

CORPORATE GOVERNANCE REPORT – FY 2023

The Board recognizes the importance of having a framework of rules, processes, and relationships by which the Company is directed, controlled, and held accountable. We, at Greenwich Merchant Bank Limited (GMB or the Bank), achieve this commitment through a robust governance architecture that defines processes, controls, and decision-making frameworks. Our adherence to standards meeting regulatory minimums ensures transparency, accountability, and sustainable growth. This dedication extends to all interactions with stakeholders, including shareholders, customers, and the broader community. We continuously assess the effectiveness of our governance framework, ensuring it remains aligned with best practices and evolving regulations.

Accordingly, the Bank's governance framework is designed to ensure ongoing compliance with the requirements of the Central Bank of Nigeria (CBN) Code of Corporate Governance 2023 for Banks and Discount Houses, the Nigerian Code of Corporate Governance 2018, the Securities and Exchange Commission (SEC) Code of Corporate Governance and the SEC's Corporate Governance Guidelines (SCGG) 2020 structured along the Principles of the Nigerian Code of Corporate Governance 2018.

The Board

The Board of Directors of the Bank plays a pivotal role in providing leadership, strategic direction, and oversight for the Bank. Comprising of accomplished industry leaders and skilled technocrats, the Board steers the Bank toward its objectives while upholding ethical practices and responsible corporate citizenship.

In addition to overseeing the Bank's operations, the Board reviews critical aspects such as information security, internal controls, compliance, risk management, governance, and financial reporting systems. It sets both long and short-term strategic objectives, continuously evaluates activities, and ensures optimal performance, guided by the best interests of shareholders and stakeholders.

The Bank's Board of Directors provides strategic direction and leadership, fostering an ethical culture and responsible corporate citizenship. Comprised of accomplished industry leaders and experienced technocrats, the Board sets long-term and short-term goals for the Bank and oversees Management in achieving them.

Board Composition:

The Board's composition adheres to global best practices regarding the ratio of Non-Executive Directors to Executive Directors. As of December 31, 2023, the Board consisted of eleven (11) members, comprising a Non-Executive Chairman, eight (8) additional Non-Executive Directors (including two (2) Independent Non-Executive Directors), and two (2) Executive Directors (including the MD/CEO).

These members bring a wealth of experience and expertise from key sectors of the economy. The Non-Executive Directors possess the necessary skills and integrity to provide independent judgment during Board meetings and deliberations. Importantly, the position of the Chairman is separate from that of the Managing Director/Chief Executive Officer, ensuring distinct leadership roles within the Board.

The Board is made up of the following members:

	NAME	DESIGNATION	Status
1	Mr. Kayode Falowo	Chairman	Active
2	Mr. Bayo Rotimi	Managing Director	Resigned 31 st December 2023
3	Mr. Benson Ogundeji	Executive Director	Active
4	Mr. Tony Uponi	Non-Executive Director	Active
5	Mrs Vivienne Bamgboye	Non-Executive Director	Active
6	Mr. Segun Oloketuyi	Non-Executive Director	Active
7	Dr. Olutoyin Okeowo	Non-Executive Director	Active
8	Dr. Umar Faruk	Non-Executive Director	Active
9	Ms. Daisy Ekineh	Independent Non-Executive Director	Active
10	Mr. Philip Ikeazor	Independent Non-Executive Director	Resigned 21 st September 2023
11	Mr. Anslem Orazulike	Non-Executive Director	Active
12	Mrs. Yemisi Lowo-Adesola	Independent Non-Executive Director	Appointed on 12 th December 2023

Changes in Board Composition During the Year

- Mr. Philip Ikeazor, Non-Executive Director, Resigned 21st September 2023.
- Mr. Bayo Rotimi, Managing Director, Resigned 31st December 2023.
- Mrs. Yemisi Lowo - Adesola, Independent Non-Executive Director, Appointed 12th December 2023.

