



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.

Section B – General Information

| S/No. | Items | Details |
|-------|--|--|
| i. | Company Name | Custodian Trustees Limited |
| ii. | Date of Incorporation | March 25, 1994 |
| iii. | RC Number | RC 243000 |
| iv. | License Number | Registration No. 503 |
| v. | Company Physical Address | 16A, Commercial Avenue, Sabo, Yaba, Lagos |
| vi. | Company Website Address | www.custodianplc.com.ng/trustees-limited |
| vii. | Financial Year End | December 31, 2020 |
| viii. | Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company | Yes, the Company is a subsidiary of a Holding Company. Custodian Investment Plc. |
| ix. | Name and Address of Company Secretary | Mr. Adeyinka Jafojo |
| x. | Name and Address of External Auditor(s) | Goldwyns Chartered Accountants |
| xi. | Name and Address of Registrar(s) | The company is a limited company with only two shareholders. It does not have a Registrar. |
| xii. | Investor Relations Contact Person (E-mail and Phone No.) | The company does not have a Registrar, it is a limited liability company with only two shareholders. |
| xiii. | Name of the Governance Evaluation Consultant | Society for Corporate Governance Nigeria |
| xiv. | Name of the Board Evaluation Consultant | Society for Corporate Governance Nigeria |

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. Richard Asabia | Chairman | Male | July, 2016 | |
| 2. | Mr. Austin Akpe | Managing Director | Male | July, 2017 | |
| 3. | Mr. Olatoye Odunsi | Non-Executive Director | Male | July, 2017 | |
| 4. | Mr. Adeniyi Falade | Non-Executive Director | Male | July, 2017 | |

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. Richard Asabia | 4 | 4 | - | - | - | - |
| | | | | | | | |
| | | | | | | | |
| 2. | Mr. Austin Akpe | 4 | 4 | | - | - | |
| | | | | | | | |
| | | | | | | | |
| 3. | Mr. Olatoye Odunsi | 4 | 4 | Remuneration and Governance Committee | Member | Committees did not meet during the period under review. The Plan is to Commence the meetings in 1 st Quarter 2021. | - |
| | | | | Board Audit and Risk Management Committee | Member | Committees did not meet during the period under review. The Plan is to Commence the meetings in 1 st Quarter 2021. | |
| | | | | | | | |
| 4. | Mr. Adeniyi Falade | 4 | 4 | Remuneration and Governance Committee | Chairman | Committees did not meet during the period under review. The Plan is to Commence the meetings in 1 st Quarter 2021. | |
| | | | | Board Audit and Risk Management Committee | Chairman | Committees did not meet during the period under review. The Plan is to Commence the meetings in 1 st Quarter 2021. | - |
| | | | | | | | |

Section D - Details of Senior Management of the Company

1. Senior Management:

| S/No. | Names | Position Held | Gender |
|-------|---------------------|------------------------------------|--------|
| 1. | Mr. Austin Akpe | Managing Director | Male |
| 2. | Mr. Adeyinka Jafojo | Head, Company Secretarial Services | 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</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 an approved Charter that outlines its responsibilities and terms of reference. The Charter was last reviewed in October, 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 qualifications and experiences of the Directors are detailed below as follows: | | | |
| | | S/N | NAMES | QUALIFICATIONS | EXPERIENCE |
| | | 1 | Mr. Richard Asabia | <ul style="list-style-type: none"> Bachelor of Laws Master of Business Administration Fellow, Chartered Institute of Stockbrokers | 36years+ work experience |
| | | 2. | Mr. Austin Akpe | <ul style="list-style-type: none"> B,A (Hons) English Master in International Law & Diplomacy Associate Member, Nigeria Institute of Management Masters in Industrial Labour Relations | 26years+ work experience |
| | | 3. | Mr. Olatoye Odunsi | <ul style="list-style-type: none"> BS.c Insurance AMP Program, University of Pennsylvania, U.S.A Senior Manager Program (LBS) | 32years work experience |
| | | 2 | Mr. Adeniyi Falade | <ul style="list-style-type: none"> B.Sc. Chemistry Master of Business Administration Fellow, Institute of Chartered Accountants of Nigeria | 31years+ work experience |
| | ii) Does the company have a Board-approved diversity policy? Yes/No If yes, to what extent have the diversity targets been achieved? | No, the company does not have a Board approved Diversity Policy, but takes cognizance of diversity in experience, gender, age and skills, in appointing members. | | | |

