



FINANCIAL REPORTING COUNCIL OF NIGERIA
(Federal Ministry of Industry, Trade & Investment)

**FRC/CG/001: TEMPLATE FOR REPORTING COMPLIANCE WITH THE NIGERIAN
CODE OF CORPORATE GOVERNANCE 2018**

Section A: Introduction

Corporate Governance is a key driver of corporate accountability and business prosperity. The Nigerian Code of Corporate Governance, 2018 (NCCG 2018) seeks to institutionalize corporate governance best practices in Nigerian companies. It is also aimed at increasing entities' levels of transparency, trust and integrity, and create an environment for sustainable business operations.

The Code adopts a principle-based approach in specifying minimum standards of practice that companies should adopt. Where so required, companies are required to adopt the "Apply and Explain" approach in reporting on compliance with the Code. The 'Apply and Explain' approach assumes application of all principles and requires entities to explain how the principles are applied. This requires companies to demonstrate how the specific activities they have undertaken best achieve the outcomes intended by the corporate governance principles specified in the Code.

This will help to prevent a 'box ticking' exercise as companies deliberately consider how they have (or have not) achieved the intended outcomes. Although, the Code recommends practices to enable companies apply the principles, it recognises that these practices can be tailored to meet industry or company needs. The Code is thus scalable to suit the type, size and growth phase of each company while still achieving the outcomes envisaged by the principles.

This form seeks to assess the company's level of compliance with the principles in the NCCG 2018. Entities should explain how these principles have been applied, specify areas of deviation from the principles and give reasons for these deviations and any alternative practice(s) adopted.

Please read the instructions below carefully before completing this form:

- i. Every line item and indicator must be completed.
- ii. Respond to each question with "Yes" where you have applied the principle, and "No" Where you are yet to apply the principle.
- iii. An explanation on how you are applying the principle, or otherwise should be included as part of your response.
- iv. Not Applicable (N/A) is not a valid response.

Section B – General Information

S/No.	Items	Details
i.	Company Name	Sovereign Trust Insurance Plc
ii.	Date of Incorporation	February 26, 1980
iii.	RC Number	RC 31962
iv.	License Number	037
v.	Company Physical Address	17, Adetokunbo Ademola Street Victoria Island Lagos
vi.	Company Website Address	www.stiple.com
vii.	Financial Year End	December 31 st 2020
viii.	Is the Company a part of a Group/Holding Company? Yes/No If yes, please state the name of the Group/Holding Company	No
ix.	Name and Address of Company Secretary	Equity Union Limited, 11, C1PM Avenue Central Business District Alausa Ikeja Lagos
x.	Name and Address of External Auditor(s)	PKF 205A, Ikorodu Road Obanikoro Lagos.
xi.	Name and Address of Registrar(s)	Meristem Registrars Limited 213 Herbert Macaulay Way Adekunle Yaba, Lagos.
xii.	Investor Relations Contact Person (E-mail and Phone No.)	Segun Bankole segun.bankole@stiple.com 08099929157
xiii.	Name of the Governance Evaluation Consultant	DCSL Corporate Services Limited
xiv.	Name of the Board Evaluation Consultant	DCSL Corporate Services Limited

Section C - Details of Board of the Company and Attendance at Meetings

1. Board Details:

S/No.	Names of Board Members	Designation (Chairman, MD, INED, NED, ED)	Gender	Date First Appointed/Elected	Remark
1.	Mr. Oluseun O. Ajayi	Chairman	Male	7 th June, 2016.	Appointed
2.	Ms. Emi Faloughi	NED	Female	8 th December, 2015	Appointed
3.	Ms. Omozusi Iredia	NED	Female	7 th April, 2016	Appointed, F
4.	Mr. Abimbola Oguntunde	NED	Male	19 th December, 2017	Appointed

5.	Mr. Odoh Shedrack Chiedozie	NED	Male	29 th November, 2019	Appointed
6.	Col. Musa Shehu (RTD.)	INED	Male	25 th August, 2011	Appointed
7.	Mr. Olaotan Soyinka	MD/CEO	Male	14 th September, 2015	Appointed
8.	Mrs. Ugochi Odemelam	ED	Female	14 th December, 2015	Appointed
9.	Mr. Jude A. Modilim	ED	Male	1 st November, 2017	Appointed