Leadership Structure:

- Non-Executive Chairman: Provides overall leadership for the Board and Bank, fostering director participation and facilitating engagement with shareholders and stakeholders.
- Managing Director: Heads Management, running the Bank's day-to-day operations under delegation from the Board.

Diversity

The Board prioritizes diversity within its membership to enhance decision-making, independent judgment, and effective governance. Maintaining an appropriate balance of skills and diversity, including age, culture, and gender, is paramount while ensuring competence, independence, and integrity. Presently, there are three (3) female Directors on the Board, with plans to appoint additional female members in due course, showcasing the Board's dedication to gender diversity.

Responsibility

Accountability to shareholders is a core responsibility of the Board, alongside managing the Bank's relationships with various stakeholders. The Board exercises effective oversight over the Bank's operations and bears ultimate responsibility for its performance, as outlined in the Board Charter. Responsibilities include, but are not limited to:

- Approving the Bank's strategic objectives and monitoring their implementation.
- Establishing a framework for the delegation of authority, delineating matters delegated to management and those reserved for the Board.
- Overseeing the implementation and monitoring of an Enterprise-Wide Risk Management Framework to identify, assess, and manage risks.
- Ensuring the integrity of financial reporting and upholding ethical standards.
- Defining the Bank's risk appetite.

- Ensuring the effectiveness of Internal Audit functions and alternative means of obtaining assurance of regular reviews or appraisals of the Bank's Internal Controls.
- Developing a robust compliance framework to safeguard the Bank from significant financial loss or reputational harm due to non-compliance with regulatory rules.
- Approving the appointment, remuneration, promotion, and termination of Senior Management Staff based on recommendations from the Governance and Nomination Committee.
- Implementing a sound succession planning system.
- Monitoring the effectiveness of the Bank's Corporate Governance practices and making necessary changes, including adopting policies to guide corporate conduct and ensure compliance with statutory laws and ethics.

Training and Induction

The Bank is committed to enhancing the skills and capacity of all its Directors to fulfill their roles effectively. Newly appointed Board members undergo structured induction and development programs to familiarize themselves with the Bank's ethos and operations. Additionally, all Directors participate in periodic continuing education programs, as required by the Central Bank of Nigeria, to update their knowledge and skills and stay informed about new developments in the Bank's business and the financial sector as a whole. Directors apply these acquired skills in their responsibilities.

In compliance with Corporate Governance Codes and the Bank's governance charters, training for Board members is included in the Bank's annual training plan following nominations by the Board Governance & Nominations Committee. The annual training plan is subsequently approved along with the annual budget.

During the review period, Board members attended the following training programs:

S/N	Training	Facilitator	Attendees	Date
1	Corporate Governance Training	Institute of Directors	All Directors	10 th August 2023
2	Cybersecurity Training	Deloitte	All Directors	24 th October 2023
3	CBN/FITC CEP	CBN/FITC	Mr. Anselm Orazulike Mr. Tony Uponi Dr. Umar Faruk	22 nd November 2023
4	AML/CFT/CEP Training	KPMG	All Directors in the Bank Group	1 st December 2023

Greenwich Merchant Bank's strong Board structure promotes responsible business practices, optimal performance, and stakeholder value creation.

Board Evaluation

The Board engaged the services of an Independent Consultant DCSL Corporate Services Limited to carry out its annual Board Evaluation exercise for the Financial Year 2023. The evaluation exercise covered the following amongst others:

- The assessment of the effectiveness of the Board of Directors.
- An assessment of the effectiveness of each of the Board Committees.
- A 360° peer review of individual Directors' performance and contributions.
- A 360° peer review of the Chairman's leadership and contribution.
- An assessment of the Board's compliance with Corporate Governance best practices; and

- An assessment of the Company Secretary's performance of her role in promoting good Corporate Governance.

The Consultant confirmed that the Board was an effective Board. It noted that the Board and individual Directors displayed a laudable commitment to enhancing the Bank's growth, and developing, and monitoring corporate strategy to achieve sustainable growth.

