

NIGERIAN ELECTRICITY REGULATORY COMMISSION

CODE OF CORPORATE GOVERNANCE FOR THE NIGERIAN ELECTRICITY SUPPLY INDUSTRY

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FOREWORD

The Nigerian Electricity Supply Industry ("NESI") stands at a critical juncture in its evolution. As the backbone of the nation's socio-economic development, the sector plays a pivotal role in powering industries, homes, and businesses across the country. The challenges faced by the industry are well-documented, ranging from infrastructural deficits and financial constraints to operational inefficiencies and governance gaps. These challenges have, over the years, hindered the sector's ability to deliver reliable and sustainable electricity to Nigerians.

The Electricity Act 2023 ("EA" or the "Act"), which empowers the Commission as the apex regulatory body for NESI, provides a robust legal framework to address these challenges. The Act underscores the importance of effective regulation, accountability, and transparency in driving the sector towards its full potential. In line with this mandate, the development of this Code of Corporate Governance ("CoG" or the "Code") is a significant step towards fostering a culture of good governance, ethical conduct, and operational excellence in NESI.

The Code is designed to establish a clear set of principles and standards that will guide the conduct of licensees in NESI. By promoting accountability, transparency, and sustainability, the Code seeks to restore confidence among investors, consumers, and other stakeholders. It also aims to enhance the sector's ability to attract much-needed investments, improve service delivery, and ultimately contribute to the nation's economic growth.

The objectives of the Code are clear: to institutionalise best practices in corporate governance, to ensure that all licensees in NESI operate with integrity and professionalism, and to create an enabling environment for the sector to thrive. It is the Commission's firm belief that the implementation of this Code will not only address the existing governance gaps but also lay a solid foundation for the sustainable growth of NESI.

All stakeholders are urged to embrace principles of the Code and work collaboratively towards achieving the shared vision of a vibrant, efficient, and reliable electricity sector.



Sanusi Garba
Chairman

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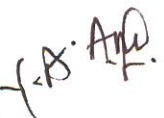


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1.0 INTRODUCTION

This Code of Corporate Governance ("CoG" or the "Code") for the Nigerian Electricity Supply Industry ("NESI") provides the framework for exemplary governance of licensees in NESI.

Effective governance aligns board and management incentives with company and shareholder interests. Companies that embrace optimal corporate governance practices attract investors, operate transparently and efficiently in a manner that prevents conflicts of interest which enables them enjoy broad stakeholder support. This Code sets essential guidelines for licensees and directors in NESI.

1.1 Compliance with the Law

Section 34 of the Electricity Act 2023 ("EA" or the "Act") grants the Commission the authority to establish or approve operating codes and safety, security, and quality standards. Section 226(1) of the EA also empowers the Commission to make regulations covering matters required by the Act or necessary for its implementation.

This Code has been issued for licensees of the Commission towards ensuring transparency and accountability in NESI. The Code also sets the criteria for assessing individuals as "*fit and proper*" to –

- a. Engage in regulated electricity activities.
- b. Hold director or executive positions in licensees.
- c. Hold over 5% equity in any licensee.

This Code aligns with fundamental principles in the EA and incorporates best practices from the Companies and Allied Matters Act (CAMA) 2020 and the National Code. It integrates CAMA's directorial and officer responsibilities, referencing statutory guidelines where applicable.

All external auditors appointed by licensees shall report annually to the Commission, the extent of the licensee's compliance with the provisions of this Code.

1.2 Scope of Application of the Code

This Code shall apply to all persons who are licensed to engage in the business of generation, distribution, transmission, system operations, supply or trading in electricity in NESI pursuant to section 63 of the EA.



1.2.1 Eligibility of Individuals for Executive Management Positions

To be eligible as for appointment into executive management positions in any licensee, the candidate shall file the documents stated herein and meet the following requirements –

- a. Provide references from their last 3 employers attesting to the applicant's character and suitability for the role.
- b. Provide appropriate clearance after undergoing comprehensive security checks by relevant security agencies.
- c. Disclose all interests and be cleared of any conflict of interests.

1.2.2 Fitness Requirements for Executive Management for Licensees Engaged in Generation, Transmission, System Operation, Supply and Distribution

The fitness requirements for management positions for this category are as specified in schedule 1 of the Code.

1.2.3 Fitness Requirements for Executive Management of Licensees Engaged in Trading

The fitness requirements for management positions for licensees engaged electricity trading are specified in schedule 2 of the Code.

1.3 Consequences of Non-Adherence

The principles of corporate governance specified in this Code are mandatory and binding on all licensees.

- a. The Commission is responsible for overseeing licensee compliance and will enforce adherence when necessary.
- b. Licensees must indicate their degree of compliance with the Code in the Annual Compliance Report filed with the Commission in accordance with the provisions of section 14 of the Code.
- c. The failure of any licensee to comply with the Code shall attract appropriate sanctions as outlined in the EA and other regulatory instruments issued by the Commission.

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2.0 BOARD AND DIRECTORS

2.1 Role of the Board of Directors

The board of directors assumes the pivotal role in the governance of licensees in NESI. The board is responsible for fostering an ethical culture and upholding principles of integrity throughout the organisation.

- a. All licensees shall have boards appointed by their shareholders in transparent processes that are compliant with the provisions of CAMA. The board shall be highest level of internal management/governance for licensees operating in NESI.
- b. The board is primarily responsible for the governance of the licensee along with setting the tone, definition of organisational core values and shaping the strategic direction of the licensee's operations in NESI. All boards shall be comprised of individuals that embody the values of accountability, transparency, responsibility, ethical conduct, integrity, independence, and fairness.
- c. As the highest decision-making body within the licensee, the Board takes precedence, apart from shareholders in general meeting. The collective responsibilities of board members include steering the licensee's direction and overseeing its operations. The board must maintain independence from management or any external influence in order to discharge its governance role effectively.

2.2 Responsibilities of the Board of Directors

The Board shall be entrusted with the following responsibilities:

- a. Appointment of managing director/chief executive officer, executive directors along with other members of top management and employees that work for the licensee.
- b. Providing guidance to management and overseeing succession planning.
- c. Formulating the licensee's vision, mission and strategy.
- d. Approval of management policies.
- e. Vigilant oversight and supervision of the executive management team.

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- f. Robust management of risks.
- g. Maintenance of the enterprise's sustainability.
- h. Conducting performance evaluations.

In fulfilling these pivotal roles and responsibilities, the board shall conscientiously apply the principles outlined in the Code.

2.3 Leadership and Ethical Oversight by the Board

- a. Leadership stands as a pivotal duty of the board of directors; and the board is entrusted with the responsibility of providing exemplary leadership to the licensee that is founded on ethical principles.
- b. The board is also responsible for providing effective ethical leadership by ensuring that the company adopts a value-driven approach to corporate governance. All deliberations, resolutions, and actions of the board must firmly adhere to the following principles of value-based corporate governance –
 - i. Accountability
 - ii. Transparency, openness and honesty
 - iii. Responsibility
 - iv. Independence
 - v. Integrity
 - vi. Justice and equity
 - vii. Fairness

2.3.1 Board's Role in Implementation of the Code

- a. The board is responsible for the implementation of the Code and shall ensure that the principles outlined in the Code are integrated in the licensee's operations.
- b. The board shall develop an internal Code of Conduct for the licensee which align with the provisions of this Code for the definition of minimum ethical standards that are applicable to the licensee.

