

LeishTon
CONSULTING. RESEARCH. TRAINING. GOVDATA

Governance and Board Advisory Services

The LeishTon's Way

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LeishTon

as a Game-Changing Company

Message from the President & CEO – Executive Summary

It is with great pleasure, uncommon privilege and a sense of utmost humility that I present LeishTon Consulting to you. It gladdens my heart to have this rare opportunity to introduce our Governance and Board Advisory Services to you. It is indeed an opportunity that we hope would mark the beginning of a great relationship, and first among many interactions to come. Our governance and board advisory services focus on diagnostic and board effectiveness. We provide trusted advice for your board. We are uniquely positioned to provide boards with leading edge thinking on governance excellence across Nigeria and beyond. Our services are in versed array of governance areas, including governance review, governance documentation review, board governance review, board evaluation, CEO evaluation and other reviews such as conflicts of interest review, code of conduct review, independent review, and bribery and corruption review. We use the Kiel, Nicholson, Tunny and Beck's (2012) Corporate Governance Practice Framework and the High Performance Board Model to conduct our governance reviews and board evaluation (and assessments) respectively. We adopt this framework for many reasons, but I will mentioned just a few. First, it was produced through deep governance research by academics led by emeritus professor Geoffrey Kiel and those with real-world extensive leading practice corporate governance experience led by James Beck. Second, it aligns properly with the various sector specific corporate governance codes in Nigeria. Finally, it is one of the most detailed and robust framework that has ever been produced in the world, with extensive referencing, ease of use, simple language, easy to understand and containing numerous practical examples and templates.

We have documented in this brochure numerous reasons why board should conduct regular and periodic

evaluation, but I have chosen to highlight three that I personally reserved for this section. Firstly, a compelling reason for boards to evaluate their performance is that all individuals and groups who focus on a purpose can benefit from feedback. Secondly, board evaluations allow the board to set the “tone from the top” by sending a strong message to stakeholders that the board values a performance culture. Thirdly, in the last 12 years post the Central Bank of Nigeria's (CBN) Code of Corporate Governance for Banks in Nigeria Post Consolidation of 2006, formal board reviews and evaluations have been increasingly used as a method of assessing the performance of boards of companies in Nigeria, particularly banks. Thus, the impetus for assessing board performance can be attributed in part to increasing regulatory prescription.

The CBN corporate governance codes of 2006 and 2014 prescribed a mandatory annual board review/appraisal to be conducted by an independent consultant. The Securities and Exchange Commission (SEC) followed suit in 2014 with a mandatory compliance requirement for boards of public companies to establish a system of formal and rigorous annual evaluation of its own performance, that of its committees, the chairman and individual directors. The SEC went further to recommend that board may engage the services of external consultants to facilitate the performance evaluation of the board, its committees or individual directors. The Code of Corporate Governance for Licensed Pension Operators of 2008 by the National Pension Commission (PenCom) has a similar requirement to that of the SEC. It mandated board of licensed pension operators to conduct formal and rigorous board evaluation on an annual basis and advised that for the purpose of objectivity, the board may consider the use of external third party to conduct the



evaluation. The Code of Conduct for the Insurance Industry of 2009 by the National Insurance Commission (NAICOM) mandated an annual board performance appraisal to be carried out by an external consultant appointed by the shareholders. Finally, the Code of Corporate Governance for the Telecommunications Industry 2014 by the Nigerian Communications Commission (NCC) mandated the board to establish a system for the periodic evaluation (at least annually) of the board, its committees, chairman, chairmen of its committees as well as individual directors

Although all the sector codes discussed above required that boards, along with their committees and individual directors perform annual evaluation, but progressive boards have known all along that self-evaluation is a vital process, one that ensures continuous improvement and renewal. The external environment is getting harsher and ever changing and boards must be prepared to change with it. There is always room for improvement. So, we encourage boards of non-listed companies, not-for-profit organisations and public sector entities to embrace board evaluations. Properly conducted board evaluations help establish the individual and collective responsibilities of directors and identify where the board and individual directors need to enhance their performance.

We also work closely with client organisations to render non-governance review services such as:

- Assisting to develop Standard Operating Procedures (SOPs) for their business units. We work closely with staff of each unit, department, division, entity, subsidiary or group to develop best-in-class procedural manuals or standard operating procedures;
- Developing robust and top-notch compliance related policies, manuals, standards, frameworks, charters and procedures to enable you embed compliance culture in your organisation and in the behaviour and attitude of the employees. We also have the expertise to review your compliance activities and the

Compliance function;

- Working with you to deploy one of our partners' fully integrated GRC and Internal Audit software solution;
- Working with you to develop robust and tailored AML/CFT and Know-your-Customer (KYC) policies, manuals and standards to enable you deliver on your AML/CFT mandates and obligations, including CDD, EDD and the rendition of relevant threshold and suspicious transactions reports. We also have the expertise to review your AML/CFT activities and the AML function;
- Working with you to develop and implement holistic and integrated ERM framework and policies. We can also review your risk management documentation as a distinct service or as an integral part of your risk management function's review;
- Assisting you to establish an effective Conflicts Control Room. We can also review your Control Room function as a distinct service or as an integral part of your compliance and Compliance function's review;
- Collaborating with you to develop world class investment research policies, manuals, procedures and standards. We can also review your investment research policies, manuals, standards and procedures as a distinct service or as an integral part of your compliance and Compliance function's review;
- Working with you to develop and implement robust, comprehensive, holistic, integrated and systematic business continuity and crisis management frameworks and policies. We can also review your business continuity and crisis management documentation as a distinct service or as an integral part of your risk management or business continuity function's review; and
- Partnering with you to develop best-in-class corporate governance and boardroom process policies. We can also work closely with you to deliver on corporate governance and boardroom process documentation

such as board charter, board committee charter, board committee terms of reference, board manual, code of corporate governance, corporate governance charter, corporate governance manual, succession plan (board, directors, CEO, senior executives, etc.), director independence standards and board policy handbook.

Finally, we help boards go beyond the requirements of corporate governance codes and listing requirements by providing practical ways to improve governance processes, board effectiveness, board dynamics and board processes. We are uniquely positioned to deliver high client value to you and your organisation through our independent, commitment to excellence and selected team of experience corporate governance and boardroom process researchers and trainers. LeishTon has the people with leading practice corporate governance competencies to conduct excellent governance review and board evaluation at a reasonable fee. Why not give us the first opportunity and see if the value-add is sufficient for a long-term relationship.

Thank you and do have a great read.

Sincerely yours,



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1.0 Why LeishTon Consulting?

We are first a research company, and everything we do, be it consulting or training, is based on research we have conducted ourselves or those conducted by others. We conduct research across organisations and across industries. So, we do not just advice on the basis of emotions. Our advisory services are based on strong theoretical and empirical findings. These findings allow us to provide our clients with fit-for-purpose advice and solutions.

In addition, we are locals and we understand the business environment. We have worked in multiple industries and job roles, and we tap knowledge from any part of the world it is available. We have a good blend of both consulting and real-world day-to-day practical business experience in Nigeria. We have folded our sleeves before and we can fold it for you. Indeed, we are not just consultants, we have a good understanding of how things play out in practice. We pride ourselves to be subject matter expert (SMEs) in the areas we consult in. If we cannot provide expert advice or provide contemporary insights and in-depth knowledge on a particular subject area, then we would say it from the outset.

Furthermore, we have developed our competencies in a lot of areas and we can be a one-stop shop for your organisation in terms of consulting, training and research (qualitative or quantitative) in the areas of leadership, governance, strategy, change management, risk management, compliance, AML/CFT (for financial institution), ethics, team functionality, emotional intelligence, service excellence, internal control and standard operating procedures (SOPs) development. We also go out of our way to adopt the best model for each service we offer and we are even ready to go down under (Australia) if that is where we will find the best model. Aut Optimum Aut Nihil. This Latin maxim is not just our philosophy for the sake of it, we live it.

Finally, we have few partner firms in South Africa and the UK that we are collaborating with in the area of GRC and Internal Audit Software Solutions. We also have other non-partner firms that we can occasionally collaborate with in areas where we need additional capacity.

2.0 Our Purpose (Our Mission Statement)

To provide top-tier consulting and training experience and top-notch research and governance data for our esteemed clients.

3.0 Our Vision

To be the best consulting, training and research data company in Africa.

4.0 Our Core Values and Collective Ambition

4.1 LeishTon's Core Values (The 10 LeishTon's CCLIIPPTER Values)

C - Culture
C - Collaboration
L - Leadership
I - Integrity
I - Innovation
P - Professionalism
P - Positivity
T - Transparency
E - Excellence
R - Respect

4.2 LeishTon's Collective Ambition

We are not only passionate about what we do, we also strive to deliver the best service to clients every day. For LeishTon, profit is good, but our leaders and employees collaborate to shape a collective ambition that supersedes individual goals and takes into account the key elements that LeishTon requires to achieve and sustain excellence and success. LeishTon's leaders and employees work very hard daily to ensure that the brand promise is kept. LeishTon's leaders are responsible for ensuring that the employees, the people carrying out the promise day in and day out, understand its very essence.

At LeishTon, we do not pursue a single ambition, such as profit, but rather we harness our collective ambition to deliver value to our stakeholders through enhanced performance, creating a collaborative climate, whilst maintaining a definiteness of purpose. LeishTon is guided by a collective sense of purpose. Our collective ambition at LeishTon is to be explicit about:

- Why we are in business (i.e. why we exist);
- What we hope to accomplish;
- What we stand for;
- How we will collaborate (Leaders and Employees) to achieve our ambition;
- How our brand promise aligns with our core values; and
- How deep we want our connection to be with our clients.

