

Corporate Governance Report

The Board of Directors of UBA Pensions Custodian Limited (“the Company”) is committed to high standards of corporate governance and devotes significant effort to identify and formalize best practices. The Company’s strategic corporate governance practices and activities during the year ended 31 December 2021 are highlighted in this report.

BOARD STRUCTURE AND COMPOSITION

The Board of the Company as at the end of the financial year was composed of eight (8) members as follows:

S/N	MEMBERS	ROLE
1	Mr. Victor Osadolor	Chairman
2	Ms. Blessing Ogwu	MD/CEO
3	Mr. Daniel Wajuihian	Executive Director
4	Dr. Awele Elumelu	Non-Executive Director
5	Mr. Chukwuma Nweke	Non-Executive Director
6	Mr. Ugochukwu Alex Nwaghodoh	Non-Executive Director
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
8	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director

The Board’s structure is governed by the Company’s Board Governance and Board Committees’ Governance Charter, the Nigerian Code of Corporate Governance, and the National Pension Commission’s Guidelines on Corporate Governance. The Board has an appropriate mix of skills, experience and diversity that are relevant to the Company’s strategy, governance, and custody business, which strengthens its effectiveness.

Comprehensive guidelines, policies and procedures have been formulated by the Board in support of the Company’s corporate governance framework, including the “Board Governance and Board Committees Governance Charter”, “Code of Corporate Governance”, “Conflict of Interest Policy”, “Internal Control Plan”, “Compliance Policy and Programme”, “Whistleblowing Policy”, “Succession Planning Policy and Procedure”, “Risk Management Policy”, Sustainability Policy, Diversity Policy, Data Privacy Governance Policy and Stakeholders Management & Communication Policy. The Company’s Policies are reviewed regularly by the Board and the relevant Board Committees and are updated in line with the amendments of applicable legislations and rules as well as changes in current market practices and operating environment.

The Board also closely monitors the implementation of strategic initiatives as key drivers of the Company’s business and the implementation of the I.T. Transformation Project with added focus on projects such as the Navision-CRP System

Integration, 2Factor Authentication for Enterprise Resource Planning/Navision and other Automation Processes that were implemented in 2021.

RELATIONSHIPS ON THE BOARD

- There is no biological, family or marital relationship between the MD/CEO and the Chairman. The Chairman and the Managing Director roles are distinct and held by individuals who do not have any family ties, thereby ensuring that no one individual has unfettered powers of decision making.
- The posts of Chairman and Chief Executive Officer of the Company are separate to ensure a clear distinction between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Company’s business.
- Both Independent Non-Executive Directors on the Board have not been employed by the Company or its associated companies, are not shareholders of the Company and have not accepted any compensation from the Company or any of its related companies other than compensation for Board services.
- Members of the Board have diverse experience and there is a balance of skills and knowledge.
- At each regular Board meeting, presentations are made to the Board on various aspects, including business

performance, financial performance, corporate governance, and outlook, etc. A written report reviewing all the key operational aspects of the Company was provided to the directors before each regular Board meeting to enable them to make informed decisions for the benefit of the Company.

- In accordance with the provisions of the Company's Conflict of Interest Policy, a director, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering the contract or arrangement is first considered.

CHANGES IN THE STRUCTURE & COMPOSITION OF BOARD

Following the retirement of Dr. Tukur Ingawa from the Board with effect from April 25, 2021, Mr. Ugochukwu Nwaghodoh and Mr. Mohammed Yayangida were admitted to the Board with effect from May 19, 2021. In addition, Mr. Daniel Wajuihian was appointed Executive Director, Operations & Information Technology with effect from September 3, 2021. The changes were duly communicated to and approved by the National Pension Commission.

Consequently, changes were effected as follows, in the composition of the Board Committees, to facilitate best governance practices:

NOMINATIONS COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Abbas Jega Mohammed	Chairman/Independent Non-Executive Director	Mr. Abbas became a member of the Committee in Q2 and Chairman with effect from Q3, 2021.
2.	Dr. Awele Elumelu	Member/Non-Executive Director	Dr. Elumelu ceased to be the Chairman of the Nominations Committee effective Q3, 2021
3.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Admitted to the Board with effect from May 19, 2021 and joined the Committee in Q2, 2021
4.	Mr. Chukwuma Nweke	Member/Non-Executive Director	
5	Mr. Tukur Ingawa	Member/Independent Non-Executive Director	Mr. Tukur Ingawa retired in Q2, 2021