The outcome of the evaluation is presented to the shareholders and is hereby included in the Annual report, and in compliance with the requirement of the CBN Code of Corporate Governance, is also submitted to the CBN.

Corporate Governance Review

In compliance with the extant Codes of Corporate Governance, the Board engaged the services of an Independent Consultant, DCSL Corporate Services Limited to conduct a Corporate Governance Review of compliance with relevant Codes of Corporate Governance and in particular the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks and Discount Houses in Nigeria, Nigerian Code of Corporate Governance, 2018 and the Securities and Exchange Commission Corporate Governance Guidelines, the Bank and other Financial Institution Act (BOFIA), Companies and Allied Matters Act 2020 (CAMA) and international best practices. The result confirmed that the Bank had substantially complied with the highlighted codes and laws. The summary result of the independent evaluation is included in this Annual Report.

Retirement and Re-Election

In accordance with the Bank's Articles of Association, one-third of all Non-Executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. The Directors to retire every year shall be those who have been longest in office since their last appointment. In line with the above requirement, Mr. Tony Uponi, Mrs. Vivienne Bamgboye, and Mr. Benson Ogundeji shall retire by rotation and being eligible for re-election will submit themselves for re-election. The Board is convinced that the Directors standing for re-election will continue to add value to the Bank.

The details of the Directors standing for re-election are contained in this Annual Report.

Board Meetings

Attendance at Board Meetings during the Year under review are set out below:

S/N	Name	2023 AGM	Board Meetings	Strategy Session	Total Attendance
1.	Mr. Kayode Falowo Chairman	1	5	2	8
2.	*Mr. Bayo Rotimi Managing Director	1	5	2	8
3.	Mr. Benson Ogundeji Executive Director	1	5	2	8
4.	Mr. Tony Uponi Non-Executive Director	1	5	2	8
5.	Dr. Olutoyin Okeowo Non-Executive Director	1	5	2	8
6.	Mr. Segun Oloketuyi	1	5	2	8

	Non-Executive Director				
7.	Mr. Philip Ikeazor Independent Non-Executive Director	1	4 (Resigned September 21, 2023)	1	6
8.	Ms. Daisy Ekineh Independent Non-Executive Director	1	5	2	8
9.	Mrs. Vivienne Bamgboye Non-Executive Director	1	5	2	8
10.	Dr. Faruk Umar Non-Executive Director	1	5	2	8
11.	Mr. Anselm Orazulike Non-Executive Director	1	5	2	8
12.	Mrs. Yemisi Lowo-Adesola Independent Non-Executive Director	N/A	N/A	N/A	N/A

* Mrs. Yemisi Lowo-Adesola's appointment was approved on the 12th of December 2023.

Board Committees

The Board carries out its oversight function through its Committees, each of which has a charter that clearly defines its purpose, composition, and structure, as well as the frequency of meetings, duties, tenure, and reporting lines to the Board. In adherence to the CBN Code and best practice, the Chairman of the Board does not sit on any of the Committees. There are currently five (5) Standing Committees and one (1) Ad-hoc Committee of the Board. The 5 Standing Committees are:

- Board Governance & Nomination Committee
- Board Audit Committee
- Board Strategy & Finance Committee
- Board Risk Management Committee
- Board Credit Committee

The Ad-Hoc Committee is:

- Board Branding & Communications Committee (Having achieved its objectives, the Ad-Hoc Committee was dissolved in the course of the year)

The Board Governance & Nomination Committee:

The Committee members are:

s/n	Name	Designation
1	Mr. Philip Ikeazor	Chairman (Independent Non-Executive Director) Resigned September 21, 2023
2	Mr. Tony Uponi	Member
3	Mrs. Vivienne Bamgboye	Member
4	Dr. Faruk Umar	Member

The Committee has achieved significant progress in enhancing the governance framework and operational efficiency of the Bank. Key accomplishments include:

- Refinement of Board Selection Process: Implementation of updated criteria for board member selection and removal, ensuring alignment with the latest governance standards and enhancing board diversity.
- Succession Planning: Development and ongoing review of a comprehensive Succession Plan for Board leadership, ensuring readiness for future transitions and alignment with the Bank’s strategic goals.
- Independent Directors Assessment: Completion of the framework for the annual evaluations of INEDs.
- Evaluation and Restructuring of Board Committees: Thorough assessment of each Committee's performance and composition, resulting in strategic recommendations for restructuring to optimize governance.
- Corporate Governance Compliance: Vigilant monitoring of compliance with legal and regulatory standards, with proactive adjustments recommended to maintain and enhance governance practices.
- Monitoring of Remuneration Framework: The Committee ensures consistent oversight by evaluating the Bank's remuneration framework and practices related to director compensation. This includes detailed reviews of the Board remuneration policy and philosophy to ensure they meet governance standards and support director effectiveness.

These efforts collectively strengthen the Bank's governance capabilities, ensuring robust oversight, compliance, and strategic alignment with industry best practices.

The attendance of the Committee Members for meetings were as follows:

Board Governance and Nomination Committee				
Name	February 21, 2023	April 19, 2023	July 5, 2023	October 18, 2023
Mr. Philip Ikeazor	P	P	P	Resigned
Dr. Faruk Umar	P	P	P	P
Mr. Tony Uponi	P	P	P	P
Mrs. Vivienne Bamgboye	P	P	P	P

Keys:

P	Present
X	Absent
N/A	Not Applicable

The Board Audit Committee

The Committee members are:

s/n	Name	Designation
1	Ms. Daisy Ekineh	Chairman (Independent Non-Executive Director)
2	Mr. Anselm Orazulike	Member
3	Mrs. Vivienne Bamgboye	Member
4	Mr. Segun Oloketuyi	Member

The Committee achieved the following:

- **Financial Reporting Systems:** The Committee ensures the establishment and maintenance of effective systems and processes critical for the accurate preparation of the Bank's financial statements.
- **Review of Financial Statements:** Annual financial statements are thoroughly reviewed to confirm their completeness, consistency with known information, and adherence to appropriate accounting principles.
- **Internal Control Framework:** The Committee oversees the development and implementation of a comprehensive internal control framework. It ensures the acquisition of relevant internal or external assurances and annually reports on the design and operating effectiveness of these controls within the Bank's audited financial reports.
- **Fraud Risk Management:** The Committee manages the oversight of fraud risk identification processes across the Bank, ensuring that mechanisms for prevention, detection, and reporting of fraud are robust and effective.
- **External Auditor Oversight:** The Committee carried out the responsibility of reviewing the performance of external auditors and making recommendations to the Board regarding their appointment or discharge.
- **Internal Audit Function:** The Committee confirms that an effective Internal Audit function is in place, which is capable of providing assurance to the Board about the effectiveness of the internal controls within the Bank. The Committee ensures that this function operates independently from management and reports directly to the Audit Committee.

These activities and achievements underscore the Committee's commitment to governance, risk management, and compliance, which are critical for maintaining the integrity and reliability of the Bank's financial reporting.

The attendance of the Committee members for meetings was as follows:

BOARD AUDIT COMMITTEE MEETINGS					
Name	February 24, 2023	March 7, 2023	April 18, 2023	July 6, 2023	October 16, 2023
Ms. Daisy Ekineh	P	P	P	P	p
Mr. Anslem Orazulike	P	P	P	P	p
Mrs. Vivienne Bamgboye	P	P	P	P	p
Mr. Segun Oloketuyi	P	P	P	P	p

The Board Risk Management Committee

The Committee members are:

s/n	Name	Designation
1	Mr. Anselm Orazulike	Chairman

2	Dr. Olutoyin Okeowo	Member
3	Dr. Faruk Umar	Member
4	Mr. Bayo Rotimi	Member (Resigned)
5	Mr. Benson Ogundeji	Member

The Committee has achieved significant progress in carrying out its mandate. Key accomplishments include:

- Risk Management Framework: The Committee reviews and ensures continuous compliance with the approved Risk Philosophy, Risk Appetite, and Tolerance Limits.
- Program Evaluation: The Committee carried out the annual assessment of the adequacy of the Bank's risk management programs, proposing necessary enhancements to the Board to ensure the Bank remains responsive to changing risk landscapes.
- Management Collaboration: Periodic meetings are held with Management to discuss and oversee the processes, guidelines, and policies established by the Bank for identifying, assessing, monitoring, managing, mitigating, and reporting significant risk exposures across all domains.
- Regulatory Compliance Monitoring: The Committee monitors the Bank's adherence to regulatory Risk-based Supervision requirements, including compliance with the Central Bank of Nigeria's Basel II/III regulations, ensuring the Bank meets all statutory obligations.
- Capital Adequacy Oversight: Oversight is provided on the Bank's capital adequacy levels and capital management processes, ensuring they meet international best-practice standards and regulatory requirements.
- Risk Reporting: Management regularly reports to the Committee on various categories of significant risks faced by the Bank. The Committee reviews these reports and provides constructive feedback to Management.
- Contingency Planning: The Committee ensures robust contingency planning and continuity of business operations, with strategies in place to minimize disruptions from potential threats.
- Information Technology ("IT") Governance: Recommendation of the IT governance framework is made by the Committee, with the responsibility for implementation delegated to Management. This includes oversight of IT risk management and disaster recovery planning.
- Compliance Framework Oversight: The Committee ensures that the Bank maintains a comprehensive compliance framework to adhere to regulations concerning money laundering and financial crimes.

These efforts by the Risk Management Committee were crucial for maintaining the Bank's integrity and stability by proactively managing and mitigating risks. The Risk Management Department, along with the Information Security, Compliance, and Information Technology Departments, regularly reports to the Committee, ensuring independent oversight.

The attendance of the members of the Committee for the meetings was as follows:

Board Risk Management Committee				
Name	February 22, 2023	April 12, 2023	July 14, 2023	October 11, 2023
Mr. Anslem Orazulike	P	P	P	P
Mr. Bayo Rotimi	P	P	P	P
Mr. Benson Ogundeji	P	p	P	P
Dr. Faruk Umar	P	p	P	P
Dr. Toyin Okeowo	P	p	P	p

THE BOARD CREDIT COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Mr. Segun Oloketuyi	Chairman
2	Mr. Tony Uponi	Member
3	Ms. Daisy Ekineh	Member
4	Mr. Bayo Rotimi	Member (Resigned)
5	Mr. Benson Ogundeji	Member

The Committee has achieved the following:

- **Credit Risk Management Review:** Regular reviews are conducted on strategies, policies, and procedures related to managing credit risk. This encompasses the administration of credit quality, underwriting standards, and the testing of allowances for credit losses.
- **Periodic Credit Risk Framework Approval:** As required, the Committee conducts the periodic review and approval of the Credit Risk Framework, the Committee reviews and recommends for Board approval the credit philosophy, risk appetite, and risk tolerance, along with other crucial credit risk policies.
- **Credit Portfolio Oversight:** The Committee continuously monitors the aggregate credit risk profile of the Bank, including portfolio risk characteristics, capital usage, and performance across different sectors.
- **Allowance for Credit Losses Assessment:** The adequacy of allowances for credit losses is regularly reviewed and assessed by the Committee. This includes reviewing reserve adequacy measures and the methodology used for computing reserves.
- **High-Value Credit Approval:** The Committee reviewed and approved credit products that exceeded the transaction limits set for Executive Management, ensuring higher-level oversight on significant credit decisions.

These activities highlight the Committee’s critical role in shaping the Bank's Credit Risk Management Framework, ensuring robust oversight and strategic alignment with the Bank's overall risk management objectives.

