  - f. Together with the General Counsel/Secretary, ensuring that the Authority operates to the highest standards of corporate governance;
  - g. Determining, with input from the Managing Director, the information to be provided to the Board.
  - h. Approving board meeting schedules and ensuring appropriate time is allocated to discuss all agenda items.
  - i. Consulting regularly with Board members, the Managing Director, and other appropriate executive officers as to the quality, quantity, and timeliness of Board information and decision-making processes.
  - j. Coordinating with each Committee Chair to ensure the maintenance of appropriate charters for each Committee.
  - k. Fostering the development of a Board culture characterised by active and constructive Board engagement, commitment to transparency, and commitment to practising good governance.
  - l. Appointing, in consultation with the rest of the Board, Committee Chairs.
  - m. Providing leadership for Board functions and development.
  - n. Managing conflicts of interest (perceived or actual).
  - o. Building and maintaining an effective working relationship with the Managing Director of the NSIA.
  - p. Serving as a spokesperson for the NSIA with stakeholders.
2. While the Board has broad discretion to delegate authority to the Board Chairman, it will seek to preserve the distinction between Board functions and management functions. It will take care to limit the Board Chairman's role to leading the work of the Board while leaving the Managing Director the role of leading the Management of the NSIA.

## **10. THE CEO AND OTHER EXECUTIVE DIRECTORS**

- a. As provided in the Act, the Board shall have executive directors, including the CEO, to whom some functions of the Board will be delegated. It is understood that the CEO

will coordinate with the other executive directors to discharge the office responsibilities.

- b. The Chief Executive Officer is head of the Executive Management, and his responsibility will, among others, be to:
  - i. Lead in developing the strategy of the Authority and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the Authority;
  - ii. Put in place and maintain an effective delegation of authority structure to provide effective Management and control over the authority's operations with the assistance of Board members and the General Counsel/Secretary;
  - iii. Communicate effectively with the Authority's stakeholders. The stakeholders include, where applicable, regulators, governments, media, staff, and the communities within which the Authority operates, and any other relevant special interest groups who have a legitimate concern or involvement with the operations of the Authority;
  - iv. Manage the training needs of each Board member and ensure development;
  - v. Ensure the Board undertakes continuous development to enhance governance practices of the Board itself and in the interest of the Authority.
  - vi. Ensure that the policies spelt out by the Board and the Authority's overall corporate strategy are implemented;
  - vii. Identify and recommend competent officers to the Board to manage the operations of the Authority. In the fulfilment of this duty, the CEO should ensure that the Authority's human resources policy is adhered to;
  - viii. Coordinate the operations of the various departments within the Authority;
  - ix. Establish and maintain efficient and adequate internal control systems;
  - x. Design and implement the necessary management information systems to facilitate efficient and effective communication within the Authority;
  - xi. Ensure that the Board is frequently and adequately appraised about the operations of the Authority through the presentation of relevant board papers, which must cover, but are not limited to, the following areas:
    - Actual performance compared with the past performance and the budget together with explanations of all the variances;
    - income/revenue and expenses;
    - all insider transactions that benefit directly or indirectly any officer of the Authority;
    - report on violations of laws and remedial activities undertaken to ensure compliance with all relevant laws.
    - large exposures.
    - external, internal, and committee reports.
    - any other areas that are relevant to the NSIA's operations.

- xii. Any other duties that the Board may assign from time to time.

## **11. THE GENERAL COUNSEL/ SECRETARY**

- a. A General Counsel and Secretary to the Board shall be appointed under the Act to assist and advise the Board and all Board Members.
- b. The Secretary to the Board is charged with the following responsibilities, which are in addition to the responsibilities and duties specified in the Act:
  - i. to guide the Board on its duties and responsibilities and other matters of governance;
  - ii. to ensure that the Board complies with its obligations under the Act and any other law or regulation;
  - iii. to assist the Chairman of the Board in organising the Board activities;
  - iv. to assist the Board with the evaluation exercise;
  - v. to coordinate the governance audit process;
  - vi. to maintain and update the register of conflict of interest;
  - vii. to facilitate effective communication between the Authority and the stakeholders; and
  - viii. to carry out any other duties as may be assigned by the Board from time to time.