| | | | | |
|---|--|--|--------------------|---|
| | iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies? | Yes, Directors of the Company also serve on the Boards of other companies, which are not in competitive status with the Company, as follows: | | |
| | | S/ N | NAMES | COMPANIES |
| | | 1. | Mr. Richard Asabia | <ul style="list-style-type: none">Interstate Securities LimitedCrusadersterling Pension LimitedCustodian Investment PlcCustodian Life Assurance LtdCustodian and Allied Insurance Ltd |
| | | 2. | Mr. Olatoye Odunsi | <ul style="list-style-type: none">Wordperfect Concepts Limited |
| | | 3. | Mr. Adeniyi Falade | <ul style="list-style-type: none">Interstate Securities LimitedCustodian Life Assurance Ltd |
| | 4. | Mr. Austin Akpe | NIL | |
| | iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the Committees. | No, the MD/CEO or Executive Director is not a chair of any Board Committee. | | |
| Principle 3: Chairman "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) Is the Chairman a member or chair of any of the Board Committees? Yes/no | The Chairman is not a member or chair of any of the Board Committees. | | |
| | ii) At which Committee meeting(s) was the Chairman in attendance during the period under review? | The Chairman was not in attendance in any committee meeting. | | |
| | iii) Is the Chairman an INED or a NED? | The Chairman is a Non-Executive Director. | | |
| | 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 Managing Director/Chief Executive Officer or Executive Director of the Company. | | |
| | v) When was he/she appointed as Chairman? | The Chairman was appointed in 2016. | | |
| | vi) Are the roles and responsibilities of the Chairman clearly defined? Yes/No If yes, specify which document | Yes, the roles and responsibilities of the Chairman are clearly defined in the Company's Code of Conduct and Board Charter. | | |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|--|---|
| Principle 4: Managing Director/ Chief Executive Officer <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> | i) Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? Yes/No | Yes, the Managing Director /Chief Executive Officer has a contract of employment with the Company that sets out his scope of authority and relationship with the Board. |
| | ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter, and as they occur? Yes/No | Yes, the Managing Director/ Chief Executive Officer made Conflict of interest Disclosures upon his appointment to the Board. Subsequent disclosures by the Managing Director are made to the Board annually or immediately if a conflicting event arises. |
| | iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review? | The MD/CEO did not attend any Board committee meeting during the period under review. |
| | iv) Is the MD/CEO serving as NED in any other company? Yes/no . If yes, please state the company(ies)? | No, the MD/CEO is not serving as NED in any other company. |
| | v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No | The MD/CEO is not serving on any other company. |
| Principle 5: Executive Directors <i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i> | i) Do the EDs have contracts of employment? Yes/no | The Company does not have an Executive Director aside the Managing Director. The Managing Director has a contract of employment that sets out his roles and responsibilities to the Board and 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? | The Company does not have an Executive Director aside the Managing Director. The Managing Director has a contract of employment with the Company that sets out his scope of authority and relationship with the Board. |
| | iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | The Company does not have an Executive Director aside the Managing Director and he made Conflict of interest Disclosures upon his appointment to the Board. Subsequent disclosures by the Managing Director are made to the Board annually or immediately if a conflicting event arises |
| | iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list | The Company does not have an Executive Director aside the Managing Director. |
| | v) Are their memberships in these companies in line with Board-approved policy? Yes/No | See 5 (iv) above |
| 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 Non-Executive Directors are clearly defined and documented in the Directors Code of Conduct and Board Charter. |
| | ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No | Yes, the Non-Executive Directors have letters of appointment that specifies their duties, liabilities, and terms of engagement by the company. |
| | iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the Non-Executive Directors made Conflict of interests Disclosures upon their appointment to the Board. Subsequent disclosures by the Non-Executive Directors are made to the Board annually and immediately if a conflicting event arises. |
| | 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 Non-Executive Directors are provided with information relating to the management of the Company and Board matters on a quarterly basis at the Board meetings. |

| | | |
|--|--|---|
| | v) What is the process of ensuring completeness and adequacy of the information provided? | Information provided to Directors on appointment are usually included in a Board induction pack which is regularly updated with relevant information. The Directors are given ample time to review/deliberate on documents provided to them before the Board meetings. |
| | vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No | Yes, the Non-Executive Directors have unfettered access to the Company Secretary and Internal Auditor. |
| Principle 7: Independent Non- Executive Directors | i) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No | Yes, the provision for Independent Non- Executive Directors in the Board Charter meets the criteria prescribed under Section 7.2 of the Code, though the company is yet to appoint an INED. |