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2.3.2 Individual Director Accountability in Corporate Governance

- a. While the Board's responsibility for corporate governance is collective, each director bears individual responsibility.
- b. Each Director is expected to exhibit a comprehensive grasp of the licensee's operations, including its unique characteristics, the industry landscape, and the diverse stakeholder groups.
- c. Each director is expected to –
 - i. avoid any conflict of interest, whether arising directly or indirectly through affiliations with other entities.
 - ii. Continuously cultivate and enhance the necessary skills and competences that are critical to the effective discharge of their duties as directors.
 - iii. Allocate the requisite time to the licensee's affairs and actively participating in the board, committees, and other relevant meetings of the licensee.

2.3.3 Director's Right to Independent Advice

- a. All directors shall be entitled to request clarifications from licensee officers regarding matters that fall within their scope or responsibilities as directors.
- b. In instances where dissatisfaction persists despite explanations, the managing director may, with the board's consent, seek independent advice on the subject matter. The associated consultation expenses will be borne by the licensee.

3.0 FUNCTIONS OF THE BOARD

3.1 Responsibilities and Mandate

The board bears the primary duty of steering and overseeing the licensee, championing the assimilation of robust corporate governance as an instrumental strategy for ensuring success and enduring sustainability in business operations.



3.2 Composition, Structure, and Size of the Board

- a. The composition of the board should reflect a balanced amalgamation of skills, diverse experience, and gender representation.
- b. In the constitution of the board, due consideration must be accorded to the licensee's business scope, magnitude, intricacies, and reach. The board shall evaluate the essential skills and resources required for the licensee's operations when determining the number of directors to be appointed.
- c. The board composition of licensees determined by the Commission to be large entities shall be a minimum of 7 (seven) directors while the board composition of smaller entities shall be in accordance with the provisions of CAMA.
- d. The majority of the board should be non-executive directors ("NEDs"), serving to infuse external independent perspectives into the licensee's governance.
- e. Among the board members, there should be a minimum of 2 (two) executive directors one of which shall be the chief executive officer ("CEO") of the licensee.
- f. Each board must include at least 1 (one) independent director ("ID"). Large entities shall have a minimum of 2 independent directors.
- g. Subject to the provisions of CAMA, one third of directors should retire periodically by rotation at the licensee's annual general meeting but retiring directors may re-present themselves for reappointment.
- h. To ensure continuity and injection of fresh ideas, directors shall serve a maximum of 3 (three) terms of 4 (four) years.
- i. The board should be independent of management to enable it carry out its oversight functions in an objective and effective manner.

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3.3 Board Committees

The board shall establish appropriate committees to assist in its governance functions, duties, and responsibilities, and to help improve the efficiency of its work as it deems appropriate.

- a. The board shall set up the following committees, among others, as deemed necessary for effective governance:
 - i. Audit Committee
 - ii. Regulatory Compliance and Risk Management Committee
 - iii. Governance, Remuneration and Nomination Committee
- b. The chairman of the board and the CEO shall be disqualified from serving as chairperson or member of any committee.
- c. A board member shall not be a member of more than 2 (two) committees.
- d. Each committee shall have a committee charter, approved by the board, outlining its purpose, composition, responsibilities, and reporting obligations.
- e. The terms of reference ("ToR") for each board committee shall clearly define the specific responsibilities delegated to them.
- f. Each board committee shall convene meetings as necessary based on the scope of its responsibilities.
- g. Executive directors may serve as members of board committees but they shall be ineligible to serve as the chairman of any committee to which they have been appointed.

3.4 Board Appointment Processes

Directors shall be appointed through a written, formal, and transparent process.

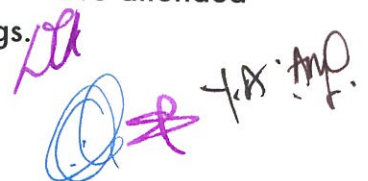
- a. The board shall establish a Governance, Remuneration and Nomination Committee, tasked with identifying suitable candidates for director and executive director positions in the licensee.

- b. The Governance, Remuneration and Nomination Committee shall conduct thorough background checks and seek references for potential director candidates before making nominations.
- c. The results of each background checks and reference assessment shall be disclosed to all board members and shareholders prior to the appointment of the director.
- d. The appointment of a director shall be formalized through official documentation from the licensee stating terms, conditions and responsibilities.
- e. The board shall ensure that nominees for director positions are individuals of good repute, meet necessary qualifications, and are not disqualified under CAMA from serving as directors.
- f. To maintain independence and prevent conflicts of interest, the board shall diligently assess and verify that nominees/existing directors do not have any actual or potential conflicts that could compromise their fiduciary responsibility to the licensee.

3.5 Board Meetings

The board shall meet regularly in order to carry out its functions effectively.

- 3.5.1 The frequency of board meetings shall be determined by each board, taking into consideration the specific operational requirements of the licensee and its unique circumstances. Nonetheless, board meetings shall be held at least once in every quarter of the year.
- 3.5.2 Written notices, including meeting agenda, shall be circulated to all board members at least 14 (fourteen) days prior to the scheduled meetings. For extraordinary meetings, the notice period may be shortened or waived by the directors based on the urgency of the matter.
- 3.5.3 Active participation in all board meetings and committee meetings is a requirement for every director.
- 3.5.4 To be eligible for re-appointment to the board, directors must have attended a minimum of two-thirds of all board and committee meetings.



3.6 Board Charter

The board shall establish a comprehensive charter which outlines the following –

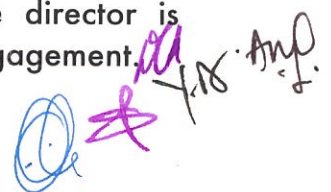
- a. The roles and responsibilities of the board with specific focus on the licensee's role in NESI.
- b. Optimal size and appropriate composition of the board, considering the expertise and skills necessary for effective governance.
- c. Guidelines for the appointment and tenure of directors, in line with the principles articulated by this Code.
- d. Establishment, composition, responsibilities, and functioning of board committees, along with a framework for conducting meetings, performance appraisals, and evaluations.
- e. An efficient process for addressing instances of service lapses and failures.

4.0 REMUNERATION

4.1 Remuneration of Executive Directors and Senior Executives

Licensees shall develop and implement remuneration policies and ensure levels of remuneration are sufficient to attract, retain, and motivate executives of the quality required to lead the licensee successfully.

- a. The board shall formulate a formal remuneration policy for executive directors and senior executives of the licensee, along with a transparent procedure for its implementation. This shall be done in accordance with the provisions of CAMA and other relevant industry standards on director remuneration.
- b. The remuneration policy of the licensee shall be aligned with its strategic direction and shall take into account the performance of the licensee in NESI.
- c. The terms and conditions under which any executive director is engaged shall be approved by the board prior to the engagement.



4.2 Link with Performance

Executive remuneration and incentives shall be closely tied to both individual and corporate performance, with a focus on medium to long-term goals that contribute to the licensee's strategic objectives. Similarly, careful consideration shall be given to avoid providing severance packages that reward poor performance, where applicable.

4.3 Remuneration for Non-Executive Directors

Licensees shall develop and implement remuneration policies for non-executive directors ("NEDs"). Remuneration structure should reflect the differing roles of executives and non-executives.