AUDIT & RISK MANAGEMENT COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Mohammed Yayangida Umar	Chairman/Independent Non-Executive Director	Mr. Mohammed Umar joined the Board with effect from May 19, 2021 and became Chairman of the Committee with effect from Q3, 2021.
2.	Dr. Awele Elumelu	Member/Non-Executive Director	Dr. Elumelu ceased to be a member of the Committee in Q2, 2021 following a reconstitution of the Board Committees.
3.	Mr. Abbas Jega Mohammed	Member/ Independent Non-Executive Director	
4.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Mr. Ugochukwu Nwaghodoh was admitted to the Board on May 19, 2021 and joined the Committee in Q2, 2021.
5.	Mr. Chukwuma Nweke	Member/Non-Executive Director	

FINANCE & GENERAL PURPOSE COMMITTEE

S/N	MEMBERS	ROLE	REMARKS
1.	Mr. Chukwuma Nweke	Chairman/Non-Executive Director	
2.	Ms. Blessing Ogwu	Member/ MD	
3.	Mr. Abbas Jega Mohammed	Member/Independent Non-Executive Director	Mr. Abbas Mohammed ceased to be a member of the Committee in Q2 2021, following the reconstitution of the Board Committees.
4.	Dr. Awele Elumelu	Member/Non-Executive Director	
5.	Mr. Ugochukwu Nwaghodoh	Member/Non-Executive Director	Mr. Ugo Nwaghodoh was admitted to the Board on May 19, 2021 and joined the Committee in Q2 2021.
6.	Mr. Mohammed Yayangida Umar	Member/Independent Non- Executive Director	Mr. Mohammed was admitted to the Board on May 19, 2021
7.	Mr. Daniel Wajuihian	Member/ Executive Director	Mr. Daniel Wajuihian was inducted at the 66 th Board Meeting and admitted to F&GPC on the 10 th of December 2021

THE ROLES & RESPONSIBILITIES OF THE BOARD

The Board of UBA Pensions met 5 (five) times during the review period. The Board provided overall guidance and policy direction to Management in the areas of Strategic direction, Policy formulation, Decision making and General Oversight duties. The duties of the Board were as follows:

- Setting out the vision and mission of the Company and ensuring that it has an appropriate strategy and the organizational structure and capacity to achieve them.
- Ensuring that there is an effective Management team in place and monitoring and evaluating its performance on an on-going basis.
- Reviewing the Company's operations against its set objectives.
- Ensuring adequate control and satisfactory financial performance of both the Company and the PFAs' Funds in its custody.
- Monitoring and ensuring compliance with all relevant laws and regulations.

- Ensuring that the Company has an adequate risk management framework and a sound system of internal controls in place.
- Ensuring a formal and rigorous evaluation of its own performance and that of its Committees and individual members, on an annual basis, pursuant to the requirements of the National Pension Commission.
- Establishing the relevant Board Committees, each with written terms of reference.
- Setting out a formal schedule of matters specifically reserved for its decision to ensure adequate oversight of the Company.

DIRECTORS PARTICIPATION AT MEETINGS

The Directors of the Company play an active role in participating in the Company's meetings through the contribution of their professional opinions and active participation in discussion. The attendance record of each of the directors for the Board meetings, the Board Committees' meetings and the Annual General meeting held during the 2021 Financial Year is listed as follows.

BOARD OF DIRECTORS – COMPOSITION & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 30 2021	JUNE 14 2021	JUN 23 2021	AGM JUNE 23 2021	SEPT 23 2021	DEC 17 2021
1.	Mr. Victor Osadolor Chairman	✓	✓	✓	✓	✓	✓
2.	Ms. Blessing Ogwu MD/CEO	✓	✓	✓	✓	✓	✓
3.	Mr. Daniel Wajuihian Executive Director	*	*	*	*	✓	✓
4.	Mr. Abbas Jega Mohammed Member/ Independent Non-Executive Director	✓	✓	✓	✓	✓	✓
5.	Dr. Awele Elumelu Member/Non-Executive Director	*	✓	✓	✓	*	✓
6.	Dr. Tukur Ingawa Member/Independent Non-Executive Director	✓	*	*	*	*	*
7.	Mr. Chukwuma Nweke Member/Non-Executive Director	✓	✓	✓	✓	✓	✓
8.	Mr. Ugochukwu Nwaghodoh Member/ Non-Executive Director	*	✓	✓	✓	✓	✓
9.	Mr. Mohammed Yayangida Umar Member/ Independent Non-Executive Director	*	✓	✓	✓	✓	✓