| Principles | Reporting Questions | Explanation on application or deviation |
|--|---|---|
| Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence" | ii) Are there any exceptions? | There are no exceptions. |
| | iii) What is the process of selecting INEDs? | The company's Board Charter provides that in selecting Independent Non-Executive Directors, the company will ensure that the proposed Independent Non-Executive Director meets all the independence criteria outlined in Section 7.2 of the Code. INED are selected in accordance with the Board's appointment policy by considering candidates with the required knowledge, skills, experience and competence. Following the above, the curriculum vitae of candidates will be reviewed by the Board Remuneration and Governance Committee. Thereafter recommended candidates are shortlisted to the Board for review and approval. (confirm as no INED). |
| | iv) Do the INEDs have letters of appointment specifying their duties, liabilities, and terms of engagement? Yes/No | Yes, the Independent Non-Executive Directors are by the Board Charter expected to have a letter of appointment, which specifies their duties, liabilities, and terms of engagement by the company. |
| | v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No | Yes, the Independent Non-Executive Director are expected to make Conflicts of Interest Disclosures upon their appointment to the Board. Thereafter they annually or immediately declare areas of conflicts, upon the occurrence of the conflicting event. |
| | 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 is expected to confirm and conduct a yearly review of the independence of the Independent Non- Executive Director, by ensuring a Disclosure Form is filled by the Independent Non-Executive Director. |
| | vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding? | No, the Independent Non-Executive Director is not expected to be a shareholder 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 Board Charter states that the Independent Non-Executive Director should not have another relationship with the company besides from that of Director. |
| | ix) What are the components of INEDs remuneration? | The Independent Non-Executive Director is expected to earn Sitting Allowances for attending Board meetings. |
| 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 has over 23 years' work experience with relevant qualifications and competence to effectively discharge the duties of the office, amongst which is Barrister at Law (BL) and Master in Law (LL.M) |
| | iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management? | Yes, the Company Secretary is a Senior Management Staff. |
| | iv) Who does the Company Secretary report to? | The Company Secretary reports functionally to the Board through the Chairman and reports administratively to the Managing Director. |
| | v) What is the appointment and removal process of the Company Secretary? | The Company Secretary was appointed by the Board through a rigorous selection process that is applicable in the appointment of new Directors. The appointment and removal process of the Company Secretary is a matter for the Board. |
| | vi) Who undertakes and approves the performance appraisal of the Company Secretary? | The Board of Directors undertake and approve the performance appraisal of the Company Secretary. |
| Principle 9: Access to Independent Advice <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i> | i) Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? Yes/No If yes, where is it documented? | Yes, the company has a Board approved policy that allows Directors access independent professional advice in the discharge of their duties. The policy is documented in the company's Code of Conduct and Board Charter. |
| | ii) Who bears the cost for the independent professional advice? | The company bears the cost of the independent professional advice obtained by the Directors for the efficient discharge of their duties. |
| | 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? | The Company Secretary transcribes Board discussions and decisions into minutes and forwards the minutes to the Directors for review. |
| | ii) What are the timelines for sending the minutes to Directors? | The minutes of meetings are sent to the Directors at least two weeks prior to the date scheduled for the Board meetings. |
| | iii) What are the implications for Directors who do not meet the Company policy on meeting attendance? | The company considers attendance to be very vital for the re-election of Directors, where a Director fails to meet the minimum requirement, he might not be re-elected as Director. |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|--|--|
| 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 that were recently established have approved Charters which set up their responsibilities and terms of reference. |
| | ii) What is the process for reviewing and approving minutes of Board Committee of meetings? | The Company Secretary compiles Committee discussions and decisions and forwards them as minutes of meetings to members of the Committee for review. |
| | iii) What are the timelines for sending the minutes to the directors? | The minutes of meetings are sent to the Directors at least 14 days, prior to the date scheduled for the Committee meetings. |
| | iv) Who acts as Secretary to board committees? | The Company Secretary of the Board is the secretary to the Board Committees |
| | v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management | The Remuneration and Governance Committee is responsible for matters relating to Nomination, Governance and Remuneration while the Audit and Risk Committee is responsible for matters relating for Audit and Risk Management. |
| | vi) What is the process of appointing the chair of each committee? | The Chairperson of each Committee is appointed by the Board of Directors |
| | Committee responsible for Nomination and Governance | |
| | vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance? | The proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance is 0:1, though once a new Independent Director is appointed for the company, he is expected to be part of the Committee. |
| | viii) Is the chairman of the Committee a NED or INED? | The Chairman of the Committee is a Non-Executive Director. |
| | 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. The policy is reviewed periodically. Though to be amended as and when required. It was last reviewed in April 2020. |
| | x) How often are Board and Committee charters as well as other governance policies reviewed? | The Board Charter as well as other governance policies are reviewed periodically. |
| | xi) How does the committee report on its activities to the Board? | A written report of key recommendations is to be presented by the Chairman of the Committee. |
| | Committee responsible for Remuneration | |
| | xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration? | The proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance is 0:1, though once a new Independent Director is appointed for the company, he is expected to be part of the Committee. |
| | xiii) Is the chairman of the Committee a NED or INED? | The Chairman of the Committee is a Non-Executive Director |
| | Committee responsible for Audit | |
| | xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No | No, the company has only one Board Audit Committee. |
| | xv) Are members of the Committee responsible for Audit financially literate? Yes/No | Yes, members of the Board Audit Committee are financially literate. |