The attendance of the Committee Members for meetings was as follows:

BOARD CREDIT COMMITTEE				
Name	February 14, 2023	May 15, 2023	July 18, 2023	October 20, 2023
Mr. Segun Oloketuyi	P	P	P	p
Mr. Bayo Rotimi	P	P	P	p
Mr. Benson Ogundeji	P	P	P	p
Ms. Daisy Ekineh	P	P	P	p
Mr. Tony Uponi	P	P	P	p

THE BOARD STRATEGY & FINANCE COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Dr. Olutoyin Okeowo	Chairman
2	Mr. Philip Ikeazor	Member
3	Mr. Segun Oloketuyi	Member
4	Mr. Bayo Rotimi	Member
5	Mr. Benson Ogundeji	Member

The key achievements of the Committee are:

- **Strategic Plan and Budget Oversight:** The Committee ensures rigorous monitoring of the Bank’s strategic plan and budget, reviewing and considering any significant amendments proposed during the year.
- **Annual Budget Review and Recommendation:** The Committee reviewed the Bank's proposed budget in the context of its overarching strategic goals and recommends it to the Board for approval.
- **Financial Performance Monitoring:** Regular reports to the Board include detailed analyses of the Bank’s financial projections, capital and operating budgets, and the progress of key initiatives, comparing actual results against targets and projections.
- **Expenditure Oversight:** The Committee reviews major expense lines, approves expenditures within its authorized limits, and recommends Board approval for expenditures exceeding those limits.
- **Capital Allocation Planning:** Recommendations are made to the Board concerning the annual plan for capital allocation, including any significant changes during the year.

- **Cost Control Guidelines:** The Committee formulates and periodically updates guidelines on cost control and reduction, aiming to enhance efficiency and advising the Board on these matters.
- **Quarterly Business Reviews:** Conducting quarterly business reviews with Management and the Board, the Committee evaluates new business initiatives and provides recommendations for Board approval.

These activities underscore the Committee's pivotal role in financial governance and strategic fiscal management, ensuring the Bank operates within its financial means while pursuing its strategic objectives.

The attendance of the Committee Members for meetings was as follows:

BOARD STRATEGY & FINANCE COMMITTEE				
Name	February 28, 2023	April 27, 2023	July 13, 2023	October 23, 2023
Dr. Olutoyin Okeowo	p	P	P	p
Mr. Bayo Rotimi	p	P	P	p
Mr. Benson Ogundeji	p	P	P	p
Mr. Philip Ikeazor	p	P	P	Resigned
Mr. Segun Oloketuyi	p	P	P	p

THE BOARD BRANDING & COMMUNICATION COMMITTEE

The Committee members are:

s/n	Name	Designation
1	Mr. Tony Uponi	Chairman
2	Mrs. Vivienne Ochee Bamgboye	Member
3	Mr. Bayo Rotimi	Member (Resigned)

The Committee successfully supervised the overall branding framework of the Bank, culminating in key recommendations to the Board. This oversight ensured that all branding efforts were aligned with strategic organizational goals.

Having completed their assignment, the Committee was dissolved, marking the end of its tenure. These achievements underscored the Committee's crucial role in enhancing the Bank's branding and communications effectiveness throughout the fiscal year 2023, driving forward the Bank's strategic objectives through targeted branding initiatives and strategies.

The attendance of the Committee Members for meetings was as follows:

BOARD BRANDING & COMMUNICATIONS COMMITTEE MEETINGS				
Name	February 20, 2023	April 17, 2023	July 4, 2023	October 19, 2023
Mr. Tayo Uponi	P	P	P	p

Mr. Bayo Rotimi	P	P	P	p
Mrs. Vivienne Bamgboye	P	P	P	p

INDEPENDENT PROFESSIONAL ADVICE

Directors of the Bank are encouraged to seek independent professional advice at the Bank's expense when carrying out their duties. This ensures they have the necessary support and expertise to make informed decisions. They have access to the Company Secretary, who plays a pivotal role in ensuring compliance with governance requirements and provides guidance on professional development opportunities. This framework allows Directors to fulfill their responsibilities effectively while upholding the highest standards of corporate governance.