## **12. BOARD COMMITTEES**

- a. The standing committees of the Board shall consist of at least three members who shall be non-executive directors of the Authority. The Executive Directors shall be in attendance at the Committee meetings.
- b. To discharge its duties and responsibilities, the Board has established the following Board Committees:
  - i. Audit, Risk & ESG Committee
  - ii. Finance & Investments Committee
  - iii. Nominations, Compensation & Governance Committee
- c. The Board is responsible for appointing members to each of the Committees. It may also create such standing and special committees from time to time as may be deemed appropriate.
- d. The Board shall appoint the Chairs and Members of the Committees and approve Board Committee Charters.
- e. Reporting obligations:
  - A Committee shall report to the Board on matters referred to by the Board and on the proceedings following each committee meeting. The report shall include findings, matters identified for specific recommendation to the Board, action points, and any other issues deemed appropriate.

- The committees shall liaise with each other to ensure they perform their different roles effectively.
- f. The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.

### **13. BOARD AND BOARD COMMITTEE MEETINGS AND ATTENDANCE**

- a. Regular Board and Board Committee meetings will be held at least four (4) times a year (at least one in each quarter), and emergency or additional meetings will be convened at the discretion of the Directors.
- b. A schedule of provisional dates for the regular meetings will be provided to the Directors in advance.
- c. Directors are expected to attend board meetings and meetings of the board committees on which they serve.
- d. Directors should spend the time and meet as frequently as necessary to discharge their responsibilities properly.
- e. The Chairman of the Board will preside over the Board and other meetings involving the Board. If the Chairman cannot participate in a meeting, the Directors present at the meeting shall choose a Director to preside at such a meeting.
- f. The Chair of a Board Committee will preside over Board Committee meetings. If the Chair of the Committee cannot participate in a meeting, the Directors present at the meeting shall choose a Director to preside at such a meeting.
- g. The Executive Directors will generally hold Executive Sessions before each Board meeting, and the Executive Directors will be provided with the time and place in advance. Executive Sessions are designed to provide the Executive Directors with the opportunity to discuss matters that do not require formal Board action.
- h. The Chairman or Committee Chairs may occasionally invite senior management staff, other employees, and advisers to attend Board or committee meetings whenever deemed appropriate.
- i. Subject to the Act, the quorum for all Board meetings shall be 7 (seven) Directors present, and the quorum for Board Committees shall be (3) members present
- j. Meetings of the Board and Board Committees shall be held in person, by virtual means, or a hybrid of both.
- K. To pass a resolution:
- a. If only seven Directors are present, then unanimity is required.
- b. A simple majority is required if more than seven Directors are present.
- c. If seven Directors are present (meaning that a quorum is met) and any has a conflict of interest, the remaining Directors may vote, and unanimity is required.
- d. As much as possible, the Chairman of the Board or a Board Committee Chair shall ensure that decisions of the Board shall be unanimous. However, strong

dissenting opinions shall be noted in the minutes in the absence of unanimity.

- m. Minutes should be prepared under applicable law, regulation, policy, procedure, and/or other applicable requirements. Meeting minutes should be provided in a draft format not later than two weeks after the meeting.

#### **14. AGENDA ITEMS FOR BOARD AND COMMITTEE MEETINGS**

- a. The Chairman and Chairs of Board committees will establish the agenda for each Board and committee meeting.
- b. Directors shall review materials before the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings should inform the Chairman before such meetings.
- c. In consultation with the committee members, the Chair of each committee will determine the length of the committee meetings to be consistent with any requirements outlined in the committee's Charter.
- d. The Chair of each committee, in consultation with the Executive management and Secretary shall develop the committee's agenda.
- e. A detailed agenda and, to the extent feasible, supporting documents and proposed resolutions should be provided to the committee members approximately 7 (seven) days before each committee meeting, provided that a shorter notice period may be given and agreed upon by committee members. Committee members should review these materials before the meeting.

#### **15. NON-EXECUTIVE DIRECTORS' MEETING**

The non-executive directors shall meet at least once a year without the executive directors' presence to discuss the Board's functioning and the executive directors' individual performance as the Authority's Management. The meeting will be called and presided by the Chairman or, in his absence, by a director designated by the Chairman.

#### **16. REMUNERATION OF DIRECTORS**

- a. The Board shall establish and approve formal and transparent remuneration policies, subject to the Act and any other relevant regulations and procedures for Board members.
- b. Executive directors will not be paid any directors' fees or sitting allowances in addition to their regular remuneration.
- c. Directors' remuneration package shall be adequately disclosed in the Director's remuneration report.