| | | | | |
|--|---|--|---|--------------------------|
| | xvi) What are their qualifications and experience? | The qualifications and experience of the Board Audit Committee members are as follows: | | |
| | | Mr. Adeniyi Falade | <ul style="list-style-type: none"> • B.Sc. Chemistry • Master of Business Administration • Fellow, Institute of Chartered Accountants of Nigeria | 31years+ work experience |
| | | Mr. Olatoye Odunsi | <ul style="list-style-type: none"> • BS.c Insurance AMP Program, University of Pennsylvania U.S.A • Senior Manager Program (LBS) | 32years+ work experience |
| | | | | |
| | xvii) Name the financial expert(s) on the Committee responsible for Audit | Mr. Adeniyi Falade is the Financial expert on the Board Audit Committee. | | |

| Principles | Reporting Questions | Explanation on application or deviation |
|------------|---|--|
| | xviii) How often does the Committee responsible for Audit review the internal auditor's reports? | The Committee Charter stipulates that the Committee should meet every quarter to review the Internal Auditors reports. |
| | xix) Does the Company have a Board approved internal control framework in place? | Yes, the company has a Board approved Internal Control Framework in place. |
| | xx) How does the Board monitor compliance with the internal control framework? | The Board monitors compliance with the Internal Control Framework by reviewing quarterly the Internal Control Report. |
| | xi) 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, going forward in line with the charter of the Committee it is expected to review the External Auditor's Management Letter, Key Audit Matters and Management's Responses to issues raised by the External Auditors, being part of its Charter requirement, which was done by the Board in previous quarters. |
| | 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 Policy specifying non-audit services to be performed by its External Auditors but is in the process of developing a policy to guide the nature, extent and terms under which the External Auditors may perform non-audit services. |
| | xxiii) How many times did the Audit Committee hold discussions with the head of internal audit function and external auditors without the management during the period under review? | The Committee did not hold discussions with the Audit Committee without Management during the quarter under review. The plan is to ensure that in 2021, the Audit Committee hold discussions with the head of internal audit function and external auditors without the management. |
| | Committee responsible for Risk Management | |
| | xxiv) Is the Chairman of the Risk Committee a NED or an INED? | The Chairman of the Audit and Risk Management Committee is a Non-Executive Director. |
| | xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved? | Yes, the company has a Board approved Risk Management Framework, which was approved in year 2015. |
| | xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review | The Committee in line with its Charter is to carry out a quarterly review of the adequacy and effectiveness of the Risk Management controls already in place in the company. |
| | xxvii) Does the Company have a Board approved IT Data Governance Framework? Yes/No | Yes, the company has a Board approved IT Data Governance Framework. |
| | xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework? | The Committee charter stipulated receipt and review of compliance report on the company's IT Data Governance Framework annually. |
| | xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No | The company's Risk Management function is outsourced under Group shared services arrangement. The Risk team comprises of qualified Risk Management practitioners with years of experience ranging from 3 years to over 20 years', with relevant qualifications and competence to effectively discharge the duties of the office. |
| | xxx) How many meetings of the Committee did the CRO attend during the period under review? | The Chief Risk Officer attended only one Board meeting, where he presented the Enterprise Risk Management Report. Because the Committee's inaugural meeting was in 2021. |