The remuneration levels for NEDs shall be established in accordance with the expectations of their time commitment, dedication, and responsibilities associated with their roles. This structure shall take into consideration increased remuneration for additional time commitments, such as active participation on board committees or other relevant duties.

4.4 Avoiding Conflict of Interest

- a. Individuals should not participate in decisions related to their own remuneration.
- b. The board shall establish a Remuneration Committee tasked with the responsibility of assisting the board in developing procedures, processes, policies, and practices for determining the remuneration of executive management of the licensee.
- c. The Governance, Remuneration and Nomination Committee of the Board shall be comprised of NEDs.

4.5 Benchmarking

Boards may employ peer or alternative benchmarks to serve as comparisons when structuring remuneration packages for their directors. Nevertheless, these comparisons must be used judiciously to ensure that the benchmarking aligns with the specific requirements of the licensee.

5.0 PERFORMANCE EVALUATION

5.1 Board Evaluation

The board shall periodically assess its own performance and devise performance improvement plans designed to foster changes leading to a more effective board. This evaluation process is a strategy for enhancing and reinforcing the performance of the licensee.



- a. The Board shall institute a framework for conducting regular evaluation of its own performance, those of its Committees, Chairman, Committee Chairpersons, and individual Directors.
- b. The performance evaluation of each director should serve as a criterion for their potential reappointment to the board.
- c. The board should ensure that a comprehensive evaluation of the board's effectiveness is conducted at least once annually.
- d. A formal report on the implementation of board evaluation shall be filed annually with the Commission.
- e. The evaluation process should remain impartial and objective. The appraisal of the CEO's performance should be conducted by the board or a designated committee comprising NEDs.

5.2 Enhancing Board Performance

- a. Each licensee is required to establish board development programs aimed at continuous improvement for its directors.
- b. Outcomes of the evaluation process should provide the foundation for shaping performance improvement plans of the board. These outcomes should guide the formulation of training initiatives for both the board and individual directors, as well as inform the identification of additional skills needed or targeted for future appointments to the board.

5.3 Evaluation Statement

Licensees shall include a statement in their annual reports, indicating whether board and director evaluations were conducted during the reporting period.

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5.4 Performance Evaluation of Executive Directors

- a. The board shall, either independently or through the Regulatory Compliance and Risk Management Committee, conduct regular evaluations of the performance of executive directors at intervals determined by the board.
- b. In cases where the board delegates the responsibility of evaluating executive directors to the Regulatory Compliance and Risk Management Committee, the intervals for conducting such evaluations shall be explicitly outlined in the ToR of the committee.

6.0 THE BOARD VALUE SYSTEM

The board shall establish the value system that guides the licensee's pursuit of its overarching direction.

6.1 Vision, Mission, and Strategy

The board shall be responsible for determining the strategic trajectory of the licensee, aligning it with corporate objectives, and defining the licensee's vision and mission.

6.2 Core Values

The Board shall define a set of guiding principles to which the licensee's core values must align. Ensuring adherence to these core values at all organisational tiers is vital to promoting a stakeholder-inclusive approach.

6.3 Loyalty to the Company

Board members are obligated to uphold their fiduciary responsibility to the licensee. Directors are tasked not only with consistently acting in the licensee's best interests but also with fostering an environment where management is actively encouraged to prioritise the licensee's interest.

6.4 Directors' Disclosures

Each director shall promptly disclose to the board any actual or perceived conflict of interest on matters relating to the licensee's business or matters brought before the board for consideration.

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6.5 Corporate Reputation

The board shall ensure the licensee's unwavering commitment to legal compliance, ethical conduct, and proactive management of reputational risk.

- a. The Board understands the potent influence of stakeholder perceptions on the licensee's reputation and shall ensure that the licensee complies with applicable laws while also considering adherence to non-binding rules, codes, and standards. The licensee's actions and engagement with stakeholders are guided by prevailing laws, regulations, policies, and standards set by relevant regulatory bodies.
- b. The Board maintains a conscious awareness of the licensee's impact on society and the environment, actively safeguarding, enhancing, and investing in the overall well-being of the economy, society, and the environment.
- c. The Board takes proactive measures to formulate robust Corporate Social Responsibility (CSR) policies and strategies that underscore the importance of CSR, demonstrating a deep understanding of its significance.

6.6 Stakeholders' Consideration

The Board ensures that the consideration of stakeholders is integral to the organisation, and appreciates the pivotal role of stakeholders in the management of corporate reputation and reputational risk.

The Board shall undertake a comprehensive evaluation of the licensee's influence on both internal and external stakeholders, assuring that the licensee conducts its business ethically and takes into account stakeholder perspectives.

6.7 Stakeholders' Engagement

The board shall actively manage the alignment between stakeholder perceptions and the licensee's performance to safeguard the licensee's reputation. This objective stands as a foremost concern on the Board's agenda. Recognising that stakeholders' views significantly impact the licensee's reputation, the board may delegate management responsibilities to ensure efficient stakeholder engagement and alignment.

7.0 OFFICERS OF THE BOARD AND THEIR RESPECTIVE DUTIES

7.1 The Chairman

The Chairman's primary role is to facilitate the efficient functioning of the board and guide it toward achieving the licensee's strategic objectives. The Chairman shall not be involved in the day-to-day operations of the licensee, a responsibility that falls under the CEO and the Management team. The Chairman of the board shall be a Non-Executive Director (NED).

The Chairman's duties include –

- a. Providing inclusive leadership and vision for both the board and the licensee.
- b. Establishing the annual board plan.
- c. Collaboratively developing the agenda for board meetings in consultation with the CEO and the company secretary.
- d. Ensuring that the board and its committees possess the requisite skills, competencies, and desired experience.
- e. Overseeing the proper conduct of board meetings, fostering effectiveness and cohesiveness within the board.
- f. Ensuring that directors receive timely, accurate, and comprehensive information about licensee affairs to facilitate informed decision-making.
- g. Acting as the principal liaison between the board and the CEO, as well as advising the CEO in fulfilling his responsibilities effectively.
- h. Ensuring all directors fulfil their core responsibilities and actively contribute to licensee affairs.
- i. Overseeing the implementation of induction programs for new directors and the establishment of an ongoing education program for all directors.
- j. Fostering effective communication and relationships with institutional shareholders and strategic stakeholders of the licensee.

- k. Leading the assessment, enhancement, and growth of the board.
- l. Presiding over board and general meetings of the company.

7.2 The Managing Director/Chief Executive Officer

The Managing Director/Chief Executive Officer ("CEO") shall serve as the head of the Management team and be accountable to the Board. The CEO should possess a profound understanding of the licensee's operations. Demonstrating industry knowledge, credibility, competencies, and integrity is paramount. The CEO must consistently garner the trust and confidence of both the board and management.

The CEO in conjunction with the senior management, shall actively cultivate a culture of integrity and legal compliance. These values should permeate throughout the licensee and embraced by personnel across all levels of the organisation.

The duties and responsibilities of the CEO shall include, but not be limited to:

- a. Overseeing the day-to-day operations of the licensee.
- b. Steering the licensee's development and expansion endeavours.
- c. Serving as the principal representative of the licensee in its interactions with stakeholders.
- d. The board may entrust the CEO with select powers as deemed appropriate or necessary to ensure the licensee's smooth functioning.