4.3 LeishTon's Collective Ambition Compass

LeishTon's collective ambition compass is a summary of how LeishTon's leaders and employees think about why they exist, what they hope to accomplish, how they will collaborate to achieve their ambition and how their brand promise aligns with their core values.

At LeishTon we use a design of concentric circles to represent our collective ambition. We think of it as a compass. Purpose is the centroid around which vision, strategy, brand, value and leader behaviours must orbit. The outermost ring contains the leader behaviours that enable progress. Vision, brand promise, strategic operational priorities and values lie in between, along with the target and milestones that will measure LeishTon's progress in each element.



5.0 Our Mantra

Insight. Focus. Agility

6.0 Our Philosophy

Optimum Aut Nihil

7.0 Governance and Board Advisory Services

Our governance and board advisory services focus on governance diagnostic and board effectiveness. Based on our versed research experience in corporate governance across six of the seven continents of the world, we are uniquely positioned to provide boards with leading practice thinking on sound governance. We provide trusted and value-for-money advice for boards and your board could benefit from our leading practice approach to governance review and board evaluation.

We want to be a fantastic partner to our clients, while being respectful of their wishes and challenges. We listen to clients' questions and provide them with custom solutions, models, approaches and answers to enable them respond to 21st century governance and boardroom issues. We expect to have a long-term relationship with our clients for a number of reasons:

- We want our clients' people to continue to grow and develop so that they can deliver legendary service to their clients; and
- Our constant diagnosis of governance structure of our clients' organisations will allow us to delve deeply into specific areas of governance and boardroom processes that might necessitate us designing the right governance development programmes.

8.0 Governance Review (Our Approach)

Any governance review, whether Corporate, Not-for-Profit or Public Sector Corporation, will be unique to the organisation and will depend on factors such as the organisation's ownership, legal structure, regulatory environment, culture and the outcomes sought in undertaking a review. As such, our approach is customised for each client's needs. In addition, our governance review

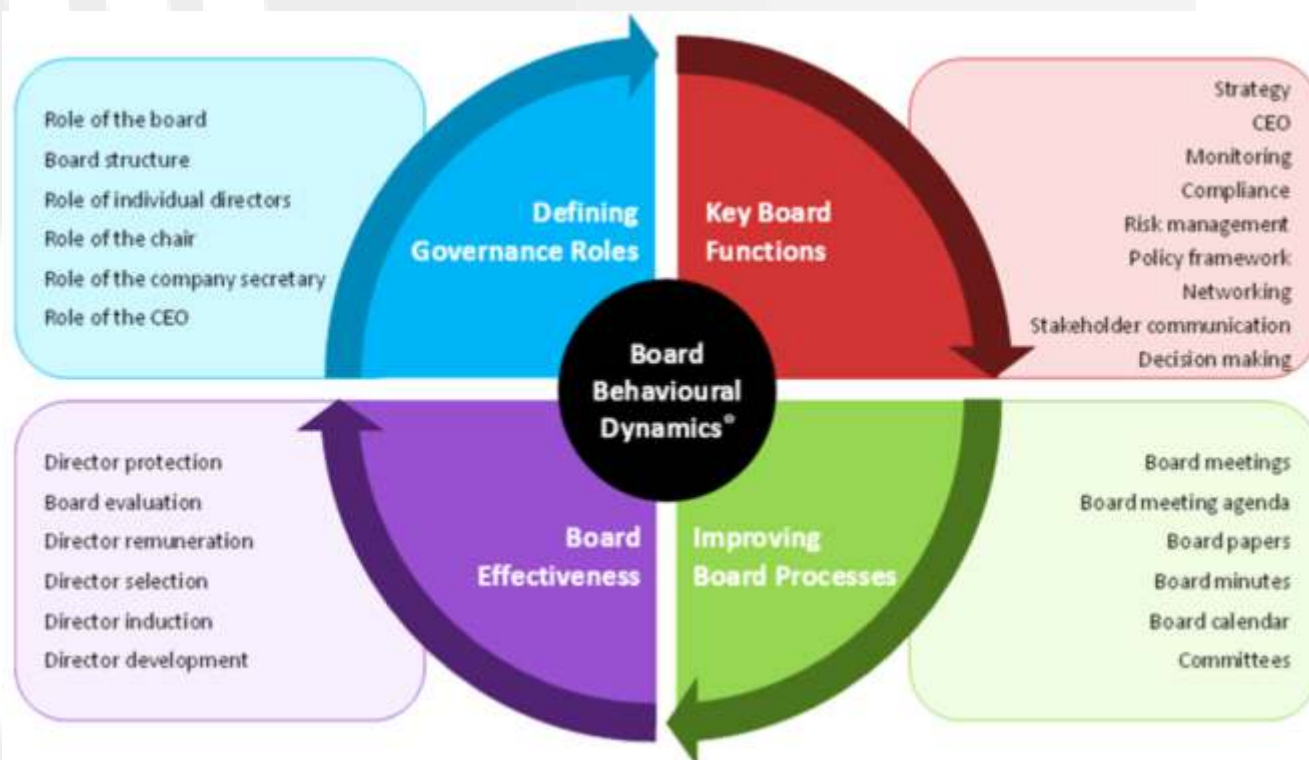
takes whole of system view, focusing on the performance of directors, the board, the way governance plays out in the business and its relationship with stakeholders. Our interest is resolutely focused on providing the best quality governance advice to boards, uncompromised by conflicts of interest in other service areas. Our team members have the experience and expertise to work with you and your board to identify issues, understand root causes, offer practical models and methods for improvements and partner through implementation. For example, areas of focus in a governance review may include:

- Determining if the governance system adds value or is a burden to the organisation;
 - Addressing a specific issue of concern with the current governance structure such as the number or type of board committees;
 - Alignment of the governance system with an existing or new strategic direction;
 - Adoption of leading practice governance in terms of policies and procedures (documentation review); and
 - Compliance with national and international codes and standards.
- However, since the underpinnings of a governance framework are common to most organisations, we use our well-known Corporate Governance Practice Framework shown below to guide our approach.

“Our governance and board advisory services focus on governance diagnostic and board effectiveness.”

“Good corporate governance does deliver economic benefit to the shareholders. That is the basis on which we need to pursue it.”
- Arun Duggal

9.0 Corporate Governance Practice Framework



Source: G. Kiel, G. Nicholson, J. A. Tunny & J. Beck, 2012, *Directors at Work: A Practical Guide for Boards*, Thomson Reuters, Sydney.

10.0 Governance Documentation Review

Since the board is ultimately responsible for all the actions and decisions of an organisation, it will need to have in place specific charters, policies and similar governance documentation to guide organisational behaviour. We can assist your board to review current governance documentation or to develop this essential documentation to ensure it is meeting the needs of the board and organisation as a whole. The documents your board may need to review or develop include:

- Board charter – a policy document that clearly defines the roles, responsibilities, authorities and processes of the board and senior management
- Risk management policy and ERM framework – principles of good governance require the board to establish a comprehensive system of risk management, risk oversight, compliance, and internal control for the organisation
- Board agenda – an agenda that works for the board
- Board orientation policy and programme – board orientation is essential to ensuring that new directors become productive contributors to the board as quickly as possible
- Board paper policy and procedure – a policy designed to guide management in writing board papers that deliver what the board needs to know
- Committee charters – a policy document that clearly defines the scope of each committee so that it can work for the board
- Communications strategy – communicate effectively with stakeholders
- Whistleblowing policy – a practical policy designed to meet compliance and/or regulatory requirements
- Succession Plan – A strategic document that contains an organisation's plan to identify and develop individuals who possess key talents and high potentials within and outside the organisation who can successfully assume key board or management roles in the event that an incumbent leader resigns, retires, get fired, sick (incapacitated) or dies, with the aim of ensuring business continuity, sustainability

and growth. A sustainable leadership pipeline and capacity is strategically built and achieved through a successful succession planning. The succession plan should contain both planned and emergency succession plans

- Board Planning Cycle – A document that identifies pre-planned items for agenda throughout the year. It helps the board to focus its attention
- Code of Conduct for Directors – Establishing the proper ethical tone from an organisation's leadership is critical. Directors' code of conduct is essential to promote and ensure a high standard of board members' ethical conduct. It provides clear parameters about acceptable principles within which directors are empowered to make decisions

11.0 Board and Management Evaluation

Although most organisations periodically review the performance of key contributors, including individual employees, work teams, senior management, business units, departments, divisions, but one contributor usually escapes such review, and that contributor is arguably the single most important, the board. In some organisations, board evaluation is too often viewed as a necessary evil. In fact, it is often approached in a mechanistic way by checking off items on a list that ultimately has little or no real value for the board apart from satisfying regulatory requirements. Furthermore, many boards seem to get tied up in knots about the process of self-evaluation, spending a lot of time discussing how to go about it or how to do it, but not getting down to actually doing it. The irony is that, when a major organisational crisis occurs, such as experienced by Aero, Arik, HITV and Etisalat Nigeria, it is to the board that the shareholders, regulators, media, law enforcement/investigative agencies and customers look for answers. So, if this process is this important, then why do boards resist it?