| | | |
|--|--|--|
| Principle 12: Appointment to the Board <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> | i) Is there a Board-approved policy for the appointment of Directors? Yes/No | Yes, there is a Board approved Code of Conduct and Board Charter for Corporate Governance that regulates the appointment of Directors. |
| | ii) What criteria are considered for their appointment? | The Board ensures that in appointing a Director, the individual is a person of integrity with unblemished records. The Individual should be knowledgeable in business and financial matters and must possess the requisite experience while noting diversity in membership across a variety of attributes relevant for promoting better decision making and effective governance, part of which are; field of knowledge, skills, experience, age, culture and gender |
| | iii) What is the Board process for ascertaining that prospective directors are fit and proper persons? | The Board confirms the prospective Directors are fit and proper persons by examining their track records and conducting informal checks on them, prior to their appointment to the Board. |
| | iv) Is there a defined tenure for the following: a) The Chairman b) The MD/CEO c) INED | Yes, there is a defined tenure for the Chairman, Managing Director/Chief Executive Officer, Non- Executive Directors and Independent Non-Executive Director, which is noted in the Code of Conduct and Board Charter for Corporate Governance. |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|---|---|
| | d) NED e) EDs | |
| | v) Please state the tenure | The maximum tenure of the Non-Executive Directors is nine years comprised of three terms of three years each, while the tenure of the Managing Director and Executive Director is three years subject to renewal. |
| | vi) Does the Board have a process to ensure that it is refreshed periodically? Yes/No? | Yes, the Board has a process to ensure it is refreshed periodically, through the appointment of new Board members at the expiration of the tenures of old members and their attainment of 70 years of age. |
| Principle 13: Induction and Continuing Education <i>"A formal induction programme on joining the Board as well as regular training assists Directors to effectively discharge their duties to the Company"</i> | i) Does the Board have a formal induction programme for new directors? Yes/No | Yes, the Board has a formal induction programme for new Directors, which is outlined in the Board Charter. |
| | ii) During the period under review, were new Directors appointed? Yes/No If yes, provide date of induction. | No new Director was appointed during the period under review. |
| | iii) Are Directors provided relevant training to enable them effectively discharge their duties? Yes/No If yes, provide training details. | <p>Yes, the Directors are provided with relevant training to enable them effectively discharge their duties to the company.</p> <p>The following trainings were held during the period:</p> <ul style="list-style-type: none"> • Anti-Money Laundering and Combating the Financing of Terrorism - June 20, 2020 • Understanding the Changing Dynamics of Regulatory Compliance- July 16, 2020 • New CAMA: Implication for Businesses - September 4, 2020 • Annual Corporate Governance Conference - October 15, 2020 • Anti-Money Laundering and Combating the Financing of Terrorism – November 7, 2020 |
| | iv) How do you assess the training needs of Directors? | The training needs of the Directors are identified based on the outcome of discussions at Board meetings. |
| | v) Is there a Board-approved training plan? Yes/No | Yes, there is a Board approved Training Plan. |
| | vi) Has it been budgeted for? Yes/No | Yes, the Board training has been budgeted for by the company. |
| | | |
| 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, there is a Board approved policy for evaluating the performance of the Board. |
| | ii) For the period under review, was there any Board Evaluation exercise conducted? Yes/No | Yes, there was a Board Evaluation exercise. |
| | iii) If yes, indicate whether internal or external. Provide date of last evaluation. | It was an internal evaluation process for the financial year ended December 31, 2020. |
| | iv) Has the Board Evaluation report been presented to the full Board? Yes/No If yes, indicate date of presentation. | No, it will be presented at the first quarter Board meeting. |
| | v) Did the Chairman discuss the evaluation report with the individual directors? Yes/No | No, the Chairman is expected to discuss issues noted in the Evaluation Report with each Director. |