REMUNERATION POLICY

The Bank has an approved Remuneration Policy. The policy ensures that the Board and executive remuneration are aligned with the long-term interests of the Bank and shareholders. Non-executive directors' remuneration is limited to Directors' fees, sitting allowances which are paid for both the meetings of the Board and Board Committee, and reimbursables, which are paid for as expenses incurred by directors, in the discharge of official duties.

The Board Nomination and Governance Committee considers the levels of Board and executive compensation and advises the Board on all matters relating to compensation in the Bank.

Directors' fees, the main component of Board remuneration, are paid in four equal installments for each quarter of the year, and in arrears. Sitting allowances are paid for each statutory meeting attended by the Directors.

The Bank's compensation philosophy aims to align with industry best practices, ensuring competitive and sustainable remuneration. This approach helps the Board attract and retain key talent critical to the Bank's success, fostering a stable and effective workforce.

The compensation of the Managing Director and the Executive Director is linked to performance and is specifically designed to prevent excessive risk-taking. The Managing Director and the Executive Director do not receive Directors Fees or sitting allowances for board meetings attendance. Also, as a serving executive, the Managing Director does not receive any Directors Fee or sitting allowances with respect to his board position at the Bank's wholly-owned subsidiaries, GAML, and GSL.

The Bank maintains a committed approach to ensuring competitive remuneration for its staff. It achieves this by positioning its compensation packages within the 65th percentile of industry standards, aligning with the Bank's philosophy on staff remuneration. In line with the Bank's compensation philosophy and response to economic conditions, including the rising cost of living and the economic challenges impacting the nation, the Bank conducted a review and revised staff remuneration in the course of the year.

By consistently offering competitive wages, the Bank effectively attracts and retains top talent. This approach to staff remuneration forms a key part of the Bank's broader strategy to adapt to economic fluctuations while upholding its commitment to employee welfare and organizational success.

Details of directors' remuneration are as set out in 2023 Annual Report.

A. Confirmation Of the Implementation and Execution of the Remuneration Policy

The Board of Directors confirms that during the 2023 financial year, the Remuneration Policy was implemented and executed effectively. The policy successfully linked compensation to performance metrics, ensured internal fairness, and remained competitive within the industry.

B. Disclosure Of Manager's Remuneration

In compliance with Section 257 of the Companies and Allied Matters Act, 2020, the Board shall disclose to shareholders, at the Annual General Meeting, the remuneration of the Bank's managers.

The remuneration of managers is disclosed on page ... of the FY 2023 Audited Financial Statements.

C. Remuneration of Non-Executive Directors ("NEDs")

In compliance with Section 257 of the Companies and Allied Matters Act, 2020, the board shall disclose to shareholders, at the Annual General Meeting, the remuneration of the Bank's NEDs.

The remuneration of NEDs is disclosed on page of the FY 2023 Audited Financial Statements.

D. Affirmation of the Independence of INEDs

At GMB, we place utmost importance on the independence of our INEDs. The INEDs fully understand their responsibility, as outlined in the NCCG 2018 and the CBN Code of Corporate Governance, to promptly notify the Board of any circumstance, event, transaction, or relationship that may compromise their independence. The Board conducts an annual assessment to confirm the continued independence of each INED. Should this assessment reveal any impairment, INEDs are required to vacate their seat on the Board. We affirm the independence of the INEDs for the current financial year, 2023, and confirm there are no impairments to their independence.

MANAGEMENT

The Executive Management team is directly accountable to the Board and is entrusted with the day-to-day operations of the Bank, including the development and implementation of strategies and policies approved by the Board. The Executive Management team is led by the Managing Director, who also serves as the Chief Executive Officer (CEO). Supporting the Managing Director are the Executive Director and heads of various departments within the Bank.