In contrast, an effective board evaluation and assessment process has the potential to be transformational. Indeed, there is great value in properly conducting board evaluations. Some of the benefits of board reviews when properly and rigorously conducted include:

- Enable the board to identify areas of improving performance;

- Provide accountability to relevant stakeholders, including the board itself and shareholders. Also ensure that performance in financial matters as well as non-financial matters can be made more rigorous, more quantitative and more clearly relevant;
- Assist to tailor the board and committee composition to best meet the organisation's objectives
- Highlight the board's achievements;
- Provide greater clarity with regard to members' roles and responsibilities;
- Set the tone for the organisation from the top regarding performance evaluation and continuous improvement;
- Provide an objective method for a director to communicate his or her impact, performance, expectations and responsibilities;
- Add credibility in the eyes of shareholders and stakeholders, regarding the board's functioning and reputation;
- Proactively expose members' blind spots before they could get into trouble;
- Enable more effective team dynamics and communication within the boardroom;
- Create more effective board operations;
- Provide a check on progress against the organisations vision, purpose, strategy, core principles and policies;
- Help identify strengths and weaknesses and help make changes that can improve value to the organisation's principal stakeholders;
- The report of the review can act as a readily available tool to project the image of the organisation when discussing with potential investors, particularly institutional investors;
- Boost regulatory confidence in the organisation;
- Enhance members' image, especially if such reviews confer high performance status on the board;
- Improve Board-CEO relations;
- Provide opportunity for underperforming directors to voluntarily stand down for re-election, as well as prevent director candidates who are not willing or able to work hard from standing for election;
- Motivate members to work hard to make sure they are not perceived as underperforming in the first place;

“Given the criticality of the board's role on an organisation's effectiveness, even a small improvement in the board's performance can have a profound positive impact on its overall success and well-being.”

- LeishTon Consulting

- Help to better align the board with the organisation's long-term sustainable growth, investment strategies and risk management; and
- The outcome of the review becomes the benchmark for assessing the board performance in the coming year.

Despite the growing empirical evidence on the value of annual evaluations, many directors, particularly in the Nigerian jurisdiction, struggle with the need to deploy resources for annual board evaluation. Some even feel that they do not need it because they know what they are doing in their boards, thus, the evaluation exercise is of no value. Still some others take the view that they, and their companies, are performing well, so, “if it is not broken, why fix it.” But the good news is, when the board evaluation process is designed and approached thoughtfully and conducted with an eye for candour, then the outcome can improve performance, uncover useful insights and be a catalyst for an effective annual board agenda.

Although it is crucially important that boards conduct annual evaluation of its performance, care must be taken to ensure that the review process is not controversial and not self-serving. According to Subramanian (2015), whilst internally conducted board evaluations might be well-intentioned, directors might be unwilling to disclose perceived or actual weaknesses of board members. This could impair the effective functioning of the board. Leading practice strongly recommends that regular, independent third-party led (facilitated by external consultants) evaluation of the board as a whole and the contribution of individual directors (self and peer evaluation) be conducted as a crucial component of sound corporate governance. Above all, whether the process is done internally (self-evaluation) or third-party led (by external consultants), the result should be easily interpretable to enhance the board's opportunity to maximise the benefit of the review. In other words, the evaluation should add real value.

LeishTon has a best-in-class board and corporate governance evaluation tool, BoardEvass™, and applies a unique framework that has the capacity to provide assurance of anonymity, preservation of board resources, great user experience and enables LeishTon's subject matter experts to bring to bear their many years of board/corporate governance multi-jurisdiction research experience. LeishTon is your trusted corporate governance and boardroom process partner for board and corporate governance diagnoses and reviews. Our unique process enables us to work closely in consultation with boards and senior management of organisations across industries to effectively deliver on the following:

- Board Evaluation;
- Director Self-Evaluation;
- Director Peer Evaluation;
- Board Audit Committee Evaluation;
- Statutory Audit Committee Evaluation;
- Investment Committee Evaluation;
- Governance and Nomination Committee Evaluation;
- Compensation Committee Evaluation;
- Risk Management Committee Evaluation;
- Credit Committee Evaluation;
- Other Board Committees' Evaluation;
- Not-for-Profit Organisation's Board Evaluation;
- Short-form Board Evaluation;
- Director Independence Questionnaires;

11.1 Board Evaluations and Assessments

Whether it is a regulatory requirement or not, every board should, at least once every year, conduct evaluation and assessment of its activities, those of its committees, as well as self-appraisal and peer evaluation of its directors. More than a few good reasons come to mind why organisations should annually review the effectiveness of their boards, the most pressing of which is that it is a good practice and it pays off in the long run. Many other reasons abound. Shareholders and influential investors, and in particular institutional investors, are beginning to demand it. Conducting a board evaluation can clarify the individual and collective responsibilities of its directors, and enhance their knowledge of what is expected of them and areas of improvements, which can help board members to become more effective. The changing role of corporate governance has created another compelling reason to conduct board evaluation regularly. It helps to sustain the energy in the boardroom as directors are aware that they will give account of their stewardship. Appraising a board's performance properly may improve the relationship between an organisation's board and its executive. The annual assessment demonstrates the board's commitment to transparency, accountability and improvement, three critical values of high performing boards. It allows the directors time for self-reflection.

“Evaluations can only be done if expectations are set at the beginning of the evaluation period.”
- Nawshir H. Mirza

11.2, 11.3

- New Director Questionnaires;
- Cyber-Security Questionnaires for Board; and
- Board Systems Questionnaire.

11.2 LeishTon's Board Evaluation Approach

Given the board's critical role in setting the strategic vision of the organisation and its oversight function over management, small improvements in the board's performance can have a profoundly positive impact on the effectiveness of the organisation.

A board evaluation is a self-assessment that builds accountability, compliance and productivity of your organisation's board. LeishTon's Board Evaluation process is modelled after the High Performance Board Model espoused by Kiel, Nicholson, Tunny and Beck (2012). We adopt this robust approach because it aligns

properly with the various corporate governance regimes in Nigeria, including the CBN Code of Corporate Governance for Banks and Discounted Houses in Nigeria 2014, the SEC Code of Corporate Governance for Public Companies in Nigeria 2011 (as amended), The NAICOM Code of Corporate Governance for the Insurance Industry in Nigeria 2009, The PenCom Code of Corporate Governance for Licensed Pension Operators 2008 and the NCC Code of Corporate Governance for the Telecommunications Industry 2014.

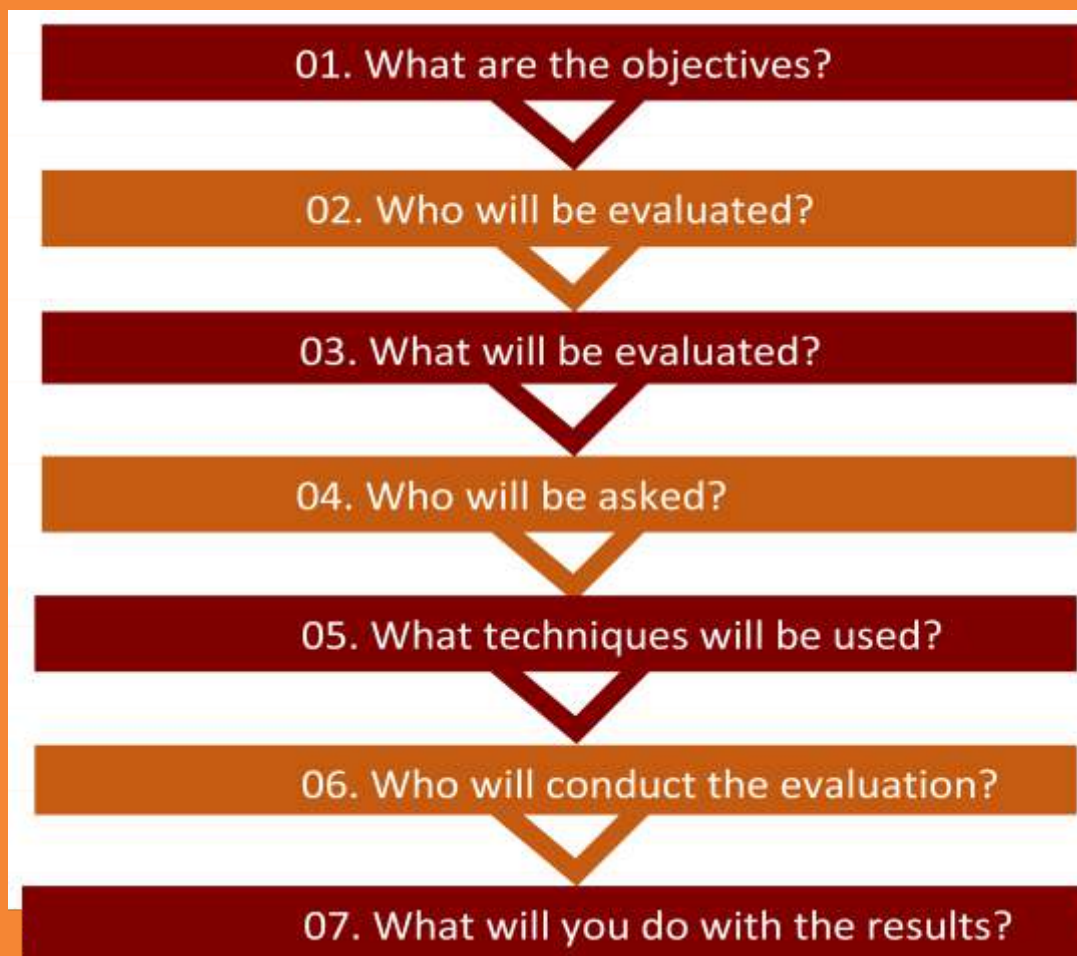
A board review allows the directors time for self-reflection and is the most effective means for identifying areas for improving performance. Leading practice strongly recommends that a board review should not only involve the board as a whole, but also reviews the contribution of individual directors through an externally facilitated process of self and peer evaluation.