| | | | |
|---|------------|---|---|
| | | vi) Is the result of the evaluation for each Director considered in the re-election process? Yes/No | Yes, the results of the evaluation of each Director are taken into consideration in the re-election of the said Director. |
| Principle Corporate Governance Evaluation | 15: | i) For the period under review, has the Company conducted a corporate governance evaluation? Yes/No If yes, provide date of the evaluation. | Yes, the Corporate Governance Evaluation was conducted during the period under review. The date of Evaluation was January 2021. |
| "Institutionalizing a system for evaluating the Company's corporate governance practices ensures that its governance standards, practices and processes are adequate and effective" | | ii) Is the result of the Corporate Governance Evaluation presented and considered by the Board? Yes/No | Yes, the Corporate Governance Evaluation Report for the current period under review was presented to the Board. |
| | | iii) If yes, please indicate the date of last presentation. | The Corporate Governance evaluation report was presented and considered by the Board in February 2021. |
| | | iv) Is the summary of the Corporate Governance Evaluation included in the annual reports and Investors portal? Yes/No | Yes, the summary of the Corporate Governance will be included in the company's Audited Financial Statement and hosted on the Investor Portal. |
| Principle 16: Remuneration Governance | | i) Is there a Board-approved Directors' remuneration policy? Yes/No If yes, how often is it reviewed? | Yes, there is a Board approved Remuneration Policy. The Policy is reviewed periodically as and when deemed necessary. It was last reviewed in April 2020. |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|--|--|
| <p>"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"</p> | ii) Provide details of directors' fees, allowances and all other benefits paid to them during the period under review | The following is the component of the Director's remuneration paid during the period under review: <ul style="list-style-type: none"> Sitting Allowance ₦250,000.00 |
| | iii) Is the remuneration of NEDS presented to shareholders for approval? Yes/No If yes, when was it approved? | Yes, the remuneration of Non-Executive Directors is presented to Shareholders at the company's Annual General Meeting for approval. Directors' remuneration was last approved at the Annual General Meeting for the financial year ended 2019. |
| | iv) What portion of the NEDs remuneration is linked to company performance? | The remuneration of the Non-Executive Director is not linked to the company's performance. |
| | 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? | Yes, there is a Board approved remuneration policy for Executive and Senior Management. The remuneration of the Executive and Senior Management staff is linked to the company's performance, to the extent that better performance guarantees Executive and Senior Management additional percentage of salary. |
| | vi) Has the Board set KPIs for Executive Management? Yes/No | Yes, the Board fixed key performance indicators to measure the performances of Executive Management during the period under review. |
| | vii) If yes, was the performance measured against the KPIs? Yes/No | Yes, the performances of the Executive Management were measured against the Key Performance Indicators. |
| | viii) Do the MD/CEO, EDs and Company Secretary receive a sitting allowance and/or directors fees? | No, the Managing Director and Company Secretary do not receive Sitting Allowances. |
| | ix) Which of the following receive sitting allowance and/or fees: a. MD/CEO b. ED c. Company Secretary d. Other Senior management staff | The Managing Director, Company Secretary and Senior Management staff do not receive Sitting Allowances. |
| | x) Is there a Board-approved clawback policy for Executive management? Yes/No If yes, attach the policy. | The company's Clawback Policy is embedded in its Board Remuneration Policy. The relevant page is herein attached. |
| <p>Principle 17: Risk Management</p> <p>"A sound framework for managing risk and ensuring an effective internal control system is essential for achieving the strategic objectives of the Company"</p> | i) Has the Board defined the company's risk appetite and limit? Yes/No | Yes, the Board has defined the company's risk appetite and limit. |
| | ii) How often does the company conduct a risk assessment? | Risk assessment of the company's activities is conducted at least once every month, |
| | iii) How often does the board receive and review risk management reports? | The Board is expected to receive and review Risk Management Reports once every Quarter. |
| <p>Principle 18: Internal Audit</p> <p>"An effective internal audit function provides assurance to the Board on the effectiveness of the governance, risk management and internal"</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? | Yes, the company has an Internal Audit function, though outsourced under Group shared services arrangement. |

control systems"