* Mr. Tukur Ingawa retired from the Board effective April 25th, 2021

*Mr. Ugochukwu Nwaghodoh was admitted into the Board on May 19, 2021

*Mr. Mohammed Yayangida Umar was admitted to the Board on May 19, 2021

*Mr. Daniel Wajuihian was admitted to the Board on September 3, 2021

BOARD TENURE

S/N	MEMBERS	ROLE/DESIGNATION	DATE OF APPOINTMENT	CUMULATIVE YEARS OF SERVICE
1	Mr. Victor Osadolor	Chairman/Non-Executive Director	28/10/2015	6 years, 2 months
2	Ms. Blessing Ogwu	MD/CEO	08/01/2021	11 months
3	Mr. Daniel Wajuihian	Executive Director	03/09/2021	4 months
4	Dr. Awele Elumelu	Non-Executive Director	31/08/2009	12 years, 4 months
5	Mr. Chukwuma Nweke	Non-Executive Director	29/05/2020	1 year, 7 months
6	Mr. Ugochukwu Alex Nwaghodoh	Non-Executive Director	19/05/2021	7 months
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director	23/12/2015	6 years
8	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director	19/05/2021	7 months

DELEGATION OF AUTHORITY BY THE BOARD-TO-BOARD COMMITTEES

As stipulated in Section 5 of the Internal Code of Corporate Governance - **The Committee System** - The Board shall make use of the Committee System, which provides added opportunity for the fuller involvement of members of the Board, especially Non-Executive Directors with relevant expertise, in the affairs of the Company. Nevertheless, while the Board may delegate its functions to Committees, it shall not abdicate its responsibilities.

To ensure efficiency and effectiveness, the Board delegates some of its functions, duties, and responsibilities to its Board Committees without abdicating its oversight role.

The Committees of the Board as at December 31, 2021 were as follows:

- Finance & General Purpose Committee
- Audit & Risk Management Committee
- Nominations Committee

Below are schedules of the Board Committees, their composition, and summaries of their Terms of Reference:

BOARD FINANCE & GENERAL PURPOSES COMMITTEE - TERMS OF REFERENCE:

- Discharge the Board's responsibilities regarding strategic direction and budgeting, oversight on financial matters and the performance of the Company.
- Review Company policies of financial and general nature and make financial and investment decisions within its approved limits on behalf of the Board.
- Formulate the Strategy of the Company and make recommendations to the Board accordingly.
- Consider and approve the Information Technology governance framework and extra budgetary expenditure above the limits of Executive Management.

FINANCE & GENERAL PURPOSE COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 23 2021	JUN. 18 2021	SEPT 21 2021	DEC. 10 2021
1.	Mr. Chukwuma Nweke Chairman/Non-Executive Director	*	✓	✓	✓
2.	Ms. Blessing Ogwu Member/Managing Director	✓	✓	✓	✓
3.	Mr. Abbas Jega Mohammed Member/Independent NED	✓	*	*	*
4.	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	*	✓
5.	Mr. Mohammed Yayangida Umar Member/Independent Non- Executive Director	*	✓	✓	✓
6.	Mr. Ugochukwu Nwaghodoh Member/ Non- Executive Director	*	✓	✓	✓
7.	Mr. Daniel Amin Wajuihian	*	*	*	✓

* Mr. Abbas Mohammed ceased to be a member of the Committee in Q2 2021

*Mr. Ugochukwu Nwaghodoh was admitted to the Board on May 19, 2021(Q2 2021)

*Mr. Mohammed Yayangida Umar was admitted to the Board on May 19, 2021 (Q2 2021)

*Mr. Daniel Wajuihian was inducted at the 66th Board Meeting and admitted to the F &GPC on Dec 10, 2021

BOARD AUDIT & RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE:

- a. To assist the Board of Directors in fulfilling its oversight responsibilities regarding audit and control and ensure that an effective system of financial and internal control is in place.
- b. To monitor and assess the overall integrity of the financial statements and disclosures on the financial condition and results of the Company.
- c. To monitor and evaluate on a regular basis the qualifications, independence and performance of the External Auditors and the Internal Audit & Control Department.
- d. Safeguard the assets and income of the Company and monitor processes designed to ensure compliance by the Company with all legal and regulatory requirements.
- e. Governance of risk and determining the risk tolerance, risk appetite, risk monitoring, risk assurance and risk disclosure for the custody business and the Company.
- f. Review and assess the integrity and adequacy of the overall risk management function of the Company.

AUDIT & RISK MANAGEMENT COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 22 2021	JUN. 16 2021	SEPT 16 2021	DEC 8 2021
1.	Dr. Tukur Ingawa Chairman/Independent Non-Executive Director	✓	*	*	*
2.	Mr. Mohammed Yayangida Umar Chairman/Independent Non-Executive Director	*	✓	✓	✓
3.	Mr. Abbas Jega Mohammed Member/Independent NED	✓	✓	✓	✓
4.	Dr. Awele Elumelu Member/Non-Executive Director	✓	*	*	*
5.	Mr. Chukwuma Nweke Member/Non-Executive Director	*	✓	✓	✓
6.	Mr. Ugochukwu Nwaghodoh	*	✓	✓	✓

* Mr. Tukur Ingawa retired from the Board effective April 25th, 2021.