7.3 Executive Directors

- a. An Executive Director ("ED") shall possess expertise in pertinent aspects of the licensee's operations, in addition to requisite qualifications and competencies tailored to their specific roles and responsibilities.
- b. EDs shall be actively engaged in the day-to-day management of the licensee. They shall oversee the departments they lead and be accountable to the Board through the CEO.

7.4 Non-Executive Directors

- a. Non-Executive Directors ("NEDs") constitute integral members of the Board. They provide independent judgment and necessary scrutiny of management propositions and actions, particularly concerning strategy, performance assessment, and key appointments.
- b. NEDs should exemplify exceptional character, extensive sectoral experience, integrity, and credibility.

7.5 Independent Directors

- a. An Independent Director is a NED who maintains an impartial stance, devoid of any affiliations with the licensee's business interests or Management. Independent Directors are expected to bring objectivity and unbiased perspective to the board's decision-making processes.
- b. An ex-employee or an individual that holds an interest in a company shall not be eligible for the position of an independent director, except at the expiration of a minimum of 5-year period upon exit from the company prior to such nomination as an independent director.

7.6 Separation of Chairman and CEO

The positions of Chairman and CEO shall be held by distinct individuals for purposes of independence and ensuring that a system of proper checks and balances exist within the licensee.

7.7 Election of Chairman

- a. The chairman of the board, who must be a NED, shall be elected by the directors from within their ranks.
- b. The Chairman's performance and ongoing ability to contribute value to the board shall be evaluated on an annual basis.

7.8 Tenure of the CEO

The tenure of the CEO of a licensee shall be in accordance with the terms of engagement but subject to a maximum period of 10 (ten) years. Such tenure may be broken down into 2 (two) terms of 5 (five) years each.

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7.9 Multiple Directorships

An individual shall not concurrently serve as a director of more than 2 (two) companies in NESI. Simultaneous service on numerous boards may impede an individual's capacity to discharge their duties equitably and impartially, potentially leading to conflicts of interest. The board and shareholders must thoroughly assess the suitability of nominees for appointment, taking into account their other obligations and commitments.

- a. A prospective nominee to the board of a licensee shall disclose any memberships on other boards before their appointment.
- b. The board shall consider the nominee's other directorships and ascertain whether the nominee can effectively contribute to the board's performance and responsibilities prior to endorsing them for appointment.
- c. Serving directors shall inform the board, through the Chairman, of any potential appointments to other boards.

8.0 THE COMPANY SECRETARY

The Board shall ensure that the Company Secretary is an individual possessing the requisite knowledge, competence, and qualifications essential for fulfilling the responsibilities of the role.

8.1 Responsibilities of the Company Secretary

- a. The Company Secretary shall assume the role of not only fulfilling statutory obligations but also bringing the licensee's corporate governance duties, particularly those mandated by this Code, to the attention of the board for implementation. The Company Secretary shall be responsible for alerting the board to instances where the licensee fails to fulfil its obligations and/or responsibilities under this Code.
- b. The board shall be well-informed of the responsibilities entrusted to the Company Secretary and shall empower and support the Company Secretary to effectively execute these responsibilities.

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8.2 Reporting Line of the Company Secretary

The Company Secretary shall report to the board through the Chairman for matters concerning the board and shall report to the CEO for administrative matters.

8.3 Appointment and Removal of the Company Secretary

The board shall be responsible for the appointment of the Company Secretary, and shall have the authority to remove the Company Secretary in accordance with the provisions of CAMA.

9.0 BOARD AND MANAGEMENT

9.1 Matters for the Board

The board assumes the highest decision-making authority, entrusted by the shareholders in general meeting, for the direction, control, and management of the licensee's operations. The board is primarily responsible for corporate governance within the licensee. While certain powers may be delegated, the board retains ultimate accountability for governance.

- a. The board retains the power to delegate its functions or roles to committees, the CEO or the Management as it deems fit. However, the board retains final responsibility for the decisions it arrives at, safeguarding against abdication of its obligations.
- b. The board shall delineate which matters are reserved exclusively for its consideration and those it may delegate to committees, the CEO, and/or the management.
- c. Where the board delegates its roles, it shall retain supervisory oversight over the committees, the CEO, and/or the management on matters over which authority was delegated.
- d. When delegating powers, the board shall precisely define and document the extent, duration, and modalities of exercising those powers.

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9.2 Composition of Board Committees

The board assumes the responsibility of ensuring that the committees it designates to wield its powers are structured to uphold corporate governance principles and conform with the directives of the board.

- a. The board shall determine the membership, quorum, and terms of reference ("TOR") for each committee it establishes.
- c. NEDs shall chair all board committees composed of executive management.
- c. The board may, at its discretion, modify such TOR as the need may arise.

9.3 Information Flow

The board and individual directors shall receive comprehensive and accurate information in a timely manner, ensuring effective governance.

- a. The board shall define explicit guidelines outlining the timelines and format for furnishing information to its members, thereby facilitating their meaningful participation in board and committee meetings.
- b. The board shall authorise the company secretary to aggregate information and documents, ensuring their accessibility to board members in compliance with directives and mandates of the board.
- c. Where essential information for reaching decisions on an issue is not provided to board members within stipulated timelines or well in advance to enable effective decision-making, the board retains the prerogative to postpone the deliberation of the matter(s) until such time that timely and/or satisfactory information is made available.

10.0 SHAREHOLDERS AND STAKEHOLDERS

10.1 Shareholders Rights and Functions

The licensee's operations should be conducted in a manner that balances the interests of shareholders and other stakeholders.

- a. The board shall ensure fair treatment of all shareholders and safeguard the interests of minority shareholders.

11.0 RISK MANAGEMENT AND INTERNAL CONTROL

Licensees shall create effective systems and structures to govern risks and establish robust internal controls to safeguard assets and shareholders' investments.

11.1 Risk Management

- a. The board is primarily responsible for risk management and its governance. It shall implement risk management systems encompassing risk identification, assessment, evaluation, mitigation, and monitoring.
- b. The board's engagement begins with determining the licensee's risk appetite or threshold – delineating risks it is willing to undertake and those it will avoid in pursuing business objectives.
- c. Boards shall ensure an ongoing process of identifying, evaluating, and managing significant risks for the current year up to the approval of annual reports and financial statements.
- d. While management is answerable to the board for developing, implementing, and overseeing the risk management process, the board holds the responsibility of forming an independent perspective on the process' efficacy. Periodic identification and assessment of key risks should be performed, along with confirming the effectiveness of the risk management system.

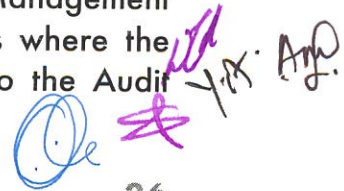
11.2 Regulatory Compliance and Risk Management Committee

11.2.1 Establishment

The board shall create a committee to aid in reviewing the regulatory compliance, risk management process and substantial risks confronting the licensee. This committee may be dedicated or may consist of another committee with additional responsibilities. The demand for a distinct committee grows with the size and intricacy of the business.

11.2.2 Membership

- a. Membership of the Regulatory Compliance and Risk Management Committee should include EDs and NEDs. In situations where the licensee chooses to assign risk management functions to the Auditor



Committee, the licensee must carefully assess the resources available to the Audit Committee to effectively handle risk governance in addition to its audit responsibilities.

- b. In cases where responsibilities for Audit, Regulatory Compliance and Risk Management are consolidated within the same Committee, the Committee's membership should exclude EDs.
- c. Beyond financial risks, the risk management systems must encompass operational and strategic risks. The Regulatory Compliance and Risk Management Committee (or an equivalent Committee) should be accountable for overseeing the Enterprise Risk Management (ERM) of the licensee.

11.3 Internal Control

The board shall establish an Internal Control System that encompasses a transparent mechanism for financial reporting and compliance and ensure periodic evaluations of the effectiveness of these systems.

- a. The internal control system should adopt a combined assurance model, which integrates internal assurance functions like internal audit with external assurance (e.g. external audit).
- b. The internal control system should provide reasonable assurance concerning the attainment of organizational objectives, including:
 - i. Efficiency of operations
 - ii. Safeguarding of the licensee's assets
 - iii. Adherence to relevant laws, regulations, and supervisory requisites
 - iv. Support for business sustainability in both standard and adverse circumstances
 - v. Reliability of reporting
- c. Directors, particularly of smaller companies, should seek professional advice on how to establish internal control processes.

11.4 Whistle-Blowing Mechanisms

- a. The board should establish effective mechanisms (e.g., hotlines, emails) to facilitate the reporting of unethical or illegal practices within the organisation.

- b. The Whistle-Blowing mechanisms should be subject to periodic review by the audit committee.
- c. The board should actively promote the reporting of unethical or unlawful behaviour by employees as part of its control and oversight duties. Approaches may include the implementation of a Code of Ethics and a comprehensive Whistle-Blowing Policy.
 - i. Code of Ethics: The existence of a company-wide code of ethics, as required under this Code, should play a pivotal role in fostering an ethical corporate culture.
 - ii. Whistleblowing: The board should establish a confidential reporting process encompassing fraud and other relevant risks.
- d. The board shall ensure that no whistle-blower is subject to any detriment on the grounds that he has made a disclosure. Where a whistle-blower has been subjected to any detriment, he may present a complaint to the board and/or regulators. A whistle-blower who has suffered any detriment by reason of disclosure may be entitled to compensation and/or reinstatement as appropriate.

11.5 Governance, Remuneration and Nomination Committee

The board may establish a Governance, Remuneration and Nomination Committee comprised solely of NEDs. The Governance, Remuneration and Nomination Committee's responsibilities, guided by a written Terms of Reference (TOR) or charter, should encompass the following:

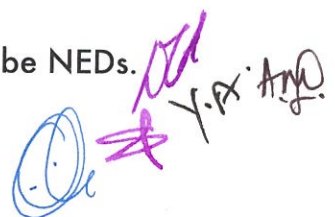
- a. Establishing criteria for board and committee membership, reviewing qualifications of potential candidates, evaluating the contributions of current directors in relation to their re-nomination, and making recommendations to the board.
- b. Crafting a job specification for the Chairman's position, including an assessment of the time commitment required of candidates.
- c. Regularly assessing the skills, knowledge, and experience required on the board.
- d. Offering recommendations regarding the expertise needed by committee members, committee appointments and removals.

operational structure, reporting, and other committee-related operational matters.

- e. Contributing insights to the annual report of the licensee concerning directors' compensation.
- f. Ensuring the existence of a succession policy and plan for positions such as Chairman, CEO, Executive Directors, and leadership of subsidiary companies within the group.
- g. Ensuring the board conducts an annual board evaluation.

11.6 Audit Committee

- a. The board shall ensure the establishment of an Audit Committee in accordance with the provisions of CAMA.
- b. Members of the Audit Committee should possess a sound understanding of financial reporting.
- c. The Chairman and CEO shall not serve on the Audit Committee but may attend its meetings by invitation.
- d. Membership of the Audit Committee should be disclosed in the Annual Report.
- e. The Chairman of the Audit Committee shall be present at the Annual General Meeting ("AGM") to address inquiries about the committee's work since the last AGM.
- f. The Audit Committee should nominate the External Auditor for appointment, approve the terms of engagement and remuneration for the External Audit, and monitor and report on the independence of the External Auditor.
- g. The Audit Committee should meet at least twice a year.
- h. The Audit Committee is required to hold annual meetings with the External and Internal Auditors of the licensee.
- i. One-third of the membership of the Audit Committee shall be NEDs.



11.7 Internal Audit

Companies should adopt a risk-based approach to Internal Audit.

- a. The board shall assess the necessity of establishing a dedicated Internal Audit function to enhance the internal control system and internal assurance model.
- b. If the board decides to establish an Internal Audit Unit, it should enjoy the support and cooperation of both the board and management, while directly contributing to the realization of strategic objectives. The leadership of the Internal Audit Unit should hold a sufficiently senior position within the company to comprehend the strategic direction and goals of the licensee.
- c. The Head of Internal Audit must possess relevant experience in audit, finance, or compliance functions and should be a member of a recognized body of professional accountants in Nigeria or a Certified Internal Auditor.
- d. The Head of Internal Audit should administratively report to the CEO and maintain open and regular access to both the Chairman of the licensee and the Chairman of the Audit Committee.
- e. The appointment or removal of the Head of Internal Audit should require the concurrence of the Audit Committee.
- f. The Internal Audit function may be outsourced to an accounting firm. However, the same accounting firm cannot handle both the external and internal audit functions to safeguard their independence.

11.8 External Auditors

- a. An external auditor is appointed to provide an independent opinion on the true and fair view of the company's financial statements, giving assurance to stakeholders on their reliability.
- b. The audit committee shall recommend the appointment, re-appointment, or removal of an external auditor to the board, subject to extant laws. External audit firms may serve for no more than 10 years continuously. After 10 years, the firm may not be reappointed until 7 years have passed. Existing auditors with over 10 years of

tenure must cease to hold office at the next Annual General Meeting after this Code takes effect.

- c. The external auditor may provide additional services approved by the Board, upon recommendation by the audit committee.
- d. The audit committee may recommend to the Board the removal of an external auditor for abuse of office, fraudulent behavior, collusion in fraud, or unethical practices. The Board is mandated to report instances leading to the removal of external auditor to the Commission.
- e. External auditors must report to the Commission any discovered or acquired information indicating the company or associated individuals have committed an indictable offence, whether or not included in the management letter.

11.9 Orientation and Training of Directors

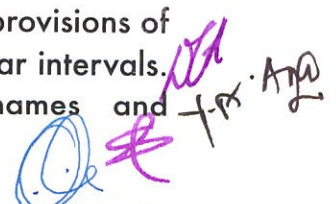
The board should institute a formal orientation program aimed at equipping new directors with a comprehensive understanding of the licensee's operations, strategic blueprint, senior management structure, and the dynamic business environment inherent in the electricity supply industry. This orientation should also serve as an induction into their fiduciary duties and responsibilities.

Additionally, it is imperative that all directors engage in periodic and relevant professional development initiatives. These programs are intended to continually update their knowledge and skills, ensuring they remain well-versed in emerging trends and advancements within the licensee's business and operational framework. The primary objective trainings is to empower directors to effectively fulfil their obligations to the licensee, supporting its successful performance and sustainable growth.

11.10 Tenure and Re-election of Directors

To ensure a balance between continuity and the infusion of fresh perspectives, a director may serve on the board for a maximum of three (3) terms, each spanning 4 (four) years. No director should exceed a cumulative tenure of 12 (twelve) years.

Subject to satisfactory performance and in accordance with the provisions of the CAMA, all directors should be subject to re-election at regular intervals. In order to facilitate informed shareholder decisions, names and



comprehensive biographical details of directors nominated for re-election should be accompanied by a performance evaluation statement and any other pertinent information.

11.11 Terms and Conditions of Service of Directors

The terms and conditions of a director's appointment or service on the board should be formalized in writing, presented to the director in a contract. The contract should provide for the following:

- a. Duration or term of the appointment.
- b. Details of the remuneration package.
- c. Explanation of the duties of care, skill, and diligence, along with other responsibilities of the director.
- d. Obligation to disclose any significant interests in the licensee and other entities affiliated with the licensee.
- e. Requirement for periodic disclosure of substantial interests in contracts involving the licensee.
- f. Specific obligations, such as attendance at board meetings.
- g. Synopsis of directors' rights.
- h. Formal orientation program or mandatory training sessions that the director must attend.
- i. Copy of the Board Charter, Code of Ethics or Code of Conduct, and the director's responsibility to adhere to them.
- j. Participation in the director evaluation program utilized by the licensee.
- k. Any other contractual duties.

12.0 Reporting, Transparency & Disclosure

Companies should provide an equitable, unbiased, comprehensible, and transparent evaluation of the licensee's current state and future prospects to external stakeholders.

Boards should devise a corporate reporting model tailored to the needs of shareholders and other stakeholders. This model should be founded on principles of transparency, which should permeate the presentation and disclosure of information related to the licensee's operations and the board's stewardship of the business.

- a. The corporate reporting model should comprise both financial and non-financial reporting components.
- b. The financial reporting model should serve as the heart of the corporate reporting model and should include the Annual Report, incorporating financial statements and accompanying notes.
- c. The Annual Report must be prepared in accordance with the extant provision of the CAMA, the prescribed accounting principles specified by the Financial Reporting Council of Nigeria and other specific standards for NESI specified by the Commission.
- d. The board is vested with the responsibility of preparing the Annual Report and ensuring the accuracy of its contents. The board's obligations extend to upholding the integrity and effective communication of financial reports. The preparation of financial reports should be guided by principles of relevance, reliability, timeliness, accuracy, and materiality.
- e. In order to ensure transparency in the financial reporting of the licensee, the Audit Committee is tasked with formulating and recommending to the Board a policy governing non-audit services offered by the external auditor. Additionally, the Audit Committee must grant approval for contracts concerning non-audit services.

13.0 RELATED PARTY TRANSACTIONS

All transactions involving related parties must be promptly reported to the Audit Committee, which will subsequently provide recommendations or reports to the board for official action.

- a. Each licensee should meticulously maintain comprehensive records of all related party transactions within each financial year, accompanied by all pertinent documents and explanations.

- b. The record of related party transactions should encompass the following details for each transaction: the name of the related party; the nature of the relationship with the related party; and the nature and monetary value of the transaction.

14.0 COMPLIANCE REPORT

An annual Compliance Report, adhering to the prescribed Reporting format and Form outlined in Appendix 4 of this Code, should be filed with the Commission. The board shall be responsible for the accuracy of the and reliability of the Compliance Report.

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APPENDIX 1: THE PRINCIPLES EXPLAINED

1. **Accountability and Responsibility:** In the context of governance in NESI, accountability means being answerable for actions and decisions, while responsibility extends beyond mere response to include a willingness to explain and be held accountable. Effective boards and directors not only act responsibly but also recognize the need to minimise negative impacts on stakeholders and externalise costs to society.
2. **Fiduciary Responsibility and Stakeholder Interests:** Fiduciary responsibility involves considering the company's long-term goals, maintaining its operational viability, and honouring fiduciary duties owed to the company. Directors must be mindful of both shareholder and stakeholder interests, and at all times, prioritize the company's well-being over individual interests, ensuring that legitimate stakeholder expectations are considered.
3. **Accountability and Justifiability:** Accountability entails making defensible decisions and being willing to explain these actions to shareholders and stakeholders of the electricity supply company.
4. **Ethical Conduct and Integrity:** Ethical values and integrity form the foundation of corporate governance. Boards are responsible for establishing an ethical culture that goes beyond mere compliance, emphasizing authentic adherence to high ethical standards.
5. **Reputation and Reputational Risk:** Ethical conduct contributes to a positive reputation and mitigates reputational risks. Maintaining admirable ethical standards enhances the public perception of the licensee.
6. **Fairness and Equitable Treatment:** Fairness requires equal treatment of shareholders and the equitable treatment of all stakeholders in NESI.
7. **Relationship with Stakeholders:** NESI has unique stakeholders, including customers, NERC, employees, and the board itself. This Code encourages an inclusive approach to stakeholder interests, recognizing that considering the expectations of stakeholders contributes to the long-term viability of the electricity supply company.
8. **Independence of Character and Judgment:** Independence involves acting based on personal convictions without undue influence. It is not solely about the absence of financial or relational ties between directors and the licensee.



9. **Transparency and Clear Disclosure:** Transparency calls for clear and unambiguous disclosure of information about the electricity supply company's operations, enabling informed decisions by shareholders and stakeholders regarding its performance, viability, and sustainability.

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APPENDIX 2: DEFINITIONS

"Code" means to this Corporate Governance Code.

"Commission" or "NERC" means the Nigerian Electricity Regulatory Commission.

"Enforcement Regulations" refers to the Nigerian Electricity Regulatory Commission Regulations, Relevant Codes, Directives, Orders, and guidelines and as may be amended periodically.

"Executive Directors" or "Executives" in the context of this Code, means directors holding management roles within the company. Unless explicitly specified by the terms "Managing Director" and/or "CEO," this includes the Managing Director/CEO.

"Large Companies" as defined under CAMA

"Small Companies" as defined under CAMA

"Licensee" signifies an incorporated entity holding an individual licence or undertaking activities subject to a licence granted under the Electricity Act 2023.

"Regulator or Regulatory Authority" means the Commission and any other entity established under the laws of the Federal Republic of Nigeria that may exercise regulatory powers over any activity of the licensee.

"Related Party" means entities, including shareholders, that control the company or are under common control of a parent company or significant shareholders or management staff of the Company and it includes family members and close friends of such shareholders and management staff.

"Shareholder" means a person who lawfully acquires shares in the capital of a licensee.

"Stakeholder" includes directors, employees, creditors, customers, contractual counterparties, relevant regulatory authorities, Governments of any geographical area where the licensee operates and the host communities within such geographical area.

"Act" refers to the Electricity Act 2023;

"Board" or "Board of Directors" collectively denotes the directors of a Company;



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"CAMA" means for the Companies and Allied Matters Act 2020;



"CEO" signifies the chief executive officer, heading the company's management and daily operations;

"Chairman" designates the head of the company's board of directors;

"Code" signifies this Code of Corporate Governance;

"Director" represents a person appointed by shareholders or the appropriate government authority to a Company's Board, including alternate directors;

"Law" encompasses the relevant laws of the Federal Republic of Nigeria. 