| | | |
|--|---|--|
| | ii) Does the company have a Board-approved internal audit charter? Yes/No | Yes, the company has a Board approved Internal Audit Charter. |
| | iii) Is the head of internal audit a member of senior management? Yes/No | The Company's internal audit function is outsourced under Group shared services arrangement. |
| | iv) What is the qualification and experience of the head of internal audit? | The outsourced team is comprised of qualified Accountants with years of experience ranging from 2 years to 16years' experience, with relevant qualifications and competence to effectively discharge the duties of the office. |
| | 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 Internal Audit is expected to report to the Board Audit Committee every quarter on the adequacy and effectiveness of management, governance, risk and control environment; deficiencies observed, and management mitigation plans in line with the Board Audit Charter. |
| | 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 effectiveness of the internal audit function at least once every three years conducted by a qualified Independent Reviewer appointed by the Board. The last external assessment of the effectiveness of the Internal Audit function took place in 2018. |
| | viii) Who undertakes and approves the performance evaluation of the Head of Internal Audit? | The performance of the Head of Internal Audit is evaluated and approved by the Board. |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|--|---|
| Principle 19: Whistleblowing <i>"An effective whistleblowing framework for reporting any illegal or unethical behaviour minimises the Company's exposure and prevents recurrence"</i> R E P O R T E N C O M P L I A N C E | 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 Board approved Whistle Blowing Policy, which was last reviewed by the Board in April 2020. |
| | ii) Does the Board ensure that the whistleblowing mechanism and are process reliable, accessible to all stakeholders, guarantees anonymity and protection of the whistleblower? Yes/No | Yes, the Board ensures that the company's Whistle Blowing Policy is accessible by Stakeholders and that communications by Whistle Blowers are anonymously transmitted to appropriate persons for review of unethical practices. |
| | iii) Is the Audit committee provided with the following reports on a periodic basis? a) Reported cases b) Process and results of Investigated cases | Yes, where the situation arises the Audit Committee and Board are to be provided with reports on reported and 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> W H I T H E R N A L I T I A | i) Who makes the recommendations for the appointment, re-appointment or removal of external auditors? | The Board makes recommendations to the general meeting for the appointment, re-appointment, and removal of the company's External Auditors. |
| | ii) Who approves the appointment, re-appointment, and removal of External Auditors? | The Shareholders at the general meeting, approve the appointment, re-appointment and removal of the company's External Auditors. |
| | iii) When was the first date of appointment of the External auditors? | The External Auditors were first appointed in 2016. |
| | iv) How often are the audit partners rotated? | Audit partners are rotated every five years. |
| 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> N G E N E R A L M E E T I N G S | i) How many days prior to the last general meeting were notices, annual reports and any other relevant information dispatched to Shareholders? | Notices and other relevant information were dispatched to Shareholders prior to the twenty-one-day regulatory requirement period. |
| | 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 | The Company does not have a Statutory Audit Committee because it is not listed on the Exchange. Going forward it is expected that the Chairmen of the Board Committees will be present to answer questions. |
| Principle 22: Shareholder Engagement <i>"The establishment of a system of regular dialogue with shareholders balance"</i> S H A R E H O L D E R E N G A I N G E N T | 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? | No, the company does not have a policy on Shareholders' engagement because it is a limited company with only two (2) shareholders. |

| Principles | Reporting Questions | Explanation on application or deviation |
|---|--|--|
| <i>their needs, interests and expectations with the objectives of the Company"</i> | ii) How does the Board engage with Institutional Investors and how often? | The Board engages with Institutional Shareholders through the Investor Relation Officer. |
| Principle 23: Protection of Shareholder Rights <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, in line with the company's Communication Policy, the Board ensures that communication with stakeholders and the general public are timely, accurate and give a fair view of the company. Information about the company can be accessed on the company's website, which also has a provision for Live Chats. |
| 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 | Yes, the company has a Board approved Code of Ethics that regulates business relations and stipulates the minimum ethical requirements of the company. |
| | 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 | Yes, the Code of Ethics has been communicated to both internal and external Stakeholders. The Code of Ethics applies to the Board, Senior Management, Other Employees and Third Parties. |
| | ii) When was the date of last review of the policy? | The Code of Ethics policy was last reviewed in April 2020. |
| | iii) Has the Board incorporated a process for identifying, monitoring and reporting adherence to the COBE? Yes/No | Yes, the Board has incorporated a process for identifying, monitoring, and reporting adherence to the Code of Ethics policy. |
| | iv) What sanctions were imposed for the period under review for non-compliance with the COBE? | There were no noted breaches during the quarter under review. |
| 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? | No, the company does not have a policy on Insider Trading because it is not listed on any exchange and has only 2 (two) shareholders. |