* Mr. Mohammed Umar joined the Board with effect from May 19,2021 and became Chairman of the Committee with effect from Q3 2021.

* Dr. Elumelu ceased to be a member of the Committee in Q2 2021 following the reconstitution of the Board Committees.

BOARD NOMINATIONS COMMITTEE - TERMS OF REFERENCE:

- a. Propose candidates to the Board for all Board positions (both executive and non-executives), establish procedures for the nomination of Directors, advise and recommend to the Board the composition of the Board and evaluate the skills of members of the Board directly or through Consultants.
- b. Advise the Board on corporate governance standards and policies and make recommendations to the Board on the remuneration of Directors.
- c. Review all human resources and governance policies for the Company and approve recruitments, promotions, redeployments and disengagements for the Company for staff members on Senior Grade levels.
- d. Recommend the organizational structure of the Company to the Board for approval.
- e. Organize Board and Board Committees inductions and trainings and evaluate and appraise the performance of the Board and Board Committees and their members annually.

NOMINATIONS COMMITTEE – COMPOSITION, ROLE & MEETINGS ATTENDANCE

S/N	MEMBERS	MAR 23 2021	JUN 18 2021	SEPT 21 2021	DEC 10 2021
1.	Mr. Abbas Jega Mohammed Chairman/ Independent Non-Executive Director	*	✓	✓	✓
2.	Dr. Awele Elumelu Member/Non-Executive Director	✓	✓	*	✓
3.	Dr. Tukur Ingawa Member/ Independent Non-Executive Director	✓	*	*	*
4.	Mr. Ugochukwu Nwaghodoh Member/Non-Executive Director	*	✓	✓	✓
5.	Mr. Chukwuma Nweke Member/Non-Executive Director	✓	✓	✓	✓

* Mr. Abbas Mohammed became a member of the Committee in Q2 2021 and Chairman with effect from Q3 2021.

*Dr Elumelu ceased to be Chairman in Q3 2021 following the reconstitution of the Board Committee.

*Dr Tukur Ingawa retired from the Board effective April 25, 2021.

Mr. Ugo Nwaghodoh was admitted to the Board with effect from May 19, 2021 and joined the Committee in Q2 2021.

MATERIAL TRANSACTIONS REQUIRING BOARD APPROVAL

The following transactions require Board approval under the Company's Internal guidelines:

- Approving and reviewing corporate strategy
- Approving annual budgets and business plans
- Setting performance objectives
- Approving policies
- Approving major capital expenditures, acquisitions, and divestments

THE PROCESS OF SELECTION & APPOINTMENT OF NEW DIRECTORS TO THE BOARD

The criteria for the appointment of members to the Board are laid down in the Board Governance and Board Committees Governance Charter and is a formal, transparent, and rigorous process. New members are selected based on the National Pension Commission's Guidelines for Appointment to Board and Top Management Positions in PFAs and PFCs, GL/APPT/01 and other extant guidelines as well as interest and relevant skills and experience, among others.

The process of Board appointments is not concluded until the nominees are duly approved by the National Pension Commission (PenCom) and ratified by Shareholders at the Company's Annual General Meeting.

BOARD EFFECTIVENESS/ANNUAL BOARD APPRAISAL

The Board recognizes that regular evaluations of its performance are essential to good corporate governance and Board effectiveness. Pursuant to the relevant provisions of the National Pension Commission's Guidelines on Corporate Governance for Licensed Pension Operators and best practices, the Board engaged an Independent Consultant (Messrs. Deloitte & Touché) to conduct a formal and rigorous evaluation of its own performance and that of its Committees and individual directors.

The Board appraisal covered the Board's structure and composition, processes, relationships, competencies, roles, and responsibilities and assessed the effectiveness of the Board as a whole, and the contribution of each Board Committee and each individual director to the success of the Board.

In 2021, the appraisal of the Board by Messrs Deloitte & Touché stated that the Board substantially complied with the provisions of the extant Codes of Corporate Governance in terms of its structure, composition, procedures, and responsibilities and that the key Board functionaries (Board and Board Committee Chairpersons) and the Board Committees met their responsibilities under the Codes and governance charters in UBA Pensions.

Messrs Deloitte & Touché also confirmed, from their Corporate Governance Review of the Company, that the Corporate Governance framework and practices substantially comply

with the provisions of the extant Codes of Corporate Governance. The assessment of individual directors showed that they devoted adequate time and resources to the business of the Board and UBA Pensions as a whole and possess the right skills and competencies required for their roles. Specific recommendations to further improve the Company's governance practices were also articulated and included in detailed reports to the Board and submitted to the National Pension Commission.

