

CRUSADERSTERLING PENSIONS LIMITED
ANNUAL CORPORATE GOVERNANCE EVALUATION REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2020

TABLE OF CONTENTS	PAGE NUMBER
List of Tables	2
Summary	3
The objective of the Report	4
Terms of Reference	4
Methodology	4-5
The Company	5-6
Governance Overview	7 - 16
Succession Plan	16
Management Evaluation	17 – 19
Compliance	19

LISTS OF TABLES

Table 1	Membership of the Board during the year ended 31 Dec 2020
Table 1	Committee membership during the year ended 31 Dec 2020
Table 2	Composition of the Board Risk Committee during the year ended 31 Dec 2020
Table 2	Attendance at the Board Risk Committee Meetings in 2020
Table 3	Composition of the Board Audit Committee in 2020
Table 3	Attendance at the Board Audit Committee in 2020
Table 4	Composition of the Board Investment Strategy Committee in 2020
Table 4	Attendance at the Board Investment Strategy Committee in 2020
Table 5	Composition of the Board Governance Committee in 2020
Table 5	Attendance of the Board Governance Committee in 2020

SUMMARY REPORT

This is to express a view about the activities of the Board of CrusaderSterling Pensions whether it is in line with the circular on Corporate Governance for Pension Fund Operators as issued by the regulator for the year ended 31 December 2020.

For the purpose of this report, this Governance code has been narrowed down to areas specified in the regulation with reference to Sections 2.10.2 Accordingly, the report will focus more on Board activities during the period, full Board and its committees, description of Corporate Governance practices instituted by CPL within the reporting year. The report will express an opinion on the minutes of the Board and Board Committees, whether it complies generally with the circular on Corporate Governance as issued by the Commission.

This report will also express an opinion on Board members' attendance at meetings, whether they are well represented and whether their suggestions and decisions are carried out by the management.

The Corona Virus pandemic resulted in large gatherings being cancelled which resulted in the Company shifting from physical to virtual meetings in conducting its business activities. As a result all virtual meetings of the Company in the period under review complied with the provisions of the Company's Memorandum and Articles of Association, the Company's Board Code of Conduct and Board Charter for Corporate Governance and PenCom's framework for virtual meetings by licensed pension operators (which was incorporated into the Company's Information Security Policy on the 22nd of October, 2020).

Business Continuity Management: The viability of the Company's Business Continuity Management was exhibited during the National lockdown period as well as during the early post lockdown period.

This report also examines the respective terms of reference of all the Board Committees, Board's Code of conduct and Board Charter and Code of Ethics in order to determine if same were complied with.

The report is not an appraisal of the Board rather it is a review of the activities of the Board and to ascertain that the Company complies with the Nigerian Code of Corporate Governance 2018, PenCom's circular on corporate Governance for Pension Fund Operators 2019 and other relevant code and regulations issued by the National Pension Commission within the period under review.

OBJECTIVE OF THE REPORT

The objective of the report is to review the activities of the Board of CrusaderSterling Pensions within the last twelve months in line with section 5.4.2 of the PenCom's circular on Corporate Governance and the Nigerian Code of Corporate Governance 2018.

TERMS OF REFERENCE (COMPLY AND EXPLAIN RULE)

Terms of reference include:

- To express an opinion as to whether or not CrusaderSterling Pensions complied with the provisions of the codes issued by the Commission, the Nigerian code of Corporate Governance 2018 and the laws of the Federal Republic of Nigeria.
- To express an opinion as to whether the Board of CrusaderSterling Pensions conducted its business in a transparent manner geared towards the growth of the company.
- To express an objective opinion on the accountability of the Board of CrusaderSterling Pensions as a whole.
- Explanation in instances where the Company failed to comply with the Code of Corporate Governance 2018 and PenCom's Circular.

METHODOLOGY

The methodology applied is a review of the minutes of the last four Board meetings and the respective Board Committee meetings to arrive at a conclusion whether it conducted its business in a transparent manner. The key ingredients include the following:

- Review of the minutes of the last four Board meetings.
- Review of the minutes of the four Board Committee meetings during the period.
- Identification of all the relevant compliance criteria in the Circular on Corporate Governance for Pension fund Operators (PFOs);
- Prepare structures in line with the review and draw appropriate conclusions.