11.3 High Performance Board Model



Source: Adapted from *Directors at Work: A Practical Guide for Boards* by G. Kiel, G. Nicholson, J. A. Tunny & J. Beck, 2012, Thomson Reuters, Sydney.

11.4 Seven-Step Board Evaluation Framework



Source: G. Kiel, G. Nicholson, J. A. Tunny & J. Beck, 2012, *Directors at Work: A Practical Guide for Boards*, Thomson Reuters, Sydney.

11.5 Evaluation Design and Data Gathering

We view our board review exercise as a facilitation process that provides directors a forum to reflect candidly on how well they, the board and committees, are meeting assigned responsibilities and fulfilling their obligations. The High Performance Board Model ensures that the evaluation process creates a positive outcome for the board, by enabling honest reflection and assessment and avoiding the perception that personal performance is being assessed. The design of the evaluation is critical to the process.

We strive to tailor the appropriate methodology for each client and provide both quantitative and qualitative data

gathering options. We use questionnaires as our primary data gathering tool and apply qualitative data gathering tools such as interview and documentation review.

Our questionnaires are administered through our user-friendly BoardEvass™ tool. The LeishTon BoardEvass™ is an online tool designed to systematically assess board performance, appraise corporate strategy, examine compliance and analyse critical board relationships, competencies, structure, behaviours and roles; a key tool to effective corporate governance. BoardEvass™ is a confidential, safe and secure tool. Where it is not practicable to administer our questionnaires via the BoardEvass™ platform, a paper and pencil alternative will be used.

11.6 The 6-Stage Governance Review and Board Evaluation Process

Stage 1. Project Planning and Design (Determine project scope and detailed project planning).	Stage 2. Data Gathering (Quantitative and Qualitative techniques).	Stage 3 Data Analysis.	Stage 4 Issuance of Draft Report.	Stage 5 Presentation of Final Report to the Board.	Stage 6 Document Agreed Outcomes Governance Roadmap.
During this stage we develop a comprehensive project plan. We liaise with the appropriate people to distribute questionnaires	In this stage we administer online or paper questionnaire. Based upon questionnaire results, we can conduct focused interviews to gather more information	During this stage we review our results and synthesise the findings into a Findings Report	During this stage the report is sent to the client to review for factual accuracy. We would typically ask the client if any material information presented to us was left out. Any new, relevant information as the client review the Draft Report may be integrated into the final report	The output from the review will be delivered in a Board meeting	Agreed goals and activities arising from the Board meeting are documented in a Governance Roadmap

11.7 Reflecting on the Report

The report of the findings of the Board Evaluation presented to the Board will assist members of the Board to identify where they are performing well or where further discussion, decision and action is required on Board performance. The LeishTon rating supports this process. A Board meeting, to confidentially review the outcome, enables participants to give full and frank insights and provide useful feedback.

embedded within the board's culture. Board governance maturity model consists of five stages ranging from an initial baseline stage progressing through to an optimal stage where leading practices are followed or established.

Board governance maturity models can be used to measure the current level of board governance culture. The greater the level of board governance maturity, the higher the standard of board governance practice and the more embedded board governance activities will become. The model's diagram provides an interpretation of the level of board governance maturity of an organisation's board, based on the five-level model. The levels are: 1. rudimentary, 2. developing, 3. acceptable, 4. advanced, and 5. leading practice.

By implementing the Board Governance Maturity Model, a board can decide, given their organisational environment, which level of maturity is sufficient for their context. Having established the maturity level, the board is provided with the stepping stones or incremental governance initiatives on the pathway to sound governance.

11.8 Review Outcomes

Board discussion, engagement and agreement on action are key success factors. LeishTon can provide recommendations and facilitate a board workshop, providing the opportunity for discussion and action to enhance Board performance. Our Governance Road Map provides the Board with an action schedule for governance improvements agreed in the workshop, facilitating ongoing improvements and performance benchmarks of the Board's progress.

11.9 Board Governance Maturity Model

Increase in board governance effectiveness can be measured by the use of board governance maturity model. The level of board governance maturity is a measure of the quality of board activities and the extent to which they are

“The level of board governance maturity is a measure of the quality of board activities and the extent to which they are embedded within the board's culture.”

“Formal performance appraisals of a company's CEO by its board are becoming increasingly commonplace.”

- Conger et al., 1998

11.10

Five Levels of Board Governance Maturity

Level 1: Rudimentary

Board governance practices are either non-existent or in the very early stage of development.

Level 2: Developing

Shortfalls in board governance practices may have been identified and initial steps may have been taken to rectify them. The changes that have been made are still quite basic, leaving significant room for improvement.

Level 3: Acceptable

The minimum performance and compliance requirements in board governance practices are in place. There is still room for improvement.

Level 4: Advanced

Advanced governance practices are in place. They exceed minimum performance and compliance requirements. Only minor improvements are required to achieve and be recognised as leading practice.

Level 5: Leading practice

Board governance practices are recognised by others to be of the highest standard. No further changes are required.

11.10 Top Management Evaluations and Assessments

Although the significance of CEO's evaluation cannot be over-emphasised, but it is shocking how perfunctory board of directors can be in their feedback, appraisal, review or evaluation of their organisation's CEO. Some chairmen of boards or even chairmen of compensation committees, carry out this all important task in just few minutes, and in this session, the feedback the CEO gets is solely financial performance related. Sometimes, the feedback the CEO gets is that the board is happy with his or her performance. The sad part of this process is that the manner in which the CEO is evaluated is significantly different from the rigour that the CEO and other executive directors apply in evaluating their team members. Do not get us wrong. CEO's autonomy is good, but to use CEO's autonomy as a justification for limiting performance assessment to only financial performance just does not seem right. Something that is critical is that all the financial incentives in the country would not

transform CEOs into better decision makers, and when these CEOs make terribly wrong decisions, everybody on the board no longer have a board to sit on because the organisation is gone under.

It is therefore imperative for board members to know that they have an obligation to owners to ensure that organisations are sustainably run, and the sooner they can identify problems with executive management's performance, the better for all (a stitch in time saves nine). So, for process improvement and to avoid the pitfall we described above, the board, particularly, independent and non-executive directors must develop tools that allow them

“One of the most important governance practices to emerge in the last three decades is the performance assessment of the CEO.”

- Conger, Lawler and Finegold, 2001



to rigorously and effectively evaluate their CEO and executive directors. LeishTon has a best-in-class board and corporate governance evaluation tool, BoardEvass™, and applies a unique framework that has the capacity to provide assurance of anonymity, preservation of board resources, great user experience and enables LeishTon's subject matter experts to bring to bear their many years of board/corporate governance multi-jurisdiction research experience. LeishTon is your trusted corporate governance and boardroom process partner for board and corporate governance diagnosis and reviews. Our unique process enables us to work closely in consultation with boards and senior management of organisations across industries to effectively deliver on the following:

- CEO Evaluation;
- Executive Directors' Evaluation;
- Management Evaluation of the Board;
- Management Committees and Sub-Committees' Evaluation;
- Management Team Evaluation; and
- Strategy Evaluation.

11.11 LeishTon's CEO Evaluation Approach

Our CEO evaluation process design and management:

- Bring our many years of board governance research to bear in designing a CEO evaluation review process or we utilise your existing evaluation
- Administer through our user friendly interface, the BoardEvass™ tool
- BoardEvass™ tool is a tool hoisted with highly sophisticated and secured third party provider to protect and assure respondents' anonymity and confidentiality
- Unique reporting with customisable features
- Interview option available
- Flexible

11.12 LeishTon's Questionnaire Customisation Process

LeishTon Questionnaire Customisation Process – How it Works

Customisable Questionnaires	LeishTon converts and streamlines your paper-based board evaluation questionnaire to an electronic format
Administration	LeishTon subsequently administers the questionnaire to directors, officers, and other employee and third parties designated by you
Results	LeishTon develops a high-value, written report indicating to what extent the respondents meet the independence requirements as specified under applicable laws, regulations and exchange listing guidelines
Report	The report is presented to the board or a board-designated representative

12.0 Other Reviews and Questionnaires

LeishTon provides unique, cutting edge and innovative tools for questionnaire design and dissemination, board evaluations, CEO evaluations, compliance reviews, AML/CFT reviews, ERM function's reviews, BCM function's reviews, conflicts control room reviews, research compliance reviews, governance reviews and other reviews in specific organisational areas of interest such as cyber-security, code of conduct and ethics, conflicts of interest, anti-bribery and corruption, whistle-blowing, leadership, team building, employee engagement and motivation, organisational development, organisational commitment and job satisfaction.

These tools, including the BoardEvass™ tool, allow us to work closely with organisations to identify key areas of improvement (such as performance and team improvement), benchmarking internal practices to leading practices and providing a solid foundation for future organisational endeavours such as board and directors' self and peer reviews.

LeishTon is uniquely positioned and dedicated to promoting best practices tools that would assist organisations with the establishment and the pursuit of sound governance and leading practices. As a trusted, third-party, professional service and solutions provider, we are focused on working closely in consultation with you and your organisation with a view to delivering high value to you and your organisation.