The Evaluation was conducted through reviews of documents, especially the Board and Board Committees Governance Charters, minutes of meetings, governance manuals/policies, and other documents, which were benchmarked against extant Codes of Corporate Governance and leading corporate governance practices. A Board Assessment Survey was deployed, and interview sessions were held with members of the Board of Directors.

INDUCTION AND DEVELOPMENT

Upon appointment to the Board, Directors are provided with comprehensive induction training to ensure that

they have a thorough understanding of the Company's operations and governance policies as well as their role and responsibilities. The Company's Training & Onboarding Policy provides direction in this regard. Each new director receives an Induction Manual which contains the Board's terms of reference, an overview of Directors' responsibilities, relevant Guidelines and Policies and information on key governance issues.

As part of the continuous professional development for its directors to develop and refresh their knowledge and skills, necessary for the performance of their duties, training programmes are organized to help Directors keep abreast of current trends and issues facing the Company and the pensions industry.

In 2021, directors participated in six (6) training sessions designed to enrich their understanding of the requirements of the Board and of the latest industry/market trends and developments as listed below:

2021 DIRECTORS' TRAINING ATTENDANCE:

Period	Course Title	Attendee(s)
Q1	Board Effectiveness	Mr. Victor Osadolor Dr. Tukur Ingawa Mr. Abbas Jega Mohammed Mr. Chukwuma Nweke Ms. Blessing Ogwu
Q2	Leadership & Effective Governance Enterprise Risk Management & Financial Risk Management Sustainability	Mr. Victor Osadolor Dr. Awele Elumelu Mr. Abbas Jega Mohammed Mr. Chukwuma Nweke Ms. Blessing Ogwu
Q2	Independent Directors Masterclass	Mr. Abbas Jega Mohammed
Q3	Driving Strategic Innovation and Business Development	Ms. Blessing Ogwu Mr. Chukwuma Nweke Mr. Mohammed Yayangida Umar
Q4	Company Direction Course 2	Mr. Mohammed Yayangida Umar
Q4	Internal Audit and Control Roles of the Board Digital Transformation Skill Programme Financial Stewardship and Accountability	Mr. Victor Osadolor Ms. Blessing Ogwu Mr. Daniel Wajuihian Mr. Chukwuma Nweke Mr. Ugochukwu Nwaghodoh Mr. Abbas Mohammed Mr. Mohammed Yayangida Umar

GENDER DIVERSITY

The Company has a Diversity Policy, promotes gender diversity and provides equal pay for equal work. Two (2) of the 8 members of the Board are females, constituting 25% of the Board membership. In addition, the Company's workforce was made up of 51% males and 48.8% females. Five (5) of the Eight (8) staff in the Company's Management/Senior Management cadre are females. The Company continues to work on improving the suitability of the workplace for every gender and to harness the intelligence and perspective of the entire workforce to drive growth and innovation.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the year under review, UBA Pensions substantially complied with the provisions of the PENCOM Circular on Corporate Governance for Pension Fund Operators and, where applicable, adopted the recommended best practices set out in the Nigerian Code of Corporate Governance.

CORPORATE GOVERNANCE PRACTICES

UBA Pensions strives to improve its governance practices and prides itself on its openness and transparency. Following the issuance by the National Pension Commission of the Circular on Corporate Governance for Pension Fund Operators and the commencement of the application of the Nigerian Code of Corporate Governance 2018, the Company amended its Code of Corporate Governance and Compliance Program, among others, to reflect salient changes in both Codes. In 2021, several new policies have been put in place to enhance the Company's governance practices.

During the review period, the Board continued to give due attention to matters of corporate governance, corporate strategies, and the future growth and viability of the Company in the very dynamic business environment while providing guidance and support to Management in pursuit of its corporate objectives.

The Board met a total of five (5) times during the period – a meeting in each of the four quarters of the year, except for the second quarter in which two meetings were held. The Board deliberated on various matters within its mandate. It approved several revised policy documents including the Accounting Policy, Business Continuity Plan, Code of Professional Conduct and Ethics, Compliance Policy and Compliance Communication Program, Conflict of Interest Policy, Disciplinary Process Sanctions Policy, Dividend Policy, Document Management Policy, Expense Empowerment Policy, ICT Strategy Policy, Internal Control Plan, Management

Committees Governance Charter, Policy on Appointment of External Auditors, Risk Management Plan, Staff Hand Book, Succession Policy and Whistle Blowing Policy. The Board also considered the issues arising from its Regulatory Routine Examination Reports as well as Compliance, Internal Control, Risk Management, Human Capital Management, Financial Performance issues and the monitoring and implementation of the Company's Strategy Plan amongst others.

