

JAIZ BANK PLC

**BOARD GOVERNANCE, REMUNERATIONS & NOMINATION COMMITTEE
CHARTER**

VERSION II

TABLE OF CONTENT

1. INTRODUCTION 3

2. OBJECTIVES 3

3. COMPOSITION 3

4. MEETINGS AND MINUTES3

5. DUTIES AND RESPONSIBILITIES5

6. AUTHORITY 9

7. REMUNERATION OF MEMBERS OF THE COMMITTEE 9

8. MISCELLANEOUS9

INTRODUCTION

This Charter governs the work scope and modus operandi of the Governance, Remunerations, and Nominations Committee of Jaiz Bank Plc. ("The Committee").

I. OBJECTIVE

The Governance, Remunerations, and Nominations Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Jaiz Bank (the "Bank") to assist the Board in fulfilling its responsibilities with respect to oversight of existing and emerging corporate governance principles, practices and processes with a view to maintaining a culture within the Company and its subsidiaries whereby high standards of corporate governance are embraced holistically, whilst also being responsible for managing Directors' nomination, appointment, removal, and remuneration.

The Committee acknowledges the corporate governance guidelines issued by the Central Bank of Nigeria, the Security and Exchange Commission, and other relevant regulatory provisions as they pertain to the foregoing objectives.

2. COMPOSITION

- 2.1 The Committee shall consist of non-executive directors, and Independent Directors all of whom shall be nominated by the Board. The Board shall consider the independence, and other qualifications of prospective members of the Committee before nominating and appointing the members of the Committee.
- 2.2 The members and the Chairperson of the Committee shall be appointed by the Board of Directors for a predetermined term and may serve any number of consecutive terms approved by the Board.
- 2.3 The Company Secretary of the Bank or their nominee shall act as Secretary of the Committee.

MEETINGS, MINUTES AND QUORUM:

- 2.4 The Committee shall meet as frequently as circumstances dictate. Meetings of the Committee may be held at any time in person or by such electronic means as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. The Committee shall meet at least twice a year with latitude to meet as frequently as circumstances dictate.

- 2.5 A meeting may be called by the Chairman of the Committee or any member of the Committee in consultation with the Committee Chairman
- 2.6 A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two weeks prior to the time fixed for such meeting with the exception of emergency meetings which shall require at least 3 days notice, unless waived by all members entitled to attend.
- 2.7 Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- 2.8 A quorum for meetings of the Committee shall require a simple majority of its members, present in person, by proxy, or by electronic means.
- 2.9 If the Chairman of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting will be chosen to preside by a majority of the members of the Committee present at that meeting.
- 2.10 Management representatives shall be invited to attend as necessary. Notwithstanding the foregoing, the Committee may hold in camera sessions, without management present, whenever deemed necessary.
- 2.11 Decisions of the Committee shall be determined by consensus.
- 2.12 The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings.
- 2.13 Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee.
- 2.14 All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chairman.
- 2.15 A resolution approved in writing by the members of the Committee shall be valid and effective as if it had been passed at a duly called meeting.
- 2.16 Such resolution shall be filed with the minutes of the proceedings of the Committee and shall be effective on the date stated thereon or on the latest date stated in any counterpart.
- 2.17 The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.
- 2.18 The Committee, subject to the Board's approval, shall continuously review and modify its terms of reference with regards to, and to reflect changes in, the business environment, industry standards on matters of corporate governance, additional standards which the

Committee believes may be applicable to the Bank's business and the application of laws and policies.