Aside the corporate governance, board and management reviews, LeishTon can work with you and your organisation to design and administer a wide range of questionnaires for different forms of reviews using our BoardEvass™ tool. BoardEvass™ enables us to efficiently administer questionnaires and a wide range of documents, including, but not limited to, the under listed questionnaires:

- Code of Conduct and Ethics Questionnaires;
- Conflicts of Interest Questionnaires;
- Anti-Bribery and Corruption Questionnaire;
- Whistle-blowing Questionnaires;
- Compliance Function's Questionnaires;
- Cyber-Security Questionnaires;
- ERM Maturity and Sophistication Questionnaires;
- Compliance Maturity and Sophistication

Questionnaires;

- BCM Maturity and Sophistication Questionnaires;
- AML/CFT Questionnaires;
- Job Satisfaction Survey (JSS);
- LeishTon Satisfaction Questionnaire (LSQ);
- LeishTon Commitment Questionnaire (LCQ);
- Multifactor Leadership Questionnaire (MLQ);
- Authentic Leadership Questionnaire (ALQ);
- TCM Employee Commitment Survey
- Team Coherence Survey (TCS);
- Employee Engagement Survey (EES);
- Organisation Development Questionnaire (ODQ);
- and
- Others.

13.0 Specific Areas of Focus during the Board Evaluation Process

13.1 Director Self-Evaluation

Individual board director self-evaluations enable directors to reflect on their own performance and identify areas for improvement. Self-evaluations are non-invasive in nature and are designed to educate and promote candour. Similar to the objective of our Board Evaluation process, the objective of our Self-Evaluation process is to increase board awareness and education.

13.2 Directors Peer Evaluations

Board of directors peer evaluations are perhaps the more candid evaluation of director performance in that they provide in-depth information regarding fellow directors and inner-workings among them. They promote accountability among directors: the evaluation reveals a board's particular strengths, and areas where both directors and board as a whole lacks expertise or is performing short of expectations.

Board peer evaluation can be somewhat adversarial in nature. LeishTon's Peer Evaluation takes great care to encourage collegiality among board members. Directors are encouraged to speak frankly as they are afforded complete anonymity in taking the LeishTon's Peer Evaluation survey.

13.3 Audit Committee Evaluation

With the increasing importance of the role of the audit committee comes an increased need for performance measurement of that important function. How can

companies know their audit committees are performing effectively, that its members are financially literate and that the highest ethical standards are being observed?

As with all LeishTon's questionnaires, evaluations and training tools, LeishTon can simply convert your organisation's existing materials to a more flexible and efficient governance document or work with your board or its representative to design a new questionnaire closely tailored to the unique aspects of your business.

13.4 Compensation Committee Evaluation

It is the mandate of the compensation committee to have oversight of the company or organisation's compensation policies. Best practices dictate that such policies align compensation with an overall business strategy. It is also important that these policies tie compensation to long-term strategic performance and enhancement of stockholder value. A performance-oriented environment should also reward achievement of internal goals. In determining the compensation of the CEO or other executives, the committee should look to performance objectives of other similarly situated companies in its own industry. Lastly, the committee should align the financial interests of its executives to those of the company's shareholders. An annual performance review of the CEO determines if performance is in line with achievement of overall goals and objectives.

13.5 Governance and Nomination Committee Evaluation

Governance and Nomination is the most influential standing committee of the board of directors. The primary purpose of this committee is to recruit new board members and ensure that board members are prepared to carry out their responsibilities on the board. Additionally, the committee, among other things, is responsible for oversight of succession planning, executive compensation, orientation and continuing education of board members, and ensuring the board engages in annual board evaluations. In some organisations the Governance Committee is separated from the Nomination Committee. In such organisations, the Governance Committee will be primarily responsible for oversight of board and CEO succession planning and evaluation whereas the Nomination Committee will be responsible for recruiting new board members.

13.6 Investment Committee Evaluation

It is the mandate of the investment committee to assist the board and the company in overseeing investments made by the company and to provide oversight on key investment policies and frameworks of the company. The committee discusses, reviews and approves investment strategies of the company. It also considers and approves proposal for investment up to certain thresholds.

13.7 Risk Management Committee Evaluation

Relevant corporate governance codes in Nigeria require the board to establish a committee responsible for the oversight of risk management. The mandate of the risk management committee is to assist to consider the enterprise risk management (ERM) framework, risk management policy and plan and monitor the risk management processes. According to the CBN Code of Corporate Governance, the Chief Risk Officer (CRO) must report directly to the Risk Management Committee. The performance of the committee should be evaluated alongside those of other committee annually.

13.8 Credit Committee Evaluation

For deposit money banks (DMBs), the credit committee has the mandate to consider and approve all insider credits applications pertaining to directors and top management employees, as well as parties related to them. The credit committee should comprise board members knowledgeable in credit analysis.

13.9 Other Board Committees' Evaluation

Boards of organisations may decide to establish other committees that have not been specifically mentioned in this brochure such as finance committee, ethics committee, compliance committee, research and development committee, strategy committee, fundraising committee, public relations committee, marketing committee and operations and technology committee or ad-hoc committees to assist boards in their oversight roles. LeishTon's evaluation approach and process for such committees are the same as those for the more traditional committees such as audit committee and nominations committee.

13.10 Not-for-Profit Board Evaluations

The LeishTon Not-for-Profit evaluation is similar to the LeishTon Board Evaluation but designed specifically for not-for-profit organisation's board. Not-for-profit boards are encouraged to periodically review their effectiveness with a view to taking steps to improving the quality of governance, boardroom discussion and decision making.

13.11 Not-for-Profit Board Governance Review

This questionnaire examines a not-for-profit board's mission, vision, financial oversight, conflict of interest and ethics, highlighting the board's strengths, weaknesses and operational effectiveness.

13.12 Short Form or Self-Evaluation Reviews

The LeishTon's Short-Form Evaluation covers all the major areas of a board evaluation. This short survey can be provided online or electronically in MS Word format. This fully customisable self-evaluation tool is simple and effective.

13.13 Strategy Evaluation

Evaluating strategy is integral to enterprise success. The company's board of directors is responsible for monitoring and supporting management's execution on strategy. A client, usually the board Chairman or Company Secretary, works with LeishTon's experts, who inputs the company's customised strategy evaluation into the BoardEvass tool and on the basis of which the evaluation is conducted. Our reports provide insights and actionable outputs.

13.14 Cybersecurity Questionnaire for Boards

Of all the risks that directors have to evaluate and oversee, cybersecurity is among the most quickly evolving and potentially hazardous threats to the enterprise. For this reason, the LeishTon team develops and administers cyber-security questionnaires designed to help companies' boards evaluate their level of cyber-security expertise and to understand their companies' alignment with the latest in cybersecurity protocols and practices.

14.0 Specific Areas of Focus during the Top Management Evaluation Process

14.1 Management Team Evaluation

Whether a quick review of team status or a deep dive into management team dynamics and strategic execution. The LeishTon BoardEvass™ platform is a sophisticated, user friendly, and low cost solution. Choose from our questionnaire library, add custom questions, and initiate the evaluation in less than a week. Our unique reporting provides insightful and actionable output.

14.2 Management Evaluation of the Board

Management and board alignment offer a higher probability of success. The board has a mandate to monitor management performance. A 360° style approach is to also offer a management evaluation of the board enhancing the bi-lateral interaction of board and management that enhances the opportunity for communication and alignment.

15.0 Other Areas for Review

15.1 Code of Conduct Review (Questionnaire)

Establishing the proper ethical tone from an organisation's leadership is critical. A well-designed code of conduct questionnaire ensures that the board of directors and key executives are driving this tone and monitoring administration of such program. Our BoardEvass™ questionnaires cover all the key components of a comprehensive ethics platform such as employee awareness, training, hotline availability, and endorsement by the board and top management.

15.2 Conflict of Interest Review (Questionnaire)

Does your organisation need a conflict of interest questionnaire deployed within few days? Then, do you need the report completed and ready for your review within few weeks? And, has budget reduction made this all seem impossible? We can make it happen.

15.3 Independence Review

From time to time, companies and not-for-profit organisations require or desire an independent review to be conducted. Reasons for such an undertaking can range from investigation of a potential problem to taking a

“An organisation cannot manage risk effectively without the use of specialised risk software which drives accountability and ownership for risk in a coordinated manner across the organisation.”

15.4, 16.0, 16.1, 16.2, 16.3

fresh look at a critical operational issue. No matter what the need is, LeishTon offers an ideal framework and completely independent source for the task. LeishTon's information gathering and top-of-the-industry metric-based reports allow management to quickly evaluate and address issues of critical importance.

15.4 Bribery and Corruption Review

Whether operating offices solely in Nigeria or operate branches, subsidiaries or representative offices in the United States, in the United Kingdom, or other locations throughout the world, close attention to country-specific corruption and anti-bribery provisions is essential for companies, big and small, as well as for their key executives. The foundation of such global risk mitigation is a well-designed anti-bribery and corruption compliance programme, coupled with board-level review of this programme. LeishTon's team designs and administers the UK Bribery Act, FCPA and anti-bribery review and anti-bribery and corruption compliance questionnaires and training tools to keep board members and other key executives informed and involved in this critical area.

16.0 Other Governance Services

16.1 Business Unit Standard Operating Procedures (SOPs)

Your organisation's talents are your intellectual capital and you can create a win-win situation by recruiting talented individuals into your organisation and ensuring that their talents are documented so that when they leave your organisation you retain the documented talents which form part of your intellectual capital.

We assist organisations, including commercial banks, merchant banks, investment banking firms, asset management firms, fund managers, investment and finance companies, trustees, registrars, broker-dealer firms, issuing houses, underwriting firms, pension fund administrators, pension fund custodians, insurance companies, micro-finance banks, development banks, pharmaceutical companies, telecommunication companies, oil and gas companies and FMCGs, to develop standard operating procedures (SOPs) for their business units.