| | | |
|---|--|---|
| | <p>ii) Does the company have a Board approved policy on related party transactions? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> <p>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Board 2. Senior management 3. Other employees (Specify) 4. Third parties (Specify) | <p>Yes, there is a Board approved policy on Related Party transactions which was last reviewed in April, 2020.</p> <p>The Board monitors compliance with the policy by ensuring disclosures of transactions that exceed the threshold as determined by the Board between related parties, whether such transactions have been executed at arm's length and on normal market terms, are disclosed prior to the conclusion of the transaction.</p> <p>The Related Party Policy applies to the Board, Senior Management, other Employees (key Officers that control, direct and administer the company's business) and Third Parties (shareholders and nominees) that hold an excess of 5% of total equity in the company.</p> |
| | <p>iii) How does the Board ensure adequate disclosure of Related Party Transactions by the responsible parties?</p> | <p>Related Party transactions whenever they arise are fully disclosed to the Board. The Company's External Auditors review the disclosures and take appropriate actions to verify that they are adequate.</p> |
| | <p>iv) Does the company have Board-approved policy on conflict of interest? Yes/No</p> <p>If yes:</p> <p>a) When was the last date of review?</p> <p>b) How does the Board monitor compliance with this policy?</p> <p>c) Is the policy applicable to any or all of the following:</p> <ol style="list-style-type: none"> 1. Senior management 2. Other employees (Specify) | <p>Yes, the Board has a Policy on Conflict of Interest which was last reviewed in April 2020.</p> <p>The Board monitors compliance with the policy by ensuring that the policy is communicated to the Directors, supported and monitored in order to provide reasonable assurance that all potential conflict of interests' areas will be disclosed.</p> <p>The Conflict-of-Interest Policy applies to Directors only.</p> |
| | <p>Principle 26: Sustainability</p> <p><i>"Paying adequate attention to sustainability issues including environment, social, occupational and community health and safety ensures successful long-term business performance and projects the Company as a responsible corporate citizen contributing to economic development"</i></p> | |
| | <p>i) Is there a Board-approved sustainability policy? Yes/No</p> <p>If yes, when was it last reviewed?</p> | <p>Yes, there is a Board approved Sustainability Policy, which was last reviewed in April 2020.</p> |
| | <p>ii) How does the Board monitor compliance with the policy?</p> | <p>The Board complies with disclosure obligations outlined in the Nigerian Code of Corporate Governance on Sustainability issues.</p> |
| | <p>iii) How does the Board report compliance with the policy?</p> | <p>The Board reports on compliance with the Sustainability Policy in the Company's Communication to Stakeholders.</p> |
| | <p>iv) Is there a Board-approved policy on diversity in the workplace? Yes/No</p> <p>If yes, when was it last reviewed?</p> | <p>No, the company does not have a Board approved policy on Diversity in the workplace, but takes cognizance of age, gender and other issues with regards to Employees.</p> |
| <p>Principle 27: Stakeholder Communication</p> <p><i>"Communicating and interacting with</i></p> | <p>i) Is there a Board-approved policy on stakeholder management and communication? Yes/No</p> | <p>Yes, there is a Board approved policy on Stakeholder Management and Communication.</p> |

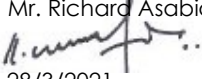
| | | |
|---|---|--|
| stakeholders keeps them conversant with the activities of the Company and assists them in making informed decisions" | ii) Does the Company have an up-to-date investor relation portal? Yes/No If yes, provide the link. | Yes, there is an up-to-date Investor's Relation Portal which is hosted on the company's website @ www.custodianplc.com.ng |
| 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 | Yes, the company has an Annual Report that includes a Corporate Governance Report. |
| | ii) Has the company been fined by any regulator during the reporting period? Yes/No If yes, provide details of the fines and penalties. | No, the company was not fined by any Regulator during the period under review. |

REPORT ON COMPLIANCE WITH THE NIGERIAN CODE OF CORPORATE GOVERNANCE 2018**Section F – Certification**

We hereby make this declaration in good faith and confirm that the information provided in this form is true.

Chairman of the Board of Directors

Name: Mr. Richard Asabia

Signature: 

Date: 28/3/2021

Chairman of the Committee responsible for Governance (no committee)

Name: Mr. Adeniyi Falade

Signature: 

Date: 28/3/2021

Managing Director/Chief Executive Officer

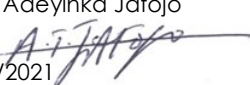
Name: Mr. Austin Akpe

Signature: 

Date: 28/3/2021

Company Secretary/Chief Compliance Officer

Name: Mr. Adeyinka Jafajo

Signature: 

Date: 28/3/2021

7. Clawback Policy

7.1 Custodian shall implement this clawback policy to recover excess or undeserved reward, such as bonuses, incentives, share of profits or any performance-based reward, from Directors and senior Management.

7.2 Clawback can be triggered if the account or financial performance on which the reward was based is later found to be materially false, misstated, misleading, erroneous, etc or in instances of misdemeanor, fraud, material violation of Company policy or material regulatory infractions.

8. Review of Policy

This Remuneration Policy shall be reviewed as may be deemed necessary.

Approved by the Board of Directors

Document Review and Approval

Revision History

| Version | Author | Date | Revision |
|---------|-------------------|-------------|----------|
| Draft | Company Secretary | April, 2020 | |
| | | | |
| | | | |
| | | | |

This document has been reviewed and approved by

| | Date Approved | Status | Signature |
|---|---------------|----------|--|
| 1 | April, 2020 | Chairman |  |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |