



CORPORATE GOVERNANCE

REPORT AS AT 31ST DECEMBER 2022

INTRODUCTION

NASD PLC (“NASD” or “the Company”) is committed to promoting the highest standards of corporate governance as guided by its Corporate Governance Policy Manual, in accordance with the core principles of ethical culture, stewardship, independence, oversight of risk, accountability, transparency and continuous improvement. Other policies which further speak to our corporate governance approach include but are not limited to our Whistleblowing, Insider Dealing, Risk Management and Corporate Communications Policies. The business adopts standard accounting practices to facilitate transparency in the disclosure of information and to give assurance of the reliability of the financial statements.

Guided by our core values, we are also committed to excellent standards of integrity in all business dealings, applying the principles of transparency, accountability, and ethics to prevent corruption and bribery in all its forms.

30 In the conduct of our business, we seek to comply with all

statutory requirements, and have adopted tried and proven best practices to protect the environment and our employees and strive to enhance shareholder value in the process.

THE COMPANY'S APPROACH TO CORPORATE GOVERNANCE

The Board of Directors is fully devoted to ensuring that the Company meets best practice corporate governance principles and adheres to topmost ethical standards, values, and behaviours. To this end, the Board has put in place relevant structures, policies and processes to ensure adherence to the Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies (the “SEC Code of Corporate Governance”), the Nigerian Code of Corporate Governance (NCCG) issued by the Financial Reporting Council of Nigeria, relevant provisions of extant law – including the Investments and Securities Act 2007, the Companies and Allied Matters Act, 2020 – and global best practices, to deliver sustainable value for the Company’s shareholders, employees and other stakeholders.

The responsibilities of the Board are detailed in the Board Charter. The Board's conduct is also governed by the Company's Memorandum and Articles of Association. All Board Committees have Terms of Reference which inform their activities.

The Company's approach to corporate governance is guided by the following core principles:

The Company's Ethical Culture

Trust, integrity, and good governance are hallmarks of the Board's governance approach. In setting the tone at the top, the Board strives to nurture the strong corporate values that are well entrenched in the culture of NASD and reinforces the ethical principles on which NASD's reputation and success are founded. These values extend to every segment of the Company's operations and business activities.

Independence

Independence from Management is fundamental to its role, and, in order to ensure that independence continues to inform the Board's decision-making process, the Board has put effective mechanisms in place to safeguard this independence.

Oversight of Strategy

The members of the Board are the key advisers to Management, overseeing strategic direction and the formulation of plans, considering both the opportunities and risks of NASD's businesses. In carrying out this oversight role, the Board actively engages in setting the long-term strategic goals of the organisation, reviewing and approving business strategies, corporate financial objectives and financial and capital plans that are consistent with the strategic goals, and monitoring the Company's performance in executing strategies and meeting objectives.

Oversight of Risk

A key priority of the Board is embedding a strong risk management culture throughout the organisation and overseeing the frameworks, policies and processes adopted to identify principal risks to the business and systems implemented to manage those risks. The Board actively monitors the organisation's risk profile relative to risk appetite and seeks to ensure that Management's plans and activities provide an appropriate balance of return for the risks assumed and are prudently focused on generating shareholder value and safeguarding the integrity of NASD.

Accountability and Transparency

The Board defines the expectations and scope of duties of its committees and Management and is accountable to shareholders and other stakeholders. Transparency is

fundamental to good governance, and the Board takes seriously NASD's commitment to constructive stakeholder engagement, clear and comprehensive disclosure and financial reporting and its role as a public interest entity.

Continuous Improvement

The Board is committed to the continuous improvement of NASD's corporate governance principles, policies, and practices. To ensure that these policies and practices meet or exceed evolving best practices and regulatory expectations, NASD's corporate governance system is subject to on-going review by the Board Governance and General-Purpose Committee.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

During the year ended December 31, 2022, the Company complied with the provisions of the SEC Code of Corporate Governance and the NCCG. The Company applied the principles recommended in both Codes to its corporate governance structure and practices. The Board assures shareholders and stakeholders that an able internal audit function exists in the Company and that, similarly, the Company's risk management, control and compliance functions and mechanisms are operational.

BOARD OF DIRECTORS

The Board is accountable to shareholders for the overall direction and control of the Company. It is committed to high standards of governance designed to protect the interests of its shareholders and all other stakeholders while promoting the highest standards of integrity, transparency, and accountability. The profiles of the Directors are contained in this Annual Report and can also be accessed via the Company's website: www.nasdng.com.

The Board is duly constituted to provide support for, and control of the activities of Management – led by the Managing Director/Chief Executive Officer. The Board is responsible for monitoring Management's implementation of the Company's strategic plans and initiatives for the long-term benefit of the Company and its shareholders.

Board Balance and Independence

The Board is satisfied that it has the appropriate balance of skills, experience, independence, and knowledge to enable it and its committees discharge their duties and responsibilities effectively, as required by the SEC Code of Corporate Governance and NCCG.

The independence of the Board from Management is a notion that the Board takes seriously; to this end, the Board and all Board Committees are chaired by Non-Executive Directors, while the Board Audit Committee – responsible for the review of the adequacy of the audit functions and

the adequacy of internal control systems – is chaired by a Shareholder Representative.

The non-executive Directors are independent from Management and are free from any constraints which may materially affect their ability to exercise independent judgement as Directors of the Company.

Information Flow and Access to Advisers

All Directors have access to the advice and services of the Company Secretary; in addition, the Board solicits external opinions and counsel as and when required. The Board has a good line of communication with Management and can request the presence of any senior Management staff to provide information when required at its meetings.

Comprehensive Board papers are circulated electronically and in print to the Directors before each meeting of the Board and Board Committees. The Board papers sufficiently detail and address matters on which Management will report and areas requiring approvals and decisions of the Board.

Board Structure and Composition

The Board comprises 11 (eleven) Directors which include: 9 (nine) Non-Executive Directors, 1 (one) Executive Director, who is the Managing Director/Chief Executive Officer and 1 (one) Independent Director. As stipulated in the SEC Code of Corporate Governance and the NCCG, the roles of Chairman and Managing Director/Chief Executive Officer are distinct and separate with a clear division of responsibilities.

The Chairman provides leadership to the Board whilst ensuring its effectiveness in discharging its supervisory duties. The Board delegates responsibility for the day-to-day management of the business to the Managing Director/Chief Executive Officer but retains responsibility for the overall strategy and direction of the Company. The Managing Director/Chief Executive Officer then delegates authority to the appropriate Senior Executives for specific activities and transactions.

The members of the Board of Directors as at 31st December 2022 are as follows:

S/N	Director	Designation	Date Appointed
1	Mr Olutola Mobolurin	Chairman (Non-Executive Director)	5/04/2013
2	Mr. Bola Ajomale	Managing Director (Executive Director)	5/4/2013
3	Mr. Eguarekhide Longe	Chief Operating Officer (Executive Director)	28/04/2021
4	Mr. Chike Nwanze	Non-Executive Director	5/4/2013
5	Mr. Oladipo Aina	Non-Executive Director	5/4/2013
6	Mr. Ariyo Olushekun	Non-Executive Director	5/4/2013
7	Mr. Abubakar Lawal	Non-Executive Director	5/4/2013
8	Mr. Kayode Falowo	Non-Executive Director	5/4/2013
9	Mr. Aigbovbiose Aig-Imoukhuede	Non-Executive Director	12/10/2016
10	Mr. Ayodeji Adigun	Non-Executive Director	13/1/2021
11	Mr. Kyari Bukar	Independent Non-Executive Director	24/4/2020
12	Mrs. Olayimikah Bolo	Non-Executive Director	25/3/2021

Retirement of Directors and Appointment of New Board Members

On 25 April 2022, 30 June 2022, 3 August 2022, and 31 December 2022 respectively, Mr. Aigbovbiose Aig – Imoukhuede, Mr. Bola Ajomale, Mr. Ayodeji Adigun and Mr. Kyari Bukar resigned from the Board of NASD PLC. The Board and Management of NASD PLC. wish them the best in their current and future endeavours.

On June 30, 2022, the Board appointed Mr. Eguarekhide Longe as the Managing Director of NASD Plc. Mr. Longe was formerly the Chief Operating Officer of NASD Plc. He

has over 15 years financial services experience and had served in multiple managerial roles before his appointment.

Re-Election of Directors

In accordance with Section 285(1) of the Companies and Allied Matters Act 2020, the following Directors retiring by rotation being eligible are presenting themselves for re-election:

- Mr. Olutola Mobolurin
- Mr. Chike Nwanze

c. Mr. Oladipo Aina

Their profiles are contained on page 44 of this Annual Report.

Board Appointments, Induction and Training

All Directors are appointed on the basis of certain core competencies as outlined in the Company's 'Selection and Appointment of Directors Policy' and in line with best corporate governance practice.

The Governance and General-Purpose Committee has overall responsibility for the appointment process subject to approval by the Board. The fundamental principles of the process include evaluation of the balance of skills, knowledge and experience on the Board, leadership needs of the Company and ability of the candidate to fulfill his/her duties and obligations as a director.

The Company has in place a 'Board Induction Policy' which ensures that newly appointed Directors have a broad understanding of their role, the Board's culture, and operations and that they receive adequate information and support to discharge their functions effectively.

The Company is committed to ensuring that Directors attend trainings to continually update their skills and knowledge of the Company's business, relevant operating environment, and overall economic landscape to assist them effectively discharge their duties.

Board Meetings

The Board of Directors met five (5) times in the 2022 financial year. In compliance with Section 284 (2) of the Companies and Allied Matters Act, 2020, the record of Directors' attendance at Board Meetings is set out below:

DIRECTORS	01/02/2022	22/03/2022	27/04/2022	27/07/2022	26/10/2022	%
Mr. Olutola Mobolurin	☑	☑	☑	☑	x	80%
Mr. Chike Nwanze	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	x	☑	☑	☑	80%
Mr. Kayode Falowo	☑	x	☑	☑	☑	80%
Mr. Aigbovbioise Aig-Imoukhuede*	☑	x	N/A	N/A	N/A	50%
Mrs. Olayimikah Bolo	☑	☑	☑	☑	☑	100%
Mr. Kyari Bukar		x	☑	☑	x	60%
Mr. Ayodeji Adigun*	N/A	N/A	N/A	N/A	N/A	-
Mr. Eguarekhide Longe	☑	☑	☑	☑	☑	100%
Mr. Bola Ajomale*	☑	☑	☑	N/A	N/A	100%

Keys:

*Resigned

***Elected June, 2022

Board Performance and Evaluation

As required by the SEC Code of Corporate Governance, the firm of DCSL Corporate Services Limited on the approval of the Board, was engaged to conduct the 2022 Board Evaluation of NASD PLC. They engaged with relevant personnel and examined relevant documentation from 2022. They also conducted interviews with the Board Chair and Chairs of the Board Committees and administered questionnaires.

BOARD COMMITTEES

The Board carries out its oversight function through its committees each of which has Terms of Reference that clearly defines its purpose, composition and structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. The committees report to the Board and provide recommendations to the Board on matters reserved for Board approval.

During the period under review, the Board of Directors worked through Seven (7) committees.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling

its corporate governance and oversight responsibilities relating to the integrity of NASD's financial reporting and the effectiveness of the Company's management framework.

The Audit and Risk Committee met four (4) times in the 2022 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES					%
	18/01/22	20/04/22	7/7/22	11/10/22		
Mr. Abubakar Lawal	☑	☑	☑	☑		100%
Mr. Kyari Bukar*	x	x	x	☑		20%
Mrs. Olayimikah Bolo	☑	☑	☑	☑		100%
Mr. Aigbovbioise Aig-Imoukhuede*	☑	x	☑	n/a		80%
Mr. Ayodeji Adigun*	n/a	n/a	n/a	n/a		–

Keys:

*Resigned

Governance and General-Purpose Committee

The Committee assists the Board to discharge its responsibilities as regards corporate governance strategy and organisational structure. The Committee is responsible for compliance with and review of the Company's corporate governance policies and practices, the review and setting of the Charter and Terms of Reference for the Board and Board Committees, and ensuring that the Company's policies, including the remuneration policy, support the successful

identification, recruitment, development and retention of directors, senior executives, and managers.

The Committee is equally responsible for the development of recruitment policies, training, promotion, and all other Human Capital Management issues. The relevant members of the management team in attendance at the Committee's meetings include the Head of Legal and the Head of Human Resources.

The Committee met six (6) times during the year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES							%
	13/01/22	21/03/22	04/04/22	05/04/22	18/07/22	12/10/22		
Mr. Chike Nwanze	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Kayode Falowo	☑	☑	☑	☑	☑	☑	x	83.3%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	☑	☑	100%

Finance and Investment Committee

The Finance and Investment Committee assists the Board in its oversight responsibilities over the Company's financial and investment strategy. The Committee ensures that clear policies are in place for treasury management, investment management, risk management and other financial processes and that these policies are periodically reviewed. The Head

of Finance and Accounts sits in attendance at the Committee's meetings to provide answers to questions that may arise in the course of the meeting.

The Finance and Investment Committee met six (6) times in the 2022 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES							%
	13/01/22	20/02/22	14/04/22	16/05/22	14/07/22	13/10/22		
Mr. Ariyo Olushekun	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Bola Ajomale*	☑	☑	☑	☑	☑	☑	☑	100%
Mr. Abubakar Lawal	☑	☑	☑	☑	☑	☑	☑	100%

Mr. Eguarekhide Longe**	n/a	n/a	n/a	n/a	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Ayodeji Adigun*	n/a	n/a	n/a	n/a	n/a	n/a	–

Keys:

*Resigned

** Appointed to the Committee

to choose and maintain a reliable trading platform, assess the viability and integrity of the trading network, product development and improving IT governance and strategy. The Head of IT and Operations reports to the Technical Committee.

Technical Committee

The Technical Committee assists the Board in its responsibility

The Technical Committee met four (4) times in the 2022 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	24/01/22	13/04/2022	13/07/2022	18/10/2022	
Mr. Ariyo Olushekun	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Kayode Falowo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mrs. Olayimikah Bolo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Kyari Bukar	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%
Mr. Aigbovbioise Aig-Imoukhuede	<input checked="" type="checkbox"/>	x	n/a	n/a	50%
Mr. Bola Ajomale**	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	n/a	n/a	100%
Mr. Eguarekhide Longe	n/a	n/a	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	100%

Keys:

*Resigned

** Appointed to the Committee

representatives of the shareholders.

The Committee meets to review the adequacy of the internal and external audit plan, receive, and deliberate on the report of the external auditors, review the adequacy of internal control systems and the degree of business compliance with laid down internal policies, laws, codes of business principles and any other relevant regulatory framework.

STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee was established in accordance with Section 404 (2) of the Companies and Allied Matters Act, 2020. The Committee consists of five (5) members comprising Two (2) Non-Executive Directors and Three (3)

The Statutory Audit Committee met five (5) times in the 2022 financial year and the following members served on the Committee during this period:



DIRECTOR	MEETING DATES					%
	19/01/22	16/02/22	12/04/22	15/07/22	19/10/22	
Mr. Kashimu Garba Kurfi (Representing APT Securities and Funds Limited)	☑	☑	☑	☑	☑	100%
Mr. Nornah Awoh (Representing Palesa Capital Associates Limited)	☑	☑	☑	☑	☑	100%
Mrs. Fiona Ahimie (Representing FBNQuest Securities Limited)	x	☑	☑	☑	☑	90%

Rules and Membership Committee

The Rules and Membership Committee is responsible for reviewing the Rules of the NASD OTC Securities Exchange, applications for membership and participation on the Market and admitting new companies.