#### **17. ACCESS TO INFORMATION AND INDEPENDENT ADVICE**

- a. The Board may, from time to time, require independent legal, financial, governance, or other expert advice. To facilitate this, the Board shall ensure members obtain

external advice, as may be necessary, at the Authority's expense and invite senior Management to provide technical guidance as needed.

- b. The Board shall establish procedures to allow its members access to relevant, accurate, complete information and professional advice to discharge their duties effectively.

## **18. DIRECTORS' ORIENTATION/INDUCTION AND EDUCATION**

- a. Management will provide new Directors with an initial induction/orientation to familiarise them with their responsibilities as Directors under the law and any other Regulations applicable to the Authority;
- b. Each Board member shall participate in an induction programme tailored to effectively orient the member to the Authority's strategy, objectives, policies, procedures, operations, senior Management, and the operating environment. The induction shall also include all the information required by a member of the Board for effective performance. New Board members shall also be introduced to their fiduciary duties and responsibilities and any other aspects unique to the Authority.
- c. The Board shall ensure adequate Board development through continuous training to keep Board members well informed on critical information pertinent to the operations of the Authority and the corporate governance environment.
- d. To facilitate the Directors' fulfilment of their responsibilities regarding continuing education and to enhance each Director's knowledge of the Authority, the Authority's operations, and the latest developments in corporate governance, it is appropriate for Management to provide Directors with the following:
  - Educational programmes to expose and explain to them the Authority's operations, its technology, its responsibilities, its strategic and other operations;
  - Access to, or notice of, continuing education programmes that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of the Authority's board;
  - Material that contains information about (a) the Authority's environment and (b) relationships with other agencies and stakeholders of the Authority;
  - Periodic visits to operating units and branches as a part of regularly scheduled board meetings where convenient.
  - A legal review for the Board, at least annually, of (a) the status of major litigation, (b) compliance with significant regulatory requirements affecting the Authority, (c) legal responsibilities and liabilities of directors, and (d) corporate governance matters.
- e. Board members should have a clear understanding of their roles in corporate governance and be able to exercise sound and objective judgment about the affairs of the Authority.
- f. The Board shall conduct an annual review to identify the training needs of each member regularly and facilitate up-skilling and continuous development.

## **19. PROVISION OF WORKING TOOLS FOR BOARD MEMBERS**

Work tools (laptops or mobile devices) shall be provided to Board members during their tenure on the Board of the Authority to facilitate their ability to effectively undertake the Authority's work. Such work tools will be depreciated and written off at the end of their tenure.

## **20. DIRECTORS' ACCESS TO OFFICERS AND EMPLOYEES**

- a. Directors shall have full access to officers and employees of the Authority. Any meetings or contacts that a non-Executive Director wishes to initiate may be arranged through the Chairman, the CEO, or the Secretary.
- b. The Directors will use their judgment to ensure that any such contact is not disruptive to the operations of the Authority and will, to the extent not inappropriate, copy the Chairman on any written communications between a Director and an officer or employee of the Authority.

## **21. NON-COMPETITION**

Directors shall not advise, or hold any equity in, or have executive or non-executive influence, directly or through representatives, in any organisation, commercial or not-for-profit, that is in direct competition with the Authority or pursues political, social or business agenda that is contrary to Authority's interests, without the prior and express written approval of the Board.

## **22. RESIGNATION FROM THE BOARD**

- a. Any Director may resign at any time by giving notice in writing or by electronic transmission to the Chairman of the Board or the Secretary and as provided in the NSIA Act. Such resignation shall take effect upon receipt thereof or at any later time specified therein unless otherwise specified therein; the acceptance of such resignation shall not be necessary to make it effective.
- b. It is the sense of the Board that Directors who change the responsibility they held when appointed to the Board or who subsequently have another change in responsibility should accept the new responsibilities. It is not the sense of the Board that, in every instance, the Directors who have a change in responsibility for the position they held when they came on the Board should necessarily leave the Board.

## **23. DECISION-MAKING**

- a. Unanimity - The Chairman and the Directors shall endeavour to adopt resolutions unanimously. Consequently, decisions will, as much as possible, be reached by consensus; however, any minority views/opinions on significant matters shall be reflected in the minutes of the meeting, where requested.
- b. Voting - Each member of the Board has a right to cast one vote, provided that the Chairman shall have a casting vote to be used when there is a tie.