We work closely with staff of each unit, department,

division, entity, subsidiary or group to develop best in class procedural manuals or standard operating procedures.

16.2 Guidance on Corporate Governance Codes

When codes of corporate governance are released in leading practice jurisdictions, guidance notes are issued to help with the smooth implementation of such codes. However, the same cannot be said of the practice in Nigeria. LeishTon Consulting is willing to partner with relevant regulators in Nigeria with a view to developing guidance notes on specific areas of such codes, including, but not limited to, risk management, compliance, board orientation/induction, board evaluation, succession planning, assessment of the system of internal control and CEO selection.

16.3 Governance, Risk Management, Compliance (GRC) and Audit Software Solutions

An organisation cannot manage risk effectively without the use of specialised risk software which drives accountability and ownership for risk in a coordinated manner across the organisation. Therefore, if your organisation is serious about risk management you need specialised risk management software which will:

- Facilitate and embed risk management in your organisation; turning risk management into a 'living' activity which is integrated within the business and its operations;
 - Facilitate a culture of risk and control within your organisation; driving accountability for risk management at all levels of the organisation enabled by the 'live' updating and monitoring of action plans;
 - Facilitate an integrated approach rather than a silo-driven approach to risk management by linking related risks across the organisation and monitoring the knock-on effect of risks, key risk indicators, incidents, controls, causes, etc.;
 - Improve the quality and consistency of data captured giving you one version of the truth, audit trails, etc.;
- Provide an up to date dashboard of your risk

- universe, including consolidated and trend reporting at any level of the organisation, all at the click of a button; and

- Ensure directors and senior executives' protection through a formalised system-driven approach to risk management and compliance.

LeishTon can work with you to deploy one of its partners' fully integrated GRC and Internal Audit software solution that:

- Support best practice standards (e.g. ISO, 31000, ISO 19600, COSO ERM Framework 2017) and provide seamless integration with compliance and audit if required;
- Provide a simple, cost effective, user friendly and non-intrusive interface for the normal business user (e.g. action plans, checklists, risk and control self-assessments, etc.);
- Is highly flexible, configurable and parameter-driven, thus, can be customised to support your risk methodology;
- Ensure that the software offers flexible reporting capability without any programmer intervention;
- Ensure that there are regular upgrades to the software ensuring that it is aligned with best practice risk management standards, as well as kept up to date with the latest technology platforms and that the upgrade process is simple and never overwrites existing custom fields/custom settings;
- Maintain a central library of common objectives, risks, controls, KRIs, etc.;
- Link strategy, performance and objectives to risks and risks to other risks, KRIs, whilst enabling dynamic re-assessment and automated notification;
- Send online questionnaires and surveys without any licensing or cost implications;
- Deliver online action plans with email notifications to all auditees without any licensing or cost implications;
- Provide online help, FAQs, up-to-date system documentation; and
- Deliver end user support process, support portal, as well as regular user groups and refresher training.

stakeholders (ISO 19600:2014). Compliance and integrity are therefore not only the basis, but also an opportunity, for a sustainable and successful organisation. An effective enterprise-wide compliance management system enables an organisation to demonstrate its commitment to compliance with applicable laws, regulations, rules, industry and organisational codes and standards, as well as standards of sound corporate governance best practices, ethics and stakeholders' expectations.

Effective compliance management means meeting your compliance obligations and protecting your organisation from damage or loss. From a regulatory standpoint, compliance and the compliance function are crucially important in any organisation. This is even more so in financial institutions. Since the harrowing experience of the 2008 global financial crisis, compliance has become a core area of focus for every type of institution, big or small. Compliance functions are expected to have robust and comprehensive compliance related policies, manuals, standards, frameworks, charters, codes, rules and procedures, as well as assessment and monitoring tools that would help them effectively manage their compliance risks. The compliance function is also expected to develop, on an annual basis, a risk-based compliance programme containing the details of all compliance activities planned for the year. The cost implications of non-compliance in terms of financial, legal, regulatory or reputation is so high that every organisation wants to fall in line.

It is important to state that compliance is not just about anti-money laundering, neither is it simply about conduct risk. It is also not restricted to regulatory engagements. There is a full-range approach to compliance that pay due attention to the multi-dimensional facets of compliance, including, but not limited to, compliance governance, compliance management system, conduct risk (conflicts of interest, outside business interest, personal account dealing, market abuse, market conduct, confidential information and confidential information handling, gifts and entertainment, insider related transactions, Chinese walls/information barriers, watch and restricted list management, embargoed employees management, whistle-blowing, customer complaints, anti-bribery and corruption, code of conduct and ethics and anti-competition), sanctions (individuals, entities and/or countries), AML/CFT, KYC (CDD, EDD), rendition of returns, proactive engagements with regulators and law

16.4 Compliance

Organisations that intend to be sustainably successful need to maintain a culture of compliance and integrity, and take into consideration the needs and expectations of

16.5 Anti-Money Laundering (AML)/Combating Financing of Terrorism (CFT)

Money laundering involves taking criminal proceeds and disguising their illegal source in anticipation of ultimately using these proceeds to carry out legal and illegal activities. Stated another way, money laundering is the process of making dirty money look clean. Money laundering often involves a complex series of transactions that are usually difficult to separate. There are three phases of money laundering: placement, layering and integration. Financial institutions are required by law to undertake customer due diligence (CDD) when establishing relationships, carrying out occasional transactions, there is suspicion of money laundering (or terrorist financing) or the financial institution has doubt about the veracity or adequacy or previously obtained customer identification data.

Terrorist financing, on the other hand, involves the advancing of financial support, in any form, to terrorists or to those who encourage, plan or engage in terrorist act. While funding for money laundering is derived from only illicit sources, terrorist financing comes from both legitimate and illegitimate sources. The September 11, 2001 terror attacks on the World Trade Centre and Pentagon changed the global approach to combating terrorist financing. For money laundering, the purpose of laundering is to enable the fund to be used legally. The fact that terrorist funds often comes from legal sources raises an important legal problem as far as applying anti-money measures to terrorist financing. LeishTon can work with you to develop robust and tailored AML/CFT and Know-your-Customer (KYC) policies, manuals and standards to enable you deliver on your AML/CFT mandate, including CDD, EDD and the rendition of relevant threshold and suspicious transactions reports. We also have the expertise to review your AML/CFT activities and the AML function. Key compliance documentation LeishTon can work with you to deliver include:

- AML/CFT Policy;
- Customer Acceptance Policy;
- AML/CFT Manual;
- KYC Manual; and
- Risk-Based AML/CFT Programme.

enforcement/investigative agencies, compliance risk assessment (CRMPs), compliance monitoring reviews, compliance self-review/evaluation, compliance documentation drafting, sustainability, environmental and social risk, conflicts control room (deal/conflicts clearing, watch and restricted list management), research compliance and compliance audit.

LeishTon can work with you to develop robust and top-notch compliance related policies, manuals, standards, frameworks, charters and procedures to enable you embed compliance culture in your organisation and in the behaviour and attitude of the employees. We also have the expertise to review your compliance activities and the Compliance function. Key compliance documentation LeishTon can work with you to deliver include:

- Compliance Policy;
- Compliance Charter;
- Compliance Framework;
- Compliance Standards;
- Compliance Manual;
- Conflicts of Interest Policy;
- Chinese Walls Policy;
- Watch & Restricted List Policy;
- Whistle-blowing Policy;
- Code of Conduct and Ethics;
- Code of Corporate Governance;
- Corporate Governance Manual;
- Anti-Bribery & Corruption Policy;
- Complaints Management Policy;
- Best Execution Policy;
- Risk-Based Compliance Programme;
- Compliance Risk Management Plans (CRMPs);
- Compliance Risk Monitoring and Review Plans (CRMSPs);
- Sanctions Policy;
- Gifts and Entertainment Policy;
- Outside Business Interest Policy;
- Confidential Information Policy;
- Market Conduct Policy;
- Personal Account Trading/Dealing Policy;
- Investment Research Policy;
- Investment Research Manual; and
- Investment Research Standards.

16.6 Enterprise Risk Management (ERM)

Organisations have long practised various parts of what has come to be called enterprise risk management. Identifying and prioritising risks have long been a standard management activity. The treatment of risk by transfer (e.g. insurance) has also been common practice, as has contingency planning and crisis management.

What has changed, therefore, is the management of the vast majority of risks in a holistic and integrated manner and elevating risk management to senior management and board responsibility. A holistic and integrated approach to risk management helps organisation to appreciate the magnitude and importance of different risks. Some of the benefits of this holistic approach include:

- More effective strategic and operational planning with alignment of strategy, goals, objectives, performance and risks across the organisation;
- Greater confidence in decision making and achievement of operational and strategic objectives;
- Greater stakeholder confidence by demonstrating transparency and sustainable capability;
- Early warning system and visibility and reporting of significant risks to avoid surprises;
- Proactive management of risk rather than reactive after the event which costs time, money and reputation;
- Cost effective internal controls and control strategy;
- Evidence of a structured/formalised approach in decision making; and
- Regulatory compliance and director protection.

Organisations of any kind face internal and external factors and influences that make it uncertain whether, when and the extent to which they will achieve or exceed their objectives (ISO 31000:2009). Risk is therefore the effect of uncertainty on objectives. An objective is a deviation from the expected, positive (upside) or negative (downside). Risk is often characterised by reference to potential *events and consequences*. Risk is often expressed in terms of a combination of the consequences of an event, including changes in circumstances and the associated likelihood of occurrence.