The Committee oversees, monitors, and ensures the effectiveness and independence of the Company's regulatory

program including trade practice and market surveillance and other regulatory responsibilities with respect to Participating Institutions registered with NASD. The Head of Legal and Compliance reports to this Committee.

The Rules and Membership Committee met four (4) times in the 2022 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	20/01/22	11/04/22	14/07/22	17/10/22	
Mr. Kayode Falowo	☑	☑	☑	☑	100%
Mr. Oladipo Aina	☑	☑	☑	☑	100%
Mr. Bola Ajomale**	☑	☑	n/a	n/a	100%
Mr. Chike Nwanze	☑	☑	☑	☑	75%
Mr. Eguarekhide Longe	n/a	n/a	☑	☑	100%

Keys:

*Resigned

** Appointed to the Committee

Market Development Committee

The Market Development Committee assists the Board in fulfilling its responsibility relating to market awareness, business development, client retention and recommends policies that will encourage trading activities on NASD.

The Market Development Committee met four (4) times in 2022 financial year and the following members served on the Committee during this period:

DIRECTOR	MEETING DATES				%
	17/01/22	19/04/22	19/07/2022	20/10/2022	
Mr. Oladipo Aina	☑	☑	☑	☑	100%
Mr. Kyari Bukar*	☑	x	☑	☑	75%
Mr. Abubakar Lawal	☑	☑	☑	☑	100%
Mr. Bola Ajomale*	☑	☑	n/a	n/a	100%
Mr. Olayimikah Bolo	☑	☑	☑	☑	100%
Mr. Eguarekhide Longe**	n/a	n/a	☑	☑	100%

Keys:

** Appointed to the Committee

Disciplinary Committee

The Disciplinary Committee was set up to investigate violations of the Rules and Regulations of NASD OTC Securities Exchange and adjudicate all disputes between Participating Institutions and their customers. The Committee meets on an ad hoc basis as the need arises.

The Disciplinary Committee did not meet in the 2022 financial year.

CODE OF PROFESSIONAL CONDUCT

NASD PLC has a documented Code of Professional Conduct approved by the Board which sets out basic principles to guide all employees, Directors and business partners of NASD and sets the standard of professionalism and degree of integrity required for business operations. The Code covers a wide range of business practices and procedures including; compliance with the law, conflicts of interest, public activities, environmental management, diversity in the workplace, accuracy and reliability of financial reporting, related party transactions and procedure for handling breaches and instances of non-compliance.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board understands the importance of effective communication with shareholders. NASD has a vibrant and dynamic website where important information is provided on a timely basis. There is also a dedicated information desk where email enquiries are responded to within 24

hours. The Annual General Meeting gives the shareholders an opportunity to communicate and interact with members of the Board.

CONFLICT OF INTEREST

The Board has approved a Conflict-of-Interest Policy, which outlines guidelines and procedures in connection with the identification, disclosure, and management of any real, potential, or perceived conflict of interest as it relates to NASD. In addition, all new and existing Directors are required to annually disclose their memberships on other Boards and any real or potential conflict of interest situations which they are aware of.

WHISTLEBLOWING POLICY

NASD PLC in its capacity as a self-regulatory organisation, is committed to the preservation of the integrity of the Nigerian financial markets. In line with this commitment, the Company has established a Whistle Blowing Policy which provides a secure channel of communication for all employees and stakeholders (members, regulators, investors, industry professionals, issuers, and the general public) to report issues of a sensitive nature or wrongdoing to the Board and Management of NASD while maintaining the confidentiality of the whistle-blower. The Company has a dedicated phone number and email address through which such complaints can be received.