3. DUTIES AND RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time:

3.1 Corporate Governance

- 3.1.1 General oversight on all material corporate governance issues affecting the Bank and make recommendations to the Board;
- 3.1.2 to monitor developments and emerging best practices in corporate governance and make recommendations to the Board as appropriate;
- 3.1.3 Consider the adequacy of the constituent documents of the Company;
- 3.1.4 to review and recommend to the Board, any reports required or recommended on corporate governance for inclusion in public disclosure documents of the Company;
- 3.1.5 oversee the formulation and management of Human Resources Policies of the Bank;
- 3.1.6 in relation to actual or potential conflicts of interest of directors make recommendations to the Board on:
 - 3.1.7 the authorisation of directors' conflicts of interest; incentive payments and share options or other share awards;
 - 3.1.8 any terms to be imposed in relation to the authorisation of a director's conflict of interest;
 - 3.1.9 the annual renewal of directors' conflicts of interest authorised by the Board; and
 - 3.1.10 the statement on the Company's procedures for the authorisation of conflicts of interest to be included in the Annual Report;

3.2 Continuity / Succession Planning Process

- 3.2.1 to oversee the process for ensuring that Directors have individualised induction programmes and ongoing development programmes designed to maximise their effectiveness;
- 3.2.2 keep under review the leadership needs of and succession planning for the Bank in relation to both directors and other senior executives with a view to ensuring the continued ability to compete effectively in the marketplace and make consequential recommendations to the Board;
- 3.2.3 consider with the recommendations made by the Chief Executive or the Committee for changes to the executive membership of the Board;
- 3.2.4 make recommendations for the appointment or removal of the Chairman, Chief Executive or any director for approval by the Board. The Chairman will not chair any meeting of the Committee at which the Committee is considering the appointment of a successor to the Chairmanship;
- 3.2.5 review organizational structure for Executive Management levels and approval of appointments and dismissals of Executive Management personnel;
- 3.2.6 make recommendations to the Board on the re-appointment of any nonexecutive director at the conclusion of his specified term of office;

3.3 Board Selection, Composition and Evaluation

- 3.3.1 to oversee the process by which the Board, each Committee and individual Directors assess their effectiveness (including the use of an external facilitator periodically) and report to the Board on the findings and recommendations;
- 3.3.2 to oversee the process by which each Board Committee carries out its own assessment of its performance (including periodic use of external facilitation and self-assessment);
- 3.3.3 Regularly review the structure, size, performance, effectiveness and composition (including the skills, Knowledge, experience and compliance with corporate governance best practice) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary. This review (and resulting recommendations) shall address, but is not limited to,
- 3.3.4 the Board's independence, commitment and accountability;
- 3.3.5 the Board's involvement in setting the Company's strategy and monitoring its execution;
- 3.3.6 the Board's oversight of management and monitoring of management succession planning;

- 3.3.7 the Board's focus on the most critical issues and risks;
- 3.3.8 the clarity between the roles of the Board and management, including with respect to the roles of the CEO and non-independent directors;
- 3.3.9 the adequacy of access to information, employees and experts in a timely manner; and the appropriateness of each of the committees' Charters, including the Committee's charter, and the functioning of the committees with respect to those Charters.
- 3.3.10 evaluate the balance of skills, knowledge and experience on the Board and, identify and nominate for the approval of the Board, candidates to fill Board executive and non-executive vacancies as and when they arise and in the light of this, prepare a description of the role and capabilities required for the appointment;

3.4 Committee Selection and Composition

- 3.4.1 Recommend members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the Charter for such committee, as well as to any other factors the Committee deems relevant and, where appropriate, make recommendations regarding the removal of any member of any committee;
- 3.4.2 Recommend members of the Board to serve as the Chairs of committees of the Board;
- 3.4.3 Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board, as well as the qualifications and criteria for membership on each such committee and, as circumstances dictate, make any recommendations regarding periodic rotation of directors among the committees and impose any term limitations of service on any Board committee; and
- 3.4.4 As may be appropriate, make recommendations to the Board for the creation of additional committees or the elimination of Board committees.