Risk management, on the other hand, is a set of coordinated activities to direct and control an

organisation with regard to risk (ISO Guide 73:2009). COSO (2004) defined enterprise risk management (ERM) as a process, effected by an entity's board of directors, management and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risks to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives. LeishTon can work with you to develop and implement holistic and integrated enterprise-wide risk management framework and policies. We can also review your risk management documentation as a distinct service or as an integral part of your risk management function's review. Key enterprise risk management documentation LeishTon can work with you to design include:

- Enterprise Risk Management Framework;
- Enterprise Risk Management Policy;
- Risk Appetite and Escalation process;
- Environmental and Social Risk Policy;
- Market Risk Policy;
- Operational Risk Policy;
- Credit Risk Policy;
- Insurance Risk Policy;
- Investment Risk Policy;
- Liquidity Risk Policy;
- Legal Risk Policy;
- Fraud Risk Management Policy;
- Risk Register;
- Incident Register;
- Risk and Control Self-Assessment (RCSA) or Control Risk Self-Assessment (CRSA);
- Key Risk Indicators (KRIs);
- Risk Assessment techniques;
- Risk Classification Systems;
- Risk Management Work Plan;
- Risk Maturity Model; and
- Risk Sophistication Model.

16.7 Conflicts Control Room

The need for conflicts management have never been so desired. As a reaction to the conflicts of interest that affected major Wall Street investment banks in connection with investment research and the issue of securities, which received enormous publicity in the early 2000, financial services authorities and regulators globally examined business practices that raise potential conflicts of interest. The scrutiny focused on several aspects of the

financial industry, including research, merchant banks, investment banking, asset management, insurance brokerage and securities brokerage. These scrutiny revealed numerous cases and instances where the interests of ordinary clients were substituted with the interests of firms or high net worth clients. Based on the outcome of these investigations, U.S. authorities and many other jurisdictions imposed rules to ensure unbiased investment research and recommendations.

Thus, investment banking firms, merchant banks, insurance firms, trust firms, broker-dealer firms or asset management firms with diversified products and service offerings are required to design and implement effective “Deal Clearing” and wall crossing procedures. The deal clearing and wall crossing processes and procedures require that a “Control Room” be established for the purpose of managing conflicts related procedures, including research analyst wall-crossing, deal clearing, market abuse monitoring, watch and restricted list management, firm-wide Chinese walls management, confidential information management, etc. LeishTon can work with you to establish an effective Conflicts Control Room. We can also review your Control Room function as a distinct service or as an integral part of your compliance and Compliance function's review. Key activities in the Control Room include:

- Conflicts/Deal clearing;
- Market abuse monitoring;
- Watch and Restricted list management;
- Wall crossing procedures management;
- Personal Account Dealing approval;
- Outside business interest/conflicts of interest approval; and
- Wall crossing of public-side employees.

standards and procedures as a distinct service or as an integral part of your compliance and Compliance function's review. Key areas of interest in investment research include:

- Analyst supervision;
- Role of supervisory analyst;
- Research Report sign-off;
- Analyst certification;
- Conflict of Interest Management;
- Compliance review;
- Distribution of reports;
- Important disclaimers;
- Public appearance and marketing;
- Pre-deal research;
- Third party research;
- Disclosure statements;
- Analyst sitting on trading floors;
- Personal Account Dealing;
- Conflicts/Deal clearance;
- References and plagiarism;
- Changes in ratings;
- Rating methodologies;
- Jurisdictional restrictions;
- Expected frequency of updates of research;
- Checklist for research approval;
- The role of the Compliance or Research Compliance function; and
- Disciplinary action for any breach of the research policy.

16.9 Business Continuity and Crisis Management

It has never been more important for organisations to protect their business from the unexpected. Whether this is from environmental accidents, power cuts, IT system or equipment mishaps and man-made crisis, there is a need to make sure the business is not vulnerable to disruption and the organisation can recover as quickly as possible. Recent natural disaster such as the August 2017 Hurricane Harvey in Texas, USA, the September 2017 Hurricane Maria in Puerto Rico, a United States territory in the Caribbean Island and the July 2017 flood experienced in some parts of Nigeria, including Lagos and Suleja have demonstrated that severe incidents can and will happen, impacting organisations. “Statistics indicate that 80% of organisations that are faced with a significant business discontinuity, and do not have in place adequate

16.8 Research Compliance

Most jurisdictions require financial institutions that produce or disseminate investment research to have policies and procedures dealing with the production and dissemination of their research reports, in order to proactively identify and manage conflicts of interest which may arise out of these research activities. LeishTon can work with you to develop world class investment research policy, manual, procedures and standards. We can also review your investment research policy, manual,

and appropriate plans to ensure business continuity, do not survive the event. Don't let this happen to you (ISO 22301: 2012 Implementation Guide).

Business continuity management is “A holistic management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities” (Graham & Kaye, 2006 – A Risk Management Approach to Business Continuity). This definition makes it clear that business continuity is not just about response, it is not just about fighting fire, it is not just about having plans to recover a business, it is not an appendage to the business, rather, it is also about building resilience to strengthen an organisation, it is about proactively understand what might be at risk and developing strategies if things do go wrong, it is about carefully crafting plans that suit the nature of an organisation's business and it must be an embedded process that is integrated with the organisation's overall risk management approach, and in turn, as part of good business management.

Thus, organisations of all types and sizes should, as a matter of necessity, take adaptive and proactive measures to reduce the likelihood of a disruption by engaging in a robust, comprehensive, holistic and systematic process of prevention, mitigation, preparedness, response for business continuity and recovery. The threats that organisations face today require that they create on-going and well managed process that ensures the survival and sustainability of their core activities before, during, and after any disruptive event. The ability of an organisation to recover from a disaster is directly related to the degree of business continuity planning that has taken place prior to the disaster. LeishTon can work with you to develop and implement robust, comprehensive, holistic, integrated and systematic business continuity and crisis management frameworks and policies. We can also review your business continuity and crisis management documentation as a distinct service or as an integral part of your risk management function's *review*. Key business continuity and crisis management documentation LeishTon can work with you closely to design include:

- Business Continuity and Crisis Management Framework;

- Business Continuity and Crisis Management Policy;
- Business Impact Analysis (BIA); and
- Disaster Recovery Plan.

16.10 Governance and Board Policies

Policies in Policy Governance are written statements of values developed for the exercise of governing oversight and control (Oliver, 2009). In the policy governance model, each policy follows a structure that reflects the need to make broad decisions first, the less broad ones next, and so forth. It is important to state that broad and less broad do not mean important or less important, but rather broad and narrow decisions. There are four basic categories of policies in the policy governance model as espoused by John Carver, which LeishTon can work with you to develop. These policies are discussed below.

16.10.1 Ends Policies

This is the only policy category that deals with *organisation's ends*, rather than means. By organisation's ends policies, we mean policies that address issues of why the organisation is in business; the organisation's purpose. Some of the policies found in this category are:

- Organisational Purpose (Purpose Statement);
- Vision Statement;
- Shareholder value;
- Cultural Diversity;
- Allocation of resources in operations; and
- People value and support culture.

16.10.2 Governance Process Policies

These are policies with which the board instructs itself, its committees and its members, about its own job. Policies in this category deal with issues relating to the board's job and the relationship between the board and others with the exception of the special relationship the policy governance board has with the CEO. The relationship between the policy governance board and the CEO is treated separately. Specifically, these policies describe the board's job, the chairman's job, board committee jobs and the board's link to the shareholders. Some of the policies found in this category are:

- Board values;
- Accountability philosophy;
- Governance commitment;
- Governing style;

- Governance evaluation;
- CEO's role;
- Chairman's role;
- Company secretary's role;
- Board committee principles;
- Committees' terms of references;
 - Board Audit Committee Terms of Reference
 - Statutory Audit Committee Terms of Reference
 - Risk Management Committee Terms of Reference
 - Governance and Nomination Committee Terms of Reference
 - Credit Committee Terms of Reference
 - Compensation Committee Terms of Reference
 - Finance and Investment Committee Terms of Reference
 - Other Committees terms of reference
- Board Committee structure;
- Board and Committees' expenses;
- Annual board planning cycle and agenda planning and control;
- Code of Conduct and Ethics for directors;
- Conflicts of Interest;
- Asset declaration;
- Investment in governance;
- Cost of governance;
- Social responsibility;
- Board Linkage with shareholders;
- Board Job description;
- Board Job contributions;
- Governance Succession;
- Membership; and
- Board Linkage with other organisations.

16.10.3 Board-Management Delegation Policies

These are policies that describe the manner in which the board connects governance and executive management. It is often referred to as board-management relationship. Policies in this category deal with the methods and practices (means) of the board that describe both the nature of delegation and the manner in which proper use of delegated authority is ascertained (monitoring). As a result of the emphasis policy governance places on the CEO, policies in this category describes the CEO's job, the nature of executive delegation and the method of

monitoring, evaluating and compensating the CEO. Some of the policies found in this category are:

- Delegation of Executive Authority to the CEO;
- Unity of control;
- Nature of CEO's delegation;
- Accountability of the CEO;
- Monitoring CEO's performance;
- CEO's compensation;
- Termination of CEO's appointment;
- Monitoring Executive Performance; and
- Executive Compensation.