The criteria examined include:

- Board composition
- Board Committee structure and details of their activities
- Induction and Training of Directors
- Board operations and responsibilities
- Regulatory compliance
- The Board Charter and Code of Corporate Governance
- The Code of Ethics
- The terms of reference of the Board Risk Management, Audit, Investment Strategy & Governance Committee AND
- Other relevant Policies of the Company.

THE COMPANY

CrusaderSterling Pensions was incorporated on the 12th of October 2004 under CAMA 2004 as a PFA to administer and manage pension retirement savings and contributions of employees in Nigeria in accordance with the Pension Reform Act (PRA) of 2014. CrusaderSterling was granted a license to operate as a Pension Fund Administrator by the National Pension Commission in accordance with the provisions of the PRA 2014. The management team is composed of professionals in financial matters, risk management, stock market, asset management, legal and pension administration. The company business is structured along Compliance, Financial Control, Internal Control, Investment, Contributions, Benefits Administration, Human Resources & Facilities, Information Technology, Marketing and Legal.

INTRODUCTION

Corporate Governance refers to the practice and process by which the businesses and affairs of the company are directed, managed and controlled to enhance long term shareholders' value through enhancing corporate performance and accountability, whilst taking into account the interests of other stakeholders.

The Board of Directors of CrusaderSterling Pensions Limited is responsible for the governance of the company which would be achieved through clearly specified Board functions and responsibilities.

As at the financial year ended 31st December 2020, the Board of Directors had put in place all necessary structures to ensure full compliance with the corporate governance provisions as required by the Pension Reform Act 2014, Code of Corporate Governance for Licensed Pension Operators, The Nigerian Code of Corporate Governance 2018.

Board members understood their responsibilities and their performances were in line with the PRA 2014. Board meetings were efficiently managed with a focus on relevant and strategic issues affecting the company. The members had equal opportunities and contributed objectively to do deliberation of the Board responsibilities as highlighted below:

- Routine responsibilities
- Monitoring the performance of management
- Review and approval of the yearly budget
- Review and approval of the annual audit plan
- Constant monitoring of the Company's 3-year strategy and the aligned IT strategy
- Monitoring the activities of the Board committees
- Risk management
- Strategic responsibilities
- Compliance
- Transparency
- Maintaining a healthy share holders relationship.

- Paying attention to the environment in which the company operates, occupational and community health and safety.

BOARD OF DIRECTORS

Board Responsibilities

The most significant duties and responsibilities of the Board are as follows:

Stakeholders' Interests

- (1) Directing and guiding the company to ensure long term, sustainable, and adequate returns for all stakeholders including shareholders, contributors and regulators.
- (2) Constantly reviewing and monitoring corporate governance and ethics throughout the company.

Corporate Strategy

- (1) Reviewing, approving and constantly monitoring the company's overall strategic plans and direction.
- (2) Deciding on the company's dividend policy.
- (3) Approving and reviewing all major investment and other strategic commitments.

The integrity of Financial Reporting

- (1) Reviewing the system, processes and internal control that ensure and safeguard the accuracy and integrity of the company's financial accounting records and reporting.
- (2) Monitoring and reviewing reporting the shareholders, regulators, contributors and other stakeholders.

Internal Control Risk management and Compliance

- (1) Reviewing and monitoring the Internal Control and Risk management processes within the company to ensure that they are effective and comply with regulatory standards and prescriptions.

- (2) Ensuring that the regulatory compliance framework within the company operates at the optimum level all the time.

Performance

- (1) The setting, reviewing and challenging management on its business performances and result as against the Board approves budgets.
- (2) Ensuring proper accountability of the Senior Management Team for the financial results and general business performance of the company.
- (3) Ensuring that all business processes are adequately documented and constantly reviewed for continual improvement and to incorporate changes within the company in particular and the industry in general.
- (4) Reviewing and monitoring all Information Technology-based systems to ensure that they function optimally and that proper system controls are in place.

Conflict of Interest

The Directors of CrusaderSterling Pensions Limited have no interests that adversely influence the performance of their responsibilities. None of the directors had interests that might make it difficult for him or her to perform his or her responsibilities objectively in the period under review.