3.5 Remuneration

- 3.5.1 determine and agree with the Board the framework and broad policy for the remuneration of the Chairman, Chief Executive, the Executive Directors and such other senior executives as it is designated to consider;
- 3.5.2 approve the Bank's Remuneration Policies and Remuneration Budgets;
- 3.5.3 review the design of all share incentive plans including any material amendments to existing plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to Executive Directors and other senior

executives, the performance targets to be used and whether any awards formally vest. In addition, ensure that all share plans operate within the relevant dilution limits stated in any plan rules;

- 3.5.4 determine the policy for, and scope of, pension arrangements for each executive director and other designated senior executives;
- 3.5.5 ensure in relation to executive directors that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- 3.5.6 within the terms of the agreed policy and, in consultation with the Chairman and/or Chief Executive as appropriate, determine the total individual remuneration package of the Chairman, Chief Executive and each executive director including base salary, bonuses;
- 3.5.7 review annually the remuneration trends across the Bank including relationship between executive remuneration and the remuneration of other employees;
- 3.5.8 In addition, take advice from the Finance & General Purpose Committee in considering the cost implications associated with any changes in total compensation, especially increases in base salaries;
- 3.5.9 be responsible for selecting, appointing, reviewing and setting the terms of reference for any remuneration adviser who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies.

3.6 Budgeting and Performance Monitoring

- 3.6.1 to consider and make recommendations to the Bank on the annual budgets of income and expenditure, other budgets and the financial forecasts for the Bank;
- 3.6.2 to consider, review and report on the Management's performance against budget.
- 3.6.3 to consider and make recommendations to the Board of Directors for its approval, the framework for expenditure on capital items and to review the list of priorities within the framework;
- 3.6.4 to consider and advise the Board of Directors on any relevant taxation issues;
- 3.6.5 To monitor the implementation of financial procedures, capitalisation and depreciation and treasury management policies.
- 3.6.6 The Committee will consider and monitor proposed capital expenditure projects above the thresholds set for Management by the Board and advise the Board of Directors on their financial implications.

- 3.6.7 Support Management's business development efforts and Branch expansion in particular.

3.7 Human Resources

- 3.7.1 To advise the Board of Directors on the Bank's policy related to grants, loans or other payments to staff within a limit to be agreed.
- 3.7.2 The Committee will consider and advise the Board of Directors on employment policy, approve personnel policies and procedures and monitor staffing issues.
- 3.7.3 The Committee will revise personnel policies for Board Approval, reviewing job descriptions, establishing or periodically reviewing the staff salary structure and staff benefits package.
- 3.7.4 Consider and advise the Board on recruitment and disciplinary issues involving employees from the grade of "Manager" and above.

3.8 Miscellaneous

- 3.8.1 review its terms of reference annually and propose to the Board any changes that it considers appropriate;
- 3.8.2 make a statement in the annual report about its activities, membership of the Committee, number of Committee meetings and attendance over the course of the year; and
- 3.8.3 request the Chairman of the Committee or his nominee to report to the Board on its proceedings after each Committee meeting.
- 3.8.4 perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable.
- 3.8.5 Consider any petition written against the Bank, its Board members or any of its principal members and make a report thereof to the Board.

4. EXTERNAL ADVICE:

The Committee may seek appropriate independent professional advice at the Company's expense as and when it considers it necessary but should consult the Board before material expenditure is incurred.

5. AUTHORITY

The Committee has the authority of the Board to:

- 5.1 Investigate any activity within its terms of reference.
- 5.2 Have direct access to such officers and employees of the Bank and to any other consultants or advisors, and to such information respecting the Bank it considers necessary to perform its duties and responsibilities.
- 5.3 Form and delegate authority to sub-committees, comprised of one or more members of the Committee as necessary or appropriate. The sub-committee will have the full power and authority of the Committee.

6. REMUNERATION OF MEMBERS OF THE COMMITTEE

The members of the Committee shall be entitled to sitting allowance, reimbursable travel and hotel expenses as approved by the Board.

7. MISCELLANEOUS

- 7.1 The Committee shall undertake an annual review of these terms of reference and recommend any changes needed to the Board of Directors for its approval.
- 7.2 The Board of Directors shall have the power at any time to revoke or override the authority given to or acts done by the Committee except as to acts done before such revocation and to terminate the appointment or change the membership of the Committee or fill vacancies in it as it shall see fit.