## **24. CONFIDENTIALITY AND NON-DISCLOSURE**

- a. Except where it is a requirement of the law, a director shall not, during his or her membership of the Board or thereafter, disclose any information of a confidential nature regarding the business of the Authority that came to his or her knowledge, provided that he or she may disclose such confidential information to fellow directors as well as staff of the Authority. The Director shall not use such confidential information for his or her benefit.
- b. On leaving the Board, the Director shall return all confidential documents in his or her possession to the Authority.

## **25. BOARD INTERACTION WITH THE GOVERNMENT, THE MEDIA, OTHER STAKEHOLDERS, AND MEMBERS OF THE PUBLIC**

Except where the Chairman agrees, communications on behalf of the Authority with the government, the media, other stakeholders, and the various publics must be made only by specifically designated representatives of the Authority. If a Director receives any inquiry relating to the Authority, including informal social contacts, he or she should request them to call the Chairman, Managing Director & CEO, or the Public Relations or Communications Department.

## **26. LIMITATION OF LIABILITY AND INSURANCE**

- a. To the extent permitted by law, a Director will not be liable to the Authority or its stakeholders. It should be noted that the law does not permit limiting liability for a breach of a Director's duty of loyalty to the Authority or for acts or omissions not in good faith or which involve intentional misconduct or intentional violation of the law.
- b. Director liability insurance will be provided for each Director for the length of their tenure on the Board. The same will be renewed annually.

## **27. BOARD EVALUATION**

- a) For improved Board effectiveness, the Board shall assess its performance, the performance of the Chairman, that of its committees, individual members, and the Secretary.
- b) The Board shall discuss the results of the evaluation exercise, which shall also inform the Board of the training needs of its members.
- c) The Board shall disclose in the Annual Report of the Authority whether evaluations of the Board, the Chairman, the individual directors, board committees, and the Secretary have been undertaken and a summary of the outcomes of the Board evaluation.

## **29. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS**

- a. Duty to Disclose - All directors are required to declare any interests that may give rise to potential or perceived conflict, e.g. multiple directorships, business relationships, or other circumstances that could interfere with the exercise of objective judgment;
- b. In accordance with the provisions of the NSIA Act, members of the Board shall submit a written statement of disclosure of interests and statement of absence of conflicts with the Authority's investments and annual investment plan, annually to the Board.
- c. A director shall immediately report to the Board or the Chairman of the board any conflict of interest or potential conflict of interest and shall provide all relevant information. The Director shall not take part in the Board's assessment of whether or not a conflict of interest exists.
- c. Related Party Transactions – A potential conflict exists if the Authority intends to transact with a related party. A related party shall include transactions involving the following:
  - The father, mother, son, daughter, husband, or wife or any other relation of a Director as may be determined by the Board from time to time.
  - Any business and the directors and key officers of any business the Director owns as an individual or jointly or severally at least 5% of the shares of that business.
  - Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship involving the Authority.
- d. The Board shall evaluate all potential or perceived conflicts of interest as declared and approve such transactions with the Authority as appropriate.
- e. Approval of transactions involving a conflict of interest - All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are in tandem with arms-length transactions in the Authority's operations, and the Board must approve or decline approval of such transactions.
- f. A Director shall not participate in any discussion or decision-making regarding any matter, subject, or transaction in which he or she has a conflict of interest with the Authority.
- g. The Secretary shall maintain a register of declared Conflicts of Interest.

### **30. CODE OF CONDUCT**

- a. The Board shall adopt a Code of Conduct for all directors and employees that addresses, among other things, conflict of interest and which shall be reviewed and updated regularly. A summary of the code shall be made available on the Authority's website.
- b. The Authority shall adopt effective whistle-blowing mechanisms that encourage staff and other stakeholders to bring forward information that helps enforce good corporate governance practices.

**31. RECOGNITION AND SUPPORT TO STAKEHOLDERS**

- a. The Board shall recognise, respect, and protect stakeholders' rights and ensure equitable treatment of all stakeholders.
- b. The Board shall provide stakeholders with information as required under any regulation or applicable law and establish mechanisms to ensure effective communication with stakeholders.
- c. The Board shall have a stakeholder-inclusive approach and will be responsible for giving due consideration to the legitimate interests and expectations of the Authority's stakeholders in its deliberations, decisions, and actions.

**32. AMENDMENT AND INTERPRETATION**

- a. This Charter may be amended by the Board at its discretion.
- b. In the case of uncertainty or difference of opinion on the meaning of a provision in this Charter, the opinion of a majority of the Board shall prevail.