The Board also reserved for itself certain powers, duties, and responsibilities and delegate authority and responsibility to the MD/ CEO for day to day running of the company. The Board is specifically responsible for considering and approving funding, capital expenditure, senior management recruitment benefits and marketing expenditure.

The Chairman's Responsibilities include:

1. The Chairman must not only be effective but must also be seen to demonstrate effective leadership of the board.
2. The Chairman ensures that the relationships and communications with shareholders and other stakeholders are well managed.

3. He ensures that the relationships and communications within the board are constructive.
4. He ensures that the processes for setting the agenda is working and enables board members to raise issues and concerns.
5. The Chairman guides the MD/CEO and he is always available for regular communication.

The MD/ CEO's Authority and Responsibilities include:

- (1) Day –to day management of the Company
- (2) Development and implementation of Board-approved strategies and initiatives to ensure the sustainability and growth of the Company.
- (3) Ensuring prudent management of the Company's finances and other resources- From records cost containment is one of the strongest pivotal achievements of the MD.
- (4) The achievement of all approved business and operational plans and strategies within the framework of a comprehensive risk management structure.
- (5) Promoting and protecting the interest of the Company.
- (6) The development of all approved reporting procedures and the mechanisms such that the Board is kept fully informed at all times.

Board Composition

a. Mr. Oluwole Oshin	Chairman
b. Mr. Adeyemi Adeola	Non-Executive Director (Retired February, 2020)
c. Mr. Adeniyi Falade	Executive Director (MD/ CEO)
d. Mr. Richard Asabia	Non-Executive Director
e. Dr. Femi Oyetunji	Non-Executive Director(INED)
f. Mr. Kunle Omilani	Non-Executive Director(INED)
g. Mr.Segun Oluyori	Non-Executive Director (NED) (Appointed 16 th July, 2020)
h. Mr. Conrad Ifode	Executive Director
i. Mr. Olufemi Odukoya	Executive Director

The Board requires that all Directors possess the necessary qualifications and experience and are of unquestionable integrity and character.

The Board consists of the chairman (Mr. Oshin) who is an industry leader with over thirty (30) years experience and has at various times been a member of the Presidential Committee on Pensions Reforms and Chairman of the Nigerian Insurers Association, four other non-executive directors out of which two are Independent Directors and three executive directors including the Managing Director/ Chief Executive Officer.

All Directors have been approved by the National Pension Commission as "fit and proper" persons in accordance with the provision of the Commission's Guidelines on Appointment of Board and Top Management.

The Directors, who either currently occupy or have occupied a senior position in their respective fields of endeavour, bring to the Board a wide range of experience, skill and expertise. This contributes significantly to the proper functioning of the Board and dominating the Board's decision-making processes.

The roles of the Chairman and the Managing Director/ Chief Executive Officer are separated and defined. The Chairman is responsible for the Board leadership while the MD/ CEO is responsible for the day to day management of the company on the Board's behalf.

All directors were also fully briefed and informed of all developments in the industry especially with regards to regulatory pronouncements, prescription and legislative changes.

Board of Directors' Meetings

The company has a structured time for all Board meetings. Directors are expected to effectively prepare themselves and to participate passably in all meetings of the Board.

The board met four times (January 30, April 23, July 16, and October 22, 2020) during the year under review and the meetings were well attended by all directors. All the Directors met the 50% attendance requirement for re-election consideration- as required and stated in paragraph 2.5.2 of Pencom's circular.

The quorum for Board meetings is clearly stated in the Memorandum and Articles of Association as well as the Board Charter and quorum was formed at the commencement of all Board meetings.

Table 1.0 Record of Attendance at Board of Directors' meetings

Directors	Jan 30, 2020	April 23, 2020	July 16, 2020	October 22, 2020
Mr. Wole Oshin	P	P	P	P
Mr. Adeniyi Falade	P	P	P	P
Mr. Yemi Adeola	P	-	-	-
Dr. Femi Oyetunji	P	P	P	P
Mr. Richard Asabia	P	P	P	P
Mr. Kunle Omilani	P	P	P	P
Mr. Segun Oluyori (Appointed 16 th July 2020)	-	-	-	P
Mr. Conrad Ifode	P	P	P	P
Mr. Olufemi Odukoya	P	P	P	P

Note: P stands for present; A stands for absent.