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APPENDIX 3: ABBREVIATIONS AND ACRONYMS

AGM - Annual General Meeting

EA - Electricity Act

CAMA - Companies and Allied Matters Act 2020

CSR - Corporate Social Responsibility

NERC - Nigerian Electricity Regulatory Commission

NESI - Nigeria Electricity Supply Industry

CEO - Chief Executive Officer

CGWG - NERC Corporate Governance Working Group

ED - Executive Director



ID - Independent Director

MD - Managing Director

NED - Non-Executive Director

OECD - Organization for Economic Cooperation and Development

TOR - Terms of Reference



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SCHEDULE 1

Position	Education	Professional Qualification	Key Management Experience	Other Considerations
MD/CEO	Minimum of a bachelor's degree in any discipline.		Minimum of 10 years of management experience	<ul style="list-style-type: none"> i. Holds advanced degree(s) or other relevant training(s). ii Completed National Youth Service /has an exemption certificate. iii. Proven track record of visionary leadership. iv. Demonstrated experience in strategic management skills. v. Excellent Financial literacy. vi. Very good Communication skills. vii. High Ethical standards and integrity.
Lead/Chief/Head Finance Officer	Minimum of a bachelor's degree in any relevant field including Economics, Accounting,	Certification or membership of the Institute of Chartered Accountants of Nigeria (ICAN), Association of	Minimum of 10 years professional and management experience	<ul style="list-style-type: none"> i. Holds advanced degree(s) or other relevant training(s). ii Completed. National Youth Service /has an exemption certificate.




Position	Education	Professional Qualification	Key Management Experience	Other Considerations
	Finance, Business Administration.	Chartered Certified Accountants (ACCA), Chartered Financial Analyst (CFA), Association of National Accountants of Nigeria (ANAN), or any other relevant professional qualification.		<ul style="list-style-type: none"> iii. Experience in financial management and budget planning. iv. In-depth understanding of tax law, investment regulation, data protection regulation, and financial reporting frameworks. v. Potential risk identification and management skills. vi. High ethical standards and integrity. vii. Proficiency in technology use.
Lead/Chief/Head Administration / Human Resource Officer	Minimum of a bachelor's degree in any relevant field including Business Administration, Public Administration, and Management, Science	Member or certification of the Institute of Professional Managers and Administrators (IPMA), Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN), Chartered Institute of Administration (CIA), or any professional qualification in	Minimum 10 years professional and management experience	<ul style="list-style-type: none"> i. Holds advanced degree(s) or other relevant training(s). ii Completed. National Youth Service /has an exemption certificate iii. Experience in human resources management. iv. Proven experience in evaluating onboarding, training, supervising, and motivating employees. v. High ethical standards and integrity vi. Proficiency in technology use.




Position	Education	Professional Qualification	Key Management Experience	Other Considerations
Executive Director System Operator (SO)	Minimum of a bachelor's degree in any relevant field including Electrical Engineering, and Power Systems Engineering.	Professional certification in power system operations, registration with the Council for the Regulation of Engineering in Nigeria (COREN), or a related certification	Minimum 10 years professional and management experience	<ul style="list-style-type: none"> i. Advanced degree or other training in related field. ii. National Youth Service completion/exemption certificate. iii. Experience in power system operations, maintenance, and safety management. iv. Experience in management and leadership. v. High ethical standards and integrity. vi. Proficiency in technology.
Executive Director Market Operator (MO)	Minimum of a bachelor's degree in any relevant field including Economics, Accounting, Finance, Law, Business Administration,	Any relevant specialized certification	Minimum 10 years of experience in market operations management	<ul style="list-style-type: none"> i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Experience in market operation and settlement, forecasting, and regulatory compliance. iv. Knowledge of trading systems.




Position	Education	Professional Qualification	Key Management Experience	Other Considerations
	Engineering and Statistics			v. financial literacy. vi. High ethical standards and integrity. vii. Proficiency in technology.
General Counsel/Legal Adviser	Minimum of a Barrister at Law (BL) certification in Nigeria	Membership of the Nigerian Bar Association (NBA) or certification from the Chartered Institute of Arbitrators (CI Arb) or any other recognized professional body	10 years of experience in corporate law	i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Experience in contract management, dispute resolution, and regulatory compliance. iv. Experience in litigation management, corporate governance, and legal drafting and review. v. High ethical standards and integrity. vi. Proficiency in technology.
Company Secretary	Minimum of a bachelor's degree in Accounting, Law, Administration, or a related field	Membership of NBA, ICAN, ANAN, Chartered Institute of Taxation of Nigeria (CITN), or	Minimum 8 years professional experience	i. Advanced degree. ii. National Youth Service completion/exemption certificate.



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Position	Education	Professional Qualification	Key Management Experience	Other Considerations
		any other recognized professional body		iii. Knowledge in corporate governance and regulatory compliance. iv. Organizational and administrative skills. v. Communication and interpersonal skills. vi. Outstanding attention to detail. vii. Analytical skills. viii. High ethical standards and integrity. ix. Proficiency in technology.
Lead/Chief/Head Procurement and Contract Management	Minimum of a bachelor's degree in any relevant field including Economics, Accounting, Finance and Law	Any relevant professional qualification	10 years of experience in procurement and contract management	i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Experience in supply chain management, contract negotiation, and risk management. iv. Financial literacy. v. High ethical standards and integrity.



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Position	Education	Professional Qualification	Key Management Experience	Other Considerations
Lead/Chief/Head Regulatory Compliance Officer	Minimum of a bachelor's degree in any relevant field	Membership in relevant professional bodies and regulatory associations	5 years of experience in regulatory management	vi. Proficiency in technology. i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Experience in policy analysis, stakeholder engagement, and regulatory compliance. iv. Knowledgeable in the relevant regulatory compliance requirements in the Nigerian Electricity Supply Industry (NESI). v. Communication skills. vi. High ethical standards and integrity. vii. Proficiency in technology.
Lead/Chief/Head Technical Officer	Minimum of a bachelor's degree in any relevant field.	Registration with the Council for the Regulation of Engineering in Nigeria (COREN) or a related specialized certification	10 years of experience in technical affairs	i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Proven record of project management skills.






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Position	Education	Professional Qualification	Key Management Experience	Other Considerations
				iv. Demonstrate ability to develop and apply modern engineering techniques to address challenges. v. High ethical standards and integrity. vi. Proficiency in technology.
Lead/Chief/Head Health, Safety & Environment Officer	Minimum of a bachelor's degree in any relevant field including Engineering, Occupational Health and Safety, Environmental Health and Public Health,	Professional certification in HS&E training or membership of the Occupational Safety and Health Association (OSHA) or any other related body	10 years of experience in HS&E management	i. Advanced degree. ii. National Youth Service completion/exemption certificate. iii. Knowledgeable in standard safety practices, identification of safety concerns, and prevention of potential hazard risks. iv. Experience in risk management, health audit, and compliance with safety standards. v. High ethical standards and integrity. vi. Proficiency in technology.
Lead/Chief/Head Investment Officer	Minimum of a bachelor's degree in any relevant field.	Certification or membership of the Institute of Chartered Accountants of Nigeria (ICAN), Association of	Minimum 10 years professional and management experience	i. Holds advanced degree(s) or other relevant training(s). ii. Completed. National Youth Service /has an exemption certificate.



