



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



## Approvals

<b>Title</b>	<b>Policy Adoption Date</b>
NSIA Board of Directors Charter	March 23, 2013

## Version Control

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1.0	March 23, 2013	Cambridge Associates	New Policy
2.0	March 24, 2015		First Policy Review
3.0	2017		Second Policy Review



## Nigeria Sovereign Investment Authority

### Board of Directors Charter

Adopted on 24 March 2015

#### **A. Introduction**

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 Act.

#### **B. General**

The Board's responsibilities include:

1. Oversee, and ultimately approve, the development of a strategic plan to meet the long-term goals of the NSIA.
2. Oversee the financial performance of the NSIA through:
  - a. Review of the investment performance of each of the portfolios
  - b. Approval of the NSIA's operating and capital budgets, and
  - c. Review and approval of quarterly and year-end financial statements
3. Working with the NSIA's staff, identify the principal risks to the NSIA and ensure that systems are in place to manage those risks
4. Monitor the NSIA's performance against agreed goals and objectives
5. Approve or ratify the NSIA's policies, including but not limited to:
  - a. Investment Policy
  - b. Audit Policy
  - c. Risk Policy
  - d. Compensation Policy
  - e. Finance and General Purpose Policy
  - f. Conflict of Interest Policy

6. Ensure compliance with governing documents, legal and regulatory requirements, and policies
7. Provide for the Board's good management and on-going effectiveness, including the establishment of committees to assist the Board, and a succession plan for the orderly turnover of Directors.
8. Evaluating and compensating the Managing Director and engaging in succession planning
9. Provide counsel on the selection, evaluation and development and approving the compensation of members of the executive management
10. Annually, review this Board Charter and assess the Board's effectiveness in advancing the strategic goals of the NSIA
11. Review key documents relating to the governance of the NSIA (e.g. charters for the standing committees, the Investment Policy Statement and the Conflict of Interests Policy) for their continued efficacy on an annual basis
12. Review performance of standing committees on an annual basis
13. Periodically review Board governance practices
14. Recommend the criteria and potential candidates the Board should consider when filling Board vacancies

### **C. Responsibilities of the Board Chair**

1. The Board Chair is responsible for managing Board affairs and ensuring effective Board performance with specific responsibility to:
  - a. Setting, with input from the Managing Director and other appropriate officers, the agenda for Board meetings

- b. Determining, with input from the Managing Director, the information to be provided to the Board
- c. Approve Board meeting schedules and assure there is appropriate time allocated to discuss all agenda items
- d. Consult 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
- e. Co-ordinate with each Committee Chair, the maintenance of appropriate charters for each Committee
- f. Foster the development of a Board culture characterized by active and constructive Board engagement, commitment to transparency, and commitment to practicing good governance
- g. Appoint, in consultation with the rest of the Board, committee chairs
- h. Provide leadership to Board development
- i. Manage conflicts of interest (perceived or actual)
- j. Build and maintain an effective working relationship with the Managing Director of the NSIA
- k. Serve as a spokesperson for the NSIA with stakeholders

#### **D. Committees**

1. To assist the Board in fulfilling its duties and responsibilities, it has established the following committees:
  - a. Investment Committee
  - b. Audit Committee
  - c. Risk Committee
  - d. Compensation Committee
  - e. Finance and General Purpose Committee

2. The Board is responsible for appointing members to each of these Committees. It may also create such standing and special committees as from time to time may be deemed appropriate by the Board.

#### **E. Membership and Organization**

1. In accordance with the Act establishing the NSIA, the Board will consist of nine Directors elected by the Executive Nomination Committee. The Board shall be comprised of Directors with a range of backgrounds and experience.
2. Specifically, the Board shall consist of:
  - a. A non-executive Chairman
  - b. The Managing Director of the NSIA
  - c. Two other Executive Directors of the NSIA
  - d. One Non-Executive Director with at least 10 years of post-qualification legal experience
  - e. Four other Non-Executive Directors
3. The standing committees of the Board shall consist of at least three members who shall be non-executive directors of the NSIA. The Executive Directors shall be in attendance at the Committee meetings.
4. The terms of office for Non-Executive Directors are as follows:
  - a. Non-Executive Chairman: initial four year term
  - b. Non-Executive Directors: initial four year term
5. All Non-Executive Board members are eligible for another term of four years and no more.



## **F. Meetings**

1. The Board shall meet at least four times per year, with additional meetings at the discretion of the Directors.
2. A quorum for all Board meetings shall be six Directors.
3. To pass a resolution:
  - a. If only six Directors are present, then unanimity is required
  - b. If more than six Directors are present, then a simple majority is required
  - c. If six Directors are present (meaning that a quorum is met) and any have a conflict of interest, the remaining Directors may vote and unanimity is required.