All meetings of the Board were convened by giving sufficient and appropriate notice. Full agendas were prepared by the Company Secretary and were structured to assist the

Board in achieving its varied responsibilities. The Board also received a full information pack ahead of Board meeting (s). This is expected to give maximum room for the review.

Minutes of all Board meetings were kept and signed by the Chairman before they were prepared in the Minute Book.

Society for Corporate Governance Nigeria was engaged and conducted the Board appraisal exercise for the 2020 financial year. The report of the evaluation has been forwarded to the Commission along with this report.

The Directors during the period attended training on Board Leadership & Governance aside other private training attended by each Director.

Board of Directors' Committees

To effectively discharge its responsibilities and in accordance with the provisions of the revised Pension Reformed Act 2014, and Code of Corporate Governance for Licensed Pension Operators, the Board has established the following Committees and has adopted specific terms of reference setting out all matters relevant to the composition, responsibilities and administration of each Committee:

- (1) Board Risk Management Committee
- (2) Board Audit Committee
- (3) Board Investment Strategy Committee
- (4) Board Governance Committee

1. **Board Risk Management Committee** met four times (January 29, April 20, July 15, and October 15, 2020) during the year under review.

Members of the Committee

- (1) Dr. Femi Oyetunji -Chairman
- (2) Mr. Adeniyi Falade
- (3) Mr.Kunle Omilani
- (4) Mr.Conrad Ifode

Table 2.0 Record showing Committee members and Attendance at Board Risk Management Committee meetings

Members	January 29, 2020	April 20, 2020	July 15, 2020	October 15, 2020
Dr.Femi Oyetunji	P	P	P	P
Mr. Adeniyi Falade	P	P	P	P
Mr. Kunle Omilani	P	P	P	P
Mr. Yemi Adeola	P	-	-	-
Mr.Conrad Ifode	P	P	P	P

Note: P stands for present; A stands for absent

The members of the Risk Management Committee are well experienced to enable them to exercise adequate oversight on the operational, financial and strategic risk profile of the company. All reports were presented and reviewed by the Committee.

The duties and responsibilities of the Committee were fully documented in the Board Risk Management Policy as approved by the Board.

The Committee renders a report of its activities to the Board every quarter, same is always presented at the Board of Director's meeting.

Dr.Oyetunji and Mr. Omilani are both members of the Board Audit Committee in compliance with paragraph 2.6.7.3 of Pencom's circular requiring at least one member having joint membership of both the Risk Management and Audit Committee. The Chairman of the Committee (Dr.Oyetunji) is an Independent Director in compliance with paragraph 2.6.7.4 of the said circular.

2. **Board Audit Committee** met four times (January 29 April 20, July 15, and October 15, 2020) during the year under review.

Members of the Committee

- (1) Dr.Femi Oyetunji -Chairman
- (2) Mr. Kunle Omilani
- (3) Mr.Richard Asabia
- (4) Mr.Adeyemi Adeola

Table 3.0 Record showing Committee members and Attendance at Board Audit Committee meetings

Members	January 29, 2020	April 20, 2020	July 15, 2020	October 15, 2020
Mr. Yemi Adeola	P	-	-	-
Dr.Femi Oyetunji	P	P	P	P
Mr.Kunle Omilani	P	P	P	P
Mr.Richard Asabia	-	P	P	P

Note: P stands for present; A stands for absent

3. **Board Investment Strategy Committee** met four times during the year (January 27, April 20, July 13, and October 15, 2020)

Members of the Committee

- (1) Mr. Richard Asabia
- (2) Mr.Adeniyi Falade
- (3) Mr.Femi Odukoya

Table 4.0 Record showing Committee members and Attendance at Board Investment Management Committee meetings

Members	January 27, 2020	April 20, 2020	July 13, 2020	October 15, 2020
Mr. Richard Asabia	P	P	P	P
Mr. Adeniyi Falade	P	P	P	P
Mr. Olufemi Odukoya	P	P	P	P

Note: P stands for present; A stands for absent

The Investment Strategy Committee's duties and responsibilities are documented in the Investment Policy as approved by the Board, as well as the terms of reference of the Committee.