Below are some of the additional governance practices instituted and implemented in the Company:

- New policies such as the Clawback Policy, Diversity Policy, Insider Trading Policy, Remuneration Policy, Sustainability Policy and the Board Succession Plan were put in place.
- The Non-Executive Directors held their second meeting excluding the Executive Directors, on December 17, 2021.
- The Board Audit & Risk Management Committee met with the External Auditors and Internal Auditors on December 24, 2021.
- The Board Evaluation and Corporate Governance Review of the Company were carried out for 2021FY.
- An Independent Non-Executive Director, Abbas Jega Mohammed became the Nominations Committee Chairman in Q3 2021, in compliance with regulatory recommendation.
- The creation of an Independent Internal Audit Department covering two units – Internal Control and Internal Audit, was approved by the Board.
- In accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 and section 20.2 of the Nigerian Code of Corporate Governance 2018, Messrs. Ernst & Young have indicated their willingness to continue in office as External Auditors of UBA Pensions Custodian Limited.
- The Board Chairman is neither the Chairman nor a member of any of the Board Committees.
- The MD/CEO and Executive Director are not members of the Board Committees responsible for remuneration, audit, nominations, or governance.
- Only 1 Director currently has an interest in companies that provide professional services to the Company and she made the requisite Disclosure of Interest. These companies are Avon Medical Practice Limited, Avon Healthcare Limited and Heirs Insurance Brokers Limited

- The Board acts in the best interest of its shareholders and other stakeholders based on transparency, accountability and equity.
- All Directors participate in periodic, relevant, continuing education programs to update their knowledge and skills and keep them informed of new developments in the Company's business and operating environment.
- The meetings of the Board, Board Committees and the Shareholders meetings are scheduled one year in advance. Board papers are sent to Directors one week before the meeting, the agenda is clear, and matters are dealt with expeditiously.
- The Company has various Management Committees to assist Management in the day-to-day running of the Company namely the Executive Management Committee, I.T. Steering Committee, Change Management and Cost Optimization Committees. Ad-hoc Committees are constituted from time to time to deal with specific matters.
- The Company's Whistle-blowing Policy and Compliance Communication Program have the assurance of confidentiality and are further monitored by the National Pension Commission.
- Directors have access to Management through the Company Secretariat and have the liberty to engage independent Consultants at the expense of the Company if required.
- The Independent Directors represent strong independent voices on the Board and are free from relationships and circumstances with the Company, Management, or substantial Shareholders.
- New members to the Board are formally inducted to familiarize them with the Company's Strategic Plan, operations, business environment, fiduciary responsibilities, and senior management.

STRATEGIC PLANNING

The Board pays close attention to the implementation of the 3-year Strategic Plan for 2020-2022 which was developed to identify and assess the opportunities and challenges that the Company might face and to develop a planned course of action for the Company to generate sustainable long-term value for Shareholders. It was formulated with key strategic initiatives covering Customers, Financials, Internal Processes and Learning & Growth. A standard report addressing the implementation of the Plan is presented to the Board at its quarterly meetings.

THE ADEQUACY OF INTERNAL CONTROL

The Audit & Risk Management Committee is vested with the responsibility of overseeing the effectiveness and adequacy of internal control systems. It is also responsible for ensuring the adequacy and effectiveness of risk management. Quarterly Risk Management, Compliance and Internal Control Reports which include financial performance, operational and compliance controls and risk management are presented to the Audit & Risk Management Committee by the Heads of Risk Management, Compliance and Internal Control and significant items are highlighted to the Board for notification, approval or resolution.

REMUNERATION OF DIRECTORS

Each of the Company's Non-Executive directors is entitled to directors' fees, which are determined by the Board with authorization granted by the shareholders at the Company's annual general meetings. Furthermore, the Company ensures that remuneration paid to its directors is authorized in compliance with extant laws.