Furthermore, the Bank utilizes standing Committees to efficiently handle specific functions that span across multiple departments. The standing Committees include:

- Executive Management Committee
- Asset and Liability Committee
- Risk Management Committee
- Management Credit Committee
- IT Steering Committee
- Information Security Steering Committee
- Procurement Committee
- Cost Optimization Committee
- Editorial Committee

CONTROL ENVIRONMENT

The Board has continued to place emphasis on risk management as an essential tool for achieving the Bank's objectives. Towards this end, it has ensured that the Bank has in place robust risk management policies and mechanisms to ensure the identification of risk and effective control. The Board approves the annual budget for the Bank and ensures that a robust budgetary process is operated with adequate authorization levels put in place to regulate capital expenditure.

The fundamental principles guiding the control environment include:

- A steadfast commitment from the Board, management, and staff to uphold the highest standards of integrity and ethical conduct;
- An independent Board and its sub-committees providing oversight on internal controls, separate from management;
- Establishment of structures, reporting lines, and delegation of authority by management, under the oversight of the Board, to ensure the realization of strategic and business objectives;
- Implementation of policies and procedures by the Board and management to support the achievement of objectives; and
- Enforcement of accountability among relevant stakeholders for their internal control responsibilities in alignment with the Bank's objectives.

Over the course of the year, the Bank carried out an external evaluation of and effectiveness of its internal audit function. Additionally, the Bank undertook external Vulnerability Assessment and Penetration Testing (VAPT) as well as a comprehensive review of its Risk Management processes.

SHAREHOLDER RIGHTS

The Board of GMB recognizes the vital role that shareholders play in the governance and success of the Bank. As such, it is committed to fostering a culture of open communication and transparency. Shareholders are regularly provided with timely and comprehensive updates, including notices of meetings, financial reports, and other important information. This commitment ensures that shareholders have access to the information they need to make informed decisions. Additionally, the Board actively seeks feedback from shareholders, valuing their perspectives and input in the Bank's strategic direction. By upholding shareholder rights and facilitating meaningful engagement, GMB aims to maintain trust and confidence among its shareholder community.

SUCCESSION PLANNING

The Board Nomination and Governance Committee holds the crucial responsibility of overseeing the Bank's comprehensive succession planning process. This encompasses not only the Board but also management and other key roles within the Bank, ensuring robust continuity across all levels of leadership.

The Committee is tasked with the implementation of a detailed Board Succession Policy and Plan, which articulates the criteria and processes for identifying, evaluating, and nurturing potential candidates for Board positions. This structured approach to succession planning is believed by the Board to significantly strengthen governance practices and guarantee the continuity of effective leadership.

Additionally, succession planning extends beyond the Board to include management and other critical roles, ensuring that the Bank is well-prepared for future transitions and maintains stability in its leadership and operations.

OTHER GOVERNANCE POLICIES AND FRAMEWORKS

The Bank has implemented and actively enforces a range of governance policies and frameworks designed to uphold high standards of conduct and ensure the protection of stakeholder interests:

Code of Ethics: Establishes the ethical standards required of all employees and executives, promoting integrity and professionalism in business activities. Notably, the Board has a specific Code of Conduct to which members attest on an annual basis, ensuring ongoing commitment and compliance.

Whistleblowing Policy: Provides a confidential and anonymous secured channel, as mandated by regulation, for employees and stakeholders to report any unethical behavior or malpractices within the organization.

Clawback Policy: Enables the Bank to recover bonuses or other incentive-based payments from executives if their actions result in misconduct or significant financial losses to the Bank.

Data Protection Policy: Safeguards the privacy and security of personal data held by the Bank, ensuring compliance with applicable data protection laws.

Insider Trading Policy: Prevents employees and insiders from trading based on confidential, material information about the Bank or its business partners.

Related Party Transactions Policy: Governs the conduct of transactions between the Bank and its related parties, ensuring that all dealings are conducted fairly and at arm's length.

Customer Complaints Resolution Policy: Outlines a transparent and effective method for resolving customer complaints, guaranteeing fairness and responsiveness.

These policies collectively contribute to a robust governance framework, reinforcing the Bank's commitment to ethical practices, legal compliance, and the maintenance of a trustworthy business environment.