4. **Board Governance Committee** met four times during the year (January 29, 2020, April 20, 2020, July 15, 2020 & October 15, 2020)

Members of the Committee

- (1) Dr. Femi Oyetunji - Chairman
- (2) Mr. Richard Asabia
- (3) Mr. Kunle Omilani
- (4) Mr. Adeyemi Adeola

Table 5.0 Record showing Committee members and Attendance at Board Governance Committee meetings

Members	January 29, 2020	April 20, 2020	July 15, 2020	October 15, 2020
Dr. Femi Oyetunji	P	P	P	P
Mr. Richard Asabia	P	P	P	P
Mr. Kunle Omilani	-	P	P	P
Mr. Adeyemi Adeola	P	-	-	-

Note: P stands for present; A stands for absent

COMPOSITION OF BOARD COMMITTEE

Membership of the Board Committees met with the criteria required for composition. Each Committee has at least three Directors (Paragraph 2.6.3) of PenCom's circular.

OTHER MEETINGS

ANNUAL GENERAL MEETING (AGM): The annual general meeting of the Company was held on the 16th of July, 2020.

BOARD RESTRUCTURING

In compliance with the Board Charter and Code of Corporate Governance of the Company (paragraph 3.12) One Director was appointed (Mr Seyi Oluyori) to refresh the Board. Induction was conducted in respect of the new appointed Director in July, 2020.

SUCCESSION PLAN

The approved Succession Plan is already in use and it is applied at all levels in the organization.

MANAGEMENT

The company is managed by a senior management team led by the Managing Director/ Chief Executive Officer (Mr. Adeniyi Falade). The senior management team meets weekly via management meetings. An agenda is prepared and all proceedings of the meeting are properly documented.

The company has a clearly defined organizational structure with clear levels of authority within which operating units have specific goals, duties and responsibilities. Each unit is fully aware of its responsibilities and its internal procedures are comprehensively documented in detailed operation manuals. All policies and procedures, updated otherwise, are approved by the Board.

Management has also several working committees, with specific responsibilities and mandates to facilitate the achievement of its goals. These Committees are as follows:

Management Investment Committee

This Committee comprises of the MD/ CEO and other members as stated herein under:

- (1) Executive Director, Operations;
- (2) Executive Director, Business Development;
- (3) Head, Risk Management;
- (4) Head, Compliance;
- (5) Head, Internal Control & Audit;
- (6) Head, Investment;

The Committee is responsible for:

- (1) Implementation of specific investment strategies to ensure on-going compliance with the investment Regulations as issued by the National Pension Commission with the Pension Reform Act 2014.
- (2) Strategies and processes to establish an optimal investment mix consistent with the company's profile and agreed benchmarked performance parameters.
- (3) The maximization of returns from equities, money market and fixed income with the investment portfolios.

(4) Reviewing all securities within the portfolios on an individual, line by line basis to assess risk profiles for specific institutions.

(5) To monitor all portfolio violations and ensure corrective action is taken timely.

The entire Committees's meetings are documented. The Committee met eleven times in the year under review. The Head, Investment presented the investment report including equities, fixed income, and micro-economic outlook.

ICT Steering Committee

This Committee consists of the MD/ CEO and other members as stated herein under:

- a. Executive Director, Operations
- b. Executive Director, Business Development
- c. Head, Investment
- d. Head, Financial Control
- e. Head, Information Technology
- f. Head, Contributions
- g. Head, Marketing
- h. Head, Internal Control and Audit
- i. Head, Compliance
- j. Head, Risk Management
- k. Head, Benefit Administration
- l. Head, Legal/ Company Secretary

This Committee is responsible for making recommendations to the Board on issues relating to IT including developing and funding strategy, capital structure and the management of the IT department's risk.

The Committee also sets the policies and control procedures required to implement the company's IT strategy and policies. The Committee met eleven times in the year under review.

COMPLIANCE

The Company has complied with the provisions of the circular on corporate Governance for PFOs, 2019, the Nigerian Code of Corporate Governance 2018 and other relevant regulations during the period under review.

Thank you.



Abayomi Ajayi
Compliance Officer



Olayemi Ogunsanya
Company Secretary