The Company makes disclosures of remuneration paid to its directors as follows:

PACKAGE	TYPE	DESCRIPTION	TIMING
Basic Salary	Fixed	This is part of the gross salary for the Executive directors only. It reflects the pension industry competitive salary package and the extent to which Company's objectives have been met for the financial year.	Paid monthly during the financial year
13th month salary	Fixed	This is part of the gross salary for the Executive directors only. It reflects the pension industry competitive salary package and the extent to which Company's objectives have been met for the financial year.	Paid in a month in the financial year
Directors Fees	Fixed	This is paid bi-annually to Non-Executive Directors	Paid bi-annually
Sitting Allowances	Fixed	Sitting allowances are paid to the Non-Executive Directors only, for attending Board and Board Committee meetings	Paid after each meeting

FINES/PENALTIES

There were no fines and penalties by regulators at the end of the reporting period

CONCLUSION

We affirm that the Board of Directors continues to act in good faith and with due diligence and care in pursuit of the best interests of the Company and its stakeholders. It remains devoted to monitoring and ensuring the satisfactory resolution of the recommendations contained in PENCOM's Examination Reports, the Board Evaluation and Corporate Governance Reports and is confident of an improved performance by the Company. The Board is also committed to partnering with the National Pension Commission to ensure the achievement of the laudable goals of the Pension Reform Act, 2014 and other relevant enactments.

BY ORDER OF THE BOARD



Rachel Onochie-Abugu

Company Secretary

FRC/2021/002/00000022936

Lagos, Nigeria

24 March 2022

Report of the Directors of UBA Pensions Custodian Limited

In compliance with the Companies & Allied Matters Act, 2020, the Directors of UBA Pensions Custodian Limited are pleased to present to Shareholders the audited Financial Statements of the Company for the financial year ended December 31, 2021.

CORPORATE STRUCTURE AND BUSINESS

UBA Pensions Custodian Limited (UBA Pensions) is a private company and was incorporated in September 2005 in line with the *Pension Reform Act 2004 (as amended in 2014)*, and is a wholly owned subsidiary of UBA Plc.

The Company is licensed to carry on the business of custody of pension fund and assets and to hold and deal with such fund and assets to the exclusive order of the Pension Fund Administrator(s) for the benefit of the account holders in the Pension Fund Administrator(s), in accordance with the directives given by the National Pension Commission and in conformity with the Pension Reform Act 2014.

The Company's registered business office is 22B, Idowu Taylor Street, Victoria Island, Lagos. It has arms-length dealings with Pensions Funds Administrators and other stakeholders in the Pensions industry with formal and transparent procedures and processes.

OPERATING RESULTS

	2021	2020
	₦'000	₦'000
Gross earnings	7,141,947	6,210,787
Profit before income tax expense	5,772,786	3,517,992
income tax expense	(1,871,731)	(1,519,399)
Profit after tax	3,901,055	1,998,593
Profit attributable to shareholders	3,901,055	1,998,593
Basic and diluted earnings per share (Kobo)	195	100

ANALYSIS OF SHAREHOLDING

The Share Capital is ₦2,000,000,000 divided into 2,000,000,000 ordinary shares of ₦1.00 each.

UBA Pensions is a wholly owned subsidiary of UBA Plc. The Company has two shareholders, namely United Bank for Africa Plc with 99.99% and Bili Odum with 0.01% of the total paid-up Capital. The authorized and paid-up capital of the Company remained at ₦2 Billion.

INTERIM DIVIDEND

During the period, the Directors approved a dividend of ₦1.65K per ordinary Share of ₦1:00 each to be paid to Shareholders. The dividend is yet to be approved by the National Pension Commission and would be ratified by members at the Annual General Meeting. The dividend has been included as a liability in these financial statements and is subject to a withholding tax at the appropriate tax rate.

DIRECTORS

The following were Directors of the Company who served during the period under review:

BOARD MEMBERS

S/N	DIRECTOR	ROLE
1	Mr. Victor Osadolor	Chairman
2.	Ms. Blessing Ogwu	MD/CEO
3.	Mr. Daniel Wajuihian	Executive Director appointed effective September 3, 2021
4.	Mr. Chukwuma Nweke	Non-Executive Director
5.	Mr. Ugochukwu Nwaghodoh	Non-Executive Director appointed effective May 19, 2021
6.	Dr. Awele Elumelu	Non-Executive Director
7	Mr. Abbas Jega Mohammed	Independent Non-Executive Director
8.	Mr. Mohammed Yayangida Umar	Independent Non-Executive Director appointed effective May 19, 2021

PROPERTY AND EQUIPMENT

There was no change in the nature of the property, plant, and equipment of the Company or in the policy regarding their use. On 31 December 2021, the Company's property and equipment amounted to ₦129,022,000 (2020: ₦99,977,00). In the opinion of the Directors, the net realisable value of the Company's property and equipment is not less than the carrying value in the financial statements. Refer to Note 20 of the financial statements for further details on changes in property and equipment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

In compliance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020, the Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company and other comprehensive income for that year. In so doing they ensure that:

- Adequate internal control procedures are instituted to safeguard the assets, prevent, and detect frauds and other irregularities.
- Proper accounting records are maintained.
- Applicable accounting standards are adhered to.
- Suitable accounting policies are adopted and consistently applied.
- Judgments and estimates made are reasonable and prudent and
- The financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' INTERESTS

The Directors are not Shareholders of the Company.