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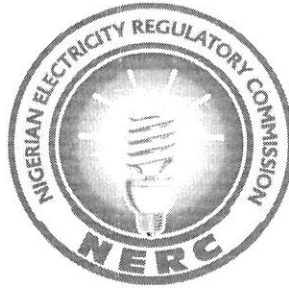
Position	Education	Professional Qualification	Key Management Experience	Other Considerations
		Chartered Certified Accountants (ACCA), Chartered Financial Analyst (CFA), Association of National Accountants of Nigeria (ANAN), or any other relevant professional qualification.		<ul style="list-style-type: none"> iii. Experience in financial management iv. In-depth understanding of investment regulation, data protection regulation, and financial reporting frameworks. v. Potential risk identification and management skills. vi. High ethical standards and integrity. vii. Proficiency in technology use.
Lead/Chief/Head Risk Officer/Internal Audit Officer	Minimum of a bachelor's degree in any relevant field.	Certification or membership of the Institute of Chartered Accountants of Nigeria (ICAN), Association of Chartered Certified Accountants (ACCA), Chartered Financial Analyst (CFA), Association of National Accountants of Nigeria (ANAN), or any other relevant	Minimum 10 years professional and management experience	<ul style="list-style-type: none"> i. Holds advanced degree(s) or other relevant training(s). ii. Completed. National Youth Service /has an exemption certificate. iii. Experience in risk management and internal audit. iv. In-depth understanding of financial reporting frameworks and regulatory requirements v. Potential risk identification and management skills. vi. High ethical standards and integrity.

Position	Education	Professional Qualification	Key Management Experience	Other Considerations
Lead/Chief/Head Research & Development (R&D)/Data Officer	Minimum of a bachelor's degree in any relevant field.	Certification or membership in relevant professional qualification	Minimum 10 years professional and management experience	<p>vii. Proficiency in technology use</p> <p>i. Holds advanced degree(s) or other relevant training(s).</p> <p>ii. Completed. National Youth Service /has an exemption certificate.</p> <p>iii. Experience in risk management and internal audit.</p> <p>iv. Experience in research and development or data analysis.</p> <p>v. In-depth understanding of industry trends and emerging technologies.</p> <p>vi. Potential to lead and manage teams.</p> <p>vii. High ethical standards and integrity</p> <p>viii. Proficiency in technology use</p>

* Note - Small licensees may consider merging some offices for ease of administration e.g. The office of the General Counsel (Legal Adviser) and Chief/Lead Head, Regulatory Affairs.

Appendix 4: Corporate Governance Reporting Form



NERC/CG/01/2023 - Corporate Governance Reporting Form

SECTION I

GENERAL INFORMATION

Reporting for the period ended: _____

1. Full Corporate Name: _____

2. Registered Address of Office: _____

3. Email Address: _____
Website: _____
Telephone: _____

4. Key Contact Person: _____
Designation: _____

5. Date of Incorporation: _____

6. Date of NERC License: _____

7. Financial Year End: _____

8. Contact Details of the following (including telephone numbers, emails, and home address):

a. Chairman's Name: _____
Telephone/Email: _____

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- b. Managing Director/CEO's Name: _____
Telephone/Email: _____
- c. Company Secretary's Name: _____
-
Telephone/Email: _____
- d. External Auditor's Name: _____
Telephone/Email: _____

SECTION II

CODE OF BEST PRACTICE (CORPORATE GOVERNANCE)

All companies are required to report compliance with this code in their annual reports to shareholders

Board of Directors

1. List the composition of the Board of Directors of your Company in the following format.

S/N	Name	Address	Qualifications	Experience	Status (ED, NED, INED)	Period of Appointment
-----	------	---------	----------------	------------	------------------------------	--------------------------

2. State changes in the board composition and reasons if any: _____

3. Is the position of the Chairman and CEO held by the same individual? _____
-

4. Number of Meetings held during the period: _____

5. Comment on whether sufficient notice was given: _____

6. List the Board Committees;

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[Handwritten signature]

- I. _____
- II. _____
- III. _____
- IV. _____
- V. _____

7. Has the company established a gender diversity policy for board committees and taken steps to nominate women candidates in line with the policy? ———

8. State the systems for evaluation of performance by the Board, Committes, Chairman, and other Executive Directors (Principle 6:1)

9. Was the performance evaluation carried out during the period? ———
-

10. Do you have a policy on Managing Director's right to seek independent professional advice in furtherance of their duties? ———

11. Are newly appointed directors made to undergo proper company orientation: _____

12. Specify the number if trainings attended during the period: ———

13. It there a succession programme in place? If yes. Is it being followed? ———

14. State if your company has ethical standards and code for staff and Board: -

15. Are these complied with? ———
-

16. State if there is a codified operational manual for internal operation in your company: ———

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17. How compliance monitored? _____

COMPANY SECRETARY

State whether there is a structured company secretary's office: _____

DISCLOSURE OF INTEREST

Is there a provision for disclosure of interest by Director(s) in any business transaction involving the Company?

INTERNAL CONTROL

1. Are there breaches of internal control and procedures? _____

2. If yes, What actions were taken to stem such breaches? _____

3. Are the controls effective and enforceable? _____

INTERNAL AUDIT COMMITTEE

1. Do you have an Audit Committee in your Company? _____

2. State the criteria used in selecting members into the Audit Committee? must be in compliance with the extant provisions of CAMA : _____

3. Who is the Chairman of the Audit Committee? _____

Handwritten signatures and initials in blue and purple ink.

4. State the educational qualifications and work experiences of every member of the Audit

S/N	Name	Qualifications	Cognate Business Experience	Years office	in
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5. Did the Board review the report of the Internal Auditors? _____

-

6. Did the Audit Committee meet with the External Auditors? _____

-

7. Did the Audit Committee meet with the members of the Board? _____

-

EXTERNAL AUDITORS/REPORT

1. Is there any change of Auditors _____



2. How long have the Auditors been engaged for? _____

3. Was the procedure for engaging new Auditors followed under NESI? _____

4. Was there an adverse audit report? If yes, what actions did the Board take in addressing such adverse audit reports? _____

5. What measure did the Board put in place to ensure compliance with all statutory and regulatory requirements: _____

6. Did the Board ensure that External Auditor express opinion on such compliance/non-compliance? _____

Amf   Y.K.

WHISTLE BLOWING POLICY

Is there a whistle-blowing policy in place? _____

Is there a policy in place to protect a whistle blower? _____

SHAREHOLDERS AND STAKEHOLDERS

1. Is there an established process of dealing with incidences of service failure? -

2. Did your company disseminate sufficient information, to all the shareholders equally? _____

3. Did your company render prompt documentary evidence of ownership interest to your shareholders? _____

UNDERTAKING

We hereby confirm that all information provided herein is accurate and true to the best of our knowledge. We take full responsibility for any discrepancies or contradictory information provided by us.

We understand that material variations from the information provided in this document would be deemed as fraudulent misrepresentations and may lead to sanctions as per the applicable regulations and laws governing the NESI and the Federation.

Company Seal/Stamp:

COMPANY SECRETARY

Name: _____

Sign/Stamp: _____

CHAIRMAN OF THE BOARD

Name: _____

Sign/Stamp: _____