**33. APPROVAL**

This Board Charter was approved/reviewed by the Board on -----

**Chairman**

**Secretary**

## **APPENDIX 1**

### **Matters Reserved for the Board**

An effective board controls the business but delegates day-to-day responsibility to the executive Management. That said, there are some matters which are required to be or, in the interests of the Authority, should only be decided by the board of directors as a whole. It is incumbent upon the board to make it clear what these matters reserved for the board are.

The following are the matters reserved for the Board

#### **1 Authority**

- 1.1. The division of responsibilities between the Chairman and the Chief Executive Officer should be in writing.
- 1.2. Undertaking of a formal and rigorous review, on an annual basis, of its performance and that of its committees and individual directors.
- 1.3. Assessment of which directors are independent.
- 1.4. Receiving reports from Board Committees on their activities.
- 1.5. Consideration of the balance of interests between the various stakeholders of the Authority, including shareholders, employees, customers, suppliers, and the community.
- 1.6. Approval of New Capex with a capital cost greater than N----m or payback longer than four (4) years.
- 1.7. Approval of Business Systems investment (including IT) above N-----m.
- 1.8. Approval of any other Project Investment above N-----m.
- 1.9. Establishment of any new committee(s) of the Board, including Terms of Reference and membership.
- 1.10. Approval of donations.
- 1.11. Approval of potential Directors' Conflicts of Interest.
- 1.13. Approval of the insurance renewal programme, including the procurement of the Directors' and Officers' insurance.

#### **2 Strategy and Management**

- 2.1. Approval of the Authority's Strategy and Business Plan.
- 2.2. Approval of the annual operating and capital expenditure budgets and any material changes thereto.
- 2.3. Extension of the Authority's activities into new business or geographical areas.
- 2.4. Any decisions to cease to operate all or any material part of the Authority's business.

#### **3 Structure, Capital, and Financing**

- 3.1. Changes to the Authority's capital structure, including (the incorporation of any new subsidiary), reduction of capital, share issues (other than under employee share schemes), and any share buyback.
- 3.2. Any recommendations for changes in the Authority's status.
- 3.3. Any recommendations for changes to the registered office or Authority's name or trading name.
- 3.4. Corporate acquisitions investments, reorganisations, or disposals of greater than N-----m in value about the Authority or any subsidiary.

#### **4 Approval of the Authority's Banking Facility Arrangements**

#### **5 Investor Relations**

- 5.1. Approval of all Circulars, Prospectuses, and other Particulars.
- 5.2. Approval of press releases concerning matters decided by the Board.
- 5.3. Receiving reports on the views of the Authority's shareholders.
- 5.4. Appointment or removal of Brokers.

#### **6 Contracts**

- 6.1. Contracts in which a director or other related party is interested.
- 6.2. Business where there is, or is the potential for, a director to have a conflict of interest.
- 6.3. Any proposed material acquisition of the assets of another company or business.
- 6.4. The acquisition or disposal of shares in a listed company or that of a subsidiary.
- 6.5. Any binding commitment to enter into a material strategic alliance, merger, joint venture, partnership, or profit-sharing arrangement.
- 6.6. The making of a takeover offer.
- 6.7. Changes to this document and the Authority's Delegated Authorities
- 6.8. Issue of bonds, guarantees, and indemnities not in the ordinary course of business.

#### **7 Policies and Statements**

- 7.1. Review and approve the Authority's Policies and Statements

#### **8 Audit, Financial Reporting, and Controls**

- 8.1. Approval of the Preliminary announcement and Final results.
- 8.2. Approval of the Authority's dividend policy.
- 8.3. Declaration of any interim dividend and recommendation of the final dividend (whether in cash or specie).
- 8.4. Approval of the Annual Report & Accounts.
- 8.5. Receiving reports on and reviewing the effectiveness of the Authority's risk and control processes to support its strategy and objectives.

- 8.6. Undertaking an annual assessment of the Authority's audit, financial reporting, and controls and processes.
- 8.7. Approval of the appointment and tenure/removal of the External Auditor

## **9 Nominations**

- 9.1. Changes to the structure, size, and composition of the Board.
- 9.2. Subject to the Act, the appointment or removal of the Secretary to the Board.

## **10 Remuneration**

- 10.1. The introduction of any new compensation incentive plan or major changes to existing plans.
- 10.2. Recommendation on the fees of the Non-Executive Directors