EMPLOYMENT & EMPLOYEES

UBA Pensions Custodian Limited had a total of 73 staff as of 31 December 2021 comprising of 2 Executive Management, 5 Management staff, and 66 Professionals.

Innovation, teamwork, and cordial relations is encouraged amongst employees. Recruitment is fair and transparent, and the terms of employee employment are equitable. The work environment is free from harassment, and the working condition is conducive. Furthermore, the Company maintains a safe workplace by adhering to fundamental health and safety standards and regulations. Staff members are regularly educated on workplace health and safety and the requirement to report all accidents appropriately.

The Company provides a health insurance scheme for staff members and their immediate families and encourages a good work-life balance and paid annual leave and medical checks.

The Company is an equal opportunity employer. It provides equal opportunities for disabled persons, ensuring that there is no discrimination against them. Currently, there are no disabled employees in the Company. During the year ended December 31, 2021, no employee was disabled in the course of employment.

STAFF TRAINING

UBA Pensions Custodian Limited believes in continuing educational development and professional training. Staff members are trained to equip them with important skills to boost their productivity and develop them professionally. This is achieved through structured and comprehensive training programmes adapted to each employee's job function and role. Trainings were provided to staff members during the review period.

CORPORATE SOCIAL RESPONSIBILITY [CSR]

UBA Pensions Custodian Limited is committed to the promotion of socio-economic development of the country, especially in education and development of the awareness of Pensions. Its policy excludes participation in political activities, individual and staff projects, religious activities, violent sports as well as items that are contrary to good conscience and public opinion.

SUSTAINABILITY

The Company is committed to the conduct of business in a manner consistent with global sustainability practices and which takes into consideration the interests of employees, the community, investors, our customers and the environment as a whole.

In the period under review, the following practices were confirmed to the Board through the Board Audit & Risk Management Committee:

- a. The Company's business in relation to employees is conducted in accordance with the Company's sound Human Resource Policies and the Code of Professional Ethics and Conduct.
- b. A Stakeholder Management Policy has been approved by the Board to govern relations with other stakeholders. This has built continuous loyalty, trust, value, and growth.
- c. There were no reported or assumed cases of employment based on race, gender, religion, culture, politics or economic background in the Company.
- d. The Company's Workplace Code of Professional Conduct & Ethics defines labour standards that aim to achieve decent and humane working conditions. The Code's standards are based on the International Labour Organization standards and internationally accepted good labour practices.

- e. The Company does not encourage the use of forced labour or child labour. The minimum age for employment is the age of majority (18 years).
- f. Our clients and members of the community (other tenants) are treated equally and without discrimination in the conduct of our business.
- g. Regarding the challenges of COVID 19, the Company is in compliance with Nigerian Centre for Disease Control's Guidelines for Business Owners.
- h. The existing culture in UBA Pensions is that men and women are hired at a similar and consistent rate, paid equally, and are given the same working opportunities with the same promotional opportunities.
- i. Obsolete items are disposed in accordance with Policy.
- j. LED lights (bulbs) are currently in use in the office as they consume less electricity than incandescent or CFL bulbs.

EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date that could have effect on the state of affairs of the Company as at 31 December, 2021, which have not been adequately provided for or disclosed.

AUDIT COMMITTEE

The Company has in place a Board Audit & Risk Management Committee pursuant to its Board Governance Charter. The Committee's main Terms of Reference is to assist the Board of Directors in fulfilling its oversight responsibilities regarding audit and control, and to monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of operations of the Company.

Below is the Composition of the Committee:

BOARD AUDIT & RISK MANAGEMENT COMMITTEE

S/N	NAME	ROLE
1	Mr. Mohammed Yayangida Umar	Chairman, INED *appointed effective May 19, 2021
2	Mr. Abbas Jega Mohammed	Member, INED
3	Mr. Ugochukwu Nwaghodoh	Member, NED *appointed effective May 19, 2021
4.	Mr. Chukwuma Nweke	Member, NED
5	Dr. Awele Elumelu	Member, NED *ceased to be a member of the Committee in Q2 2021.
6.	Dr. Tukur Ingawa	Member, INED *Retired effective April 25, 2021

AUDITORS

In accordance with section 401 (2) of the Companies and Allied Matters Act, 2020 and section 20.2 of the Nigerian Code of Corporate Governance 2018, Messrs. Ernst & Young have indicated their willingness to continue in office as External Auditors of UBA Pensions Custodian Limited.

BY ORDER OF THE BOARD



Victor Osadolor

Chairman

FRC/2016/ICAN/00000013923

Lagos, Nigeria

24 March 2022