16.10.4 Executive Limitations Policies

These are policies that prohibit the management methods, practices, conduct, circumstances, and so forth that the policy governance board deems or sees as unacceptable means, while achieving the defined ends. Stated another way, the board uses policies in this category to optimise executive empowerment by setting limits, while withdrawing safely from most details of operations. While policies that are in this category are written in negative format, the intention is that the CEO would psychologically see the positive sides of those negatively worded limitations. Specifically, the CEO is given the authority to make any decisions and engage in any activities that do not violate policies within this category. These policies do not prescribe what the CEO should do, but rather what the CEO is constraint from doing, thus, within the set boundaries, the CEO can exercise judgment in dealing with day-to-day organisational matters. Some of the policies found in this category are:

- Emergency CEO succession
- Asset protection
- Financial planning and budgeting
- Financial condition and activities
- Communication and support to the board
- Trading in organisation's securities
- Investments
- Diversification
- Dealing with shareholders
- Treatment of staff
- Treatment of vendors/suppliers/contractors
- Treatment of consumers/customers
- Treatment of other stakeholders
- Compensation and benefits
- General executive constraint

16.10.5 Other Non-Policy Governance Documentation

Irrespective of the kind of corporate governance framework or practice you have adopted, or even the type of corporate governance code you are guided or regulated by, LeishTon can work with you to develop world class policies, either from the list of policies in the Policy Governance Model, or any other corporate governance and boardroom process related policies. We can also work closely with you to deliver on the following corporate governance and boardroom process documentation by drafting new ones and/or reviewing existing ones:

- Board charter;
- Board Committee Charter;
- Board Committee Terms of Reference;
- Board Manual;
- Code of Corporate Governance;
- Corporate Governance Charter;
- Corporate Governance Manual;
- Succession Plan (Board, CEO, Senior Executives, Etc.);
- Executive Compensation Policy;
- Director Independence Standards
- Insider Loan Policy for Directors; and
- Board Policy Handbook.

17.0 LeishTon's as a Game-Changing Organisation

LeishTon builds three winning capabilities simultaneously: It is purpose-driven, performance-oriented and principles-led. We believe that LeishTon's Secret weapon is superior talent strategies characterised by deep commitment from the top executive team, broad-based engagement and line accountability, with a “leaders developing leaders” culture.

LeishTon strives daily to build a game-changing organisation by simultaneously being purpose-drive, performance-oriented and principles-led. In other words, LeishTon is purpose-driven, performance-oriented and principles-led simultaneously. How does LeishTon's leaders help to make this happen?"

- By building game-changing talent strategy
- By building a robust world-class talent factory that is not just good for the soul but also good for the company

18.0 LeishTon's Game-Changing Talent Strategy

Game-changing companies do not just happen, rather, they are supported by game-changing talent strategies. LeishTon's talent strategy is to provide:

- Right vision to inspire its people
- Right tools to empower its people
- Right culture to motivate its people
- Right people to build purpose-driven, performance-oriented and principles-led workplace

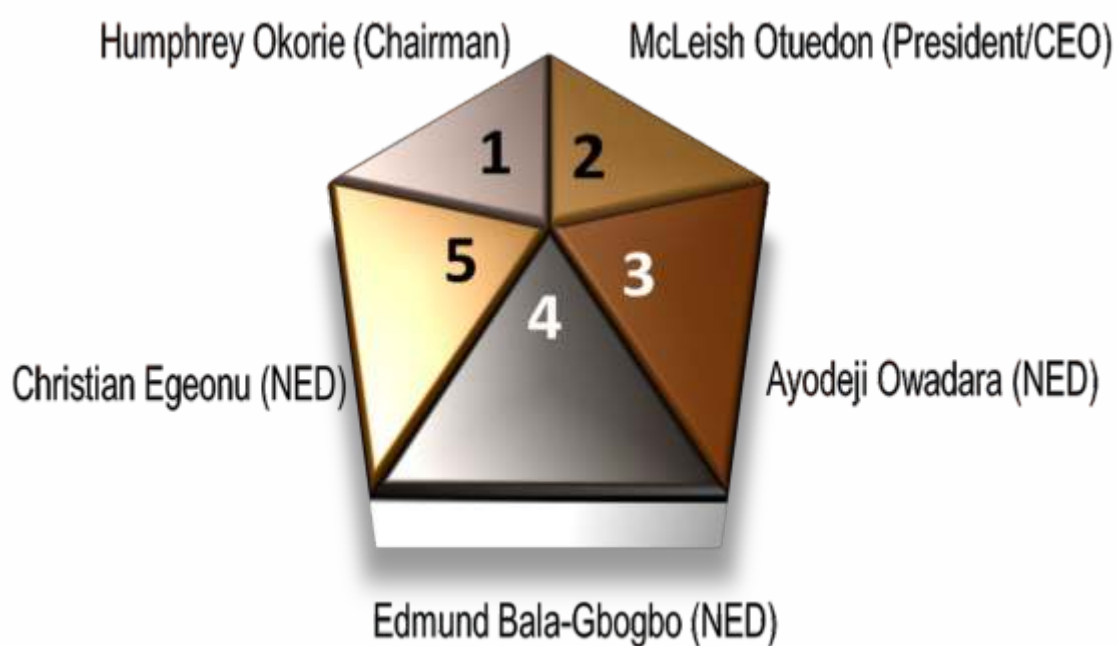
19.0 The Hallmarks of LeishTon's Game-Changing Talent Strategy

- Serves as the “glue” and the “grease” that enables LeishTon to be Purpose-driven, Performance-oriented and Principles-led simultaneously
- LeishTon's Leaders are “in deep” as Talent Champions – deeply committed; highly engaged; and thoroughly accountable
- HR partners who are no-nonsense, highly skilled, strategically oriented doers
- Together, LeishTon's talent champions and HR Partners are passionate about creating and sustaining “a special place” that sets them apart

20.0 Our Team

The LeishTon team comprised its directors, advisers and employees

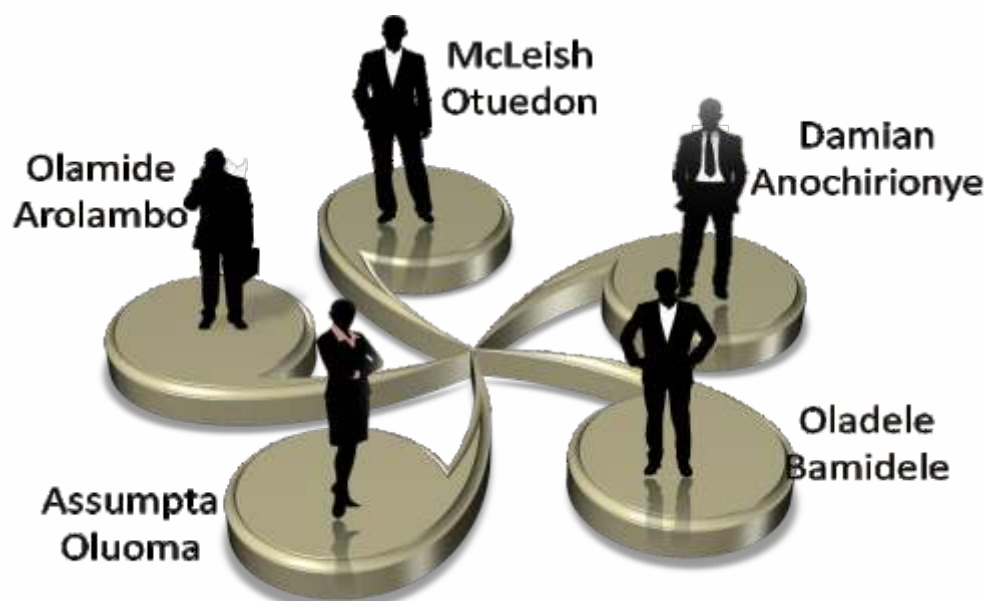
20.1 Board of Directors



20.2 Advisers

Our advisers are men and women of impeccable characters with deep knowledge and experience in their chosen profession. We believe that the industry and professional experience of our advisers will add immense value to our company and its leaders. We look forward to welcoming you as our next adviser.

20.3 Members of Staff



Please see detailed profile of directors <https://leishton.com/web/company-overview/our-team-list/>
 Please see detailed profile of employees <https://leishton.com/web/our-team/>

21.0 Conclusion

LeishTon is a fiduciary to its clients; we serve them. We never, ever compete with them.

Harnessing the power of collective ambition is not easy, but then again, the path to excellence and success is never easy. The good news is that it can be done if LeishTon's leaders and employees pull together to work for it. For this to happen, LeishTon must first ensure that it has the right people with the right skills and cultural fit to execute its collective ambition.

Finally, LeishTon's success will remain only a potential without a clearly defined purpose and genuine commitment at the senior management level. Thus, all hands, including those of senior management, must be on deck to shape and implement our collective ambition.

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About LeishTon

LeishTon is a closely knit, privately-held and forward-thinking company delivering consulting, research, training services, and corporate governance data solutions to its esteemed clients.

Insight. Focus. Agility is the process we practice in delivering exceptional services to our revered clients. We deliver our services through collaborative engagement (the glue) and disciplined execution (the grease). We strive to create a very deep connection with our clients, thus, our services have that “personal touch.” We give our clients individualised attention and it makes a big difference in terms of the value-add to their businesses.

LeishTon Consulting & BoardGov Limited is a private limited liability company registered in Nigeria to render services in four key areas of Consulting, Research, Training and Corporate Governance Data. For more information about our company, please visit www.leishton.com

www.boardgov.com.ng is the website dedicated to LeishTon corporate governance data services, while www.leishtonacademy.com is the website dedicated to LeishTon Academy and LeishTon Centre for Leadership and Governance Thinking (Research, Training and Development).

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