2. Attendance of Board and Committee Meetings:

S/No.	Names of Board Members	No. of Board Meetings Held in the Reporting Year	No. of Board Meetings Attended in the Reporting Year	Membership of Board Committees	Designation (Member or Chairman)	Number of Committee Meetings Held in the Reporting Year	Number of Committee Meetings Attended in the Reporting Year
1.	Mr. Oluseun O. Ajayi	3	3				
2.	Ms. Emi Faloughi	3	3	Enterprise Risk Mgt. & Governance/ Finance, Investment & General Purpose/Audit & Compliance	Member	2	2
						4	4
						4	4
3.	Ms. Omozusi Iredia (Resigned on the 31 st day of August, 2020)	3	2	Finance, Investment & General Purpose/Audit & Compliance	Chairman	4	3
						4	3
4.	Mr. Abimbola Oguntunde	3	3	Enterprise Risk Mgt. & Governance/ Finance, Investment & General Purpose	Member (Now Chairman of the FIGPC Committee)	2	2
						4	4
5.	Mr. Odoh Shedrack Chidozie	3	3	(Member of ERM&FIGPC	FIGPC ERM	4	4
6.	Col. Musa Shehu (RTD.)	3	3	Enterprise Risk Mgt. & Governance	Chairman	2	2
7.	Mr. Olaotan Soyinka	3	3	Finance, Investment & General Purpose	Member	4	4
8.	Mrs. Ugochi Odemelum	3	3	Enterprise Risk Mgt. & Governance	Member	2	2
9.	Mr. Jude A. Modilim	3	3	Finance, Investment & General Purpose	Member	4	4
10.	Mr. Babatunde Adaramaja			Audit & Compliance	Chairman	4	4
11.	Mr. Emmanuel Oluwadare			Audit & Compliance	Member	4	4

12	Mr. Oluwale Ashaolu			Audit & Compliance	Member	Newly appointed member	
13	Ms. Emi Faloughi	3	3	Audit & Compliance	Member	4	4

Section D - Details of Senior Management of the Company

1. Senior Management:

S/No.	Names	Position Held	Gender
1.	Olaotan Soyinka	MD/CEO	Male
2.	Ugochi Odemelam	ED, Marketing & Business Development	Female
3.	Jude Modilim	ED, Technical Operations	Male
4.	Kayode Adigun	GM/ Divisional Head, Finance & Administration	Male
5.	Sanni Oladimeji	DGM/Head, Risk Management & Compliance	Male
6.	Segun Bankole	DGM, Sales & Corporate Communications	Male
7.	Emmanuel Anikibe	DGM/Head, Sales & Client Service	Male
8.	Olalekan Oguntunde	AGM/Head, ICT	Male
9.	Samuel Oseni	AGM/Head, Internal Audit	Male
10.	Tajudeen Rufai	AGM/Head, Reinsurance	Male
11.	Angela Onochie	AGM/Head, Eastern Area Operations	Female
12.	Lucas Durojaiye	AGM/Head, Northern Area Operations	Male
13.	Abisola Asaju	AGM/Head, General Internal Services	Female
14.	Gbeminiyi Olaitan	AGM/Head, Finance & Accounts	Male
15.	Victoria Eze	AGM/Head, Sales & Client Services 2	Female
16.	Akinwunmi Akinrinmade	AGM/Head, Energy	Male
17.	Ebinyu Faloughi	AGM/Head, Motor	Female

Section E – Application

Principles	Reporting Questions	Explanation on application or deviation
Part A - Board of Directors and Officers of the Board		
<p>Principle 1: Role of the Board</p> <p><i>"A successful Company is needed by an effective Board which is responsible for providing entrepreneurial and strategic leadership as well as promoting ethical culture and responsible corporate citizenship. As a link between stakeholders and the Company, the Board is to exercise oversight and control to ensure that management acts in the best interest of the shareholders and other stakeholders while sustaining the prosperity of the Company"</i></p>	<p>i) Does the Board have an approved Charter which sets out its responsibilities and terms of reference? Yes/No If yes, when was it last reviewed?</p>	<p>Yes. Board provides the Company with entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed while deploying the company's resources to profitable use. The Charter was approved by the Board on March 6, 2019 and was last reviewed in 2018</p>
<p>Principle 2: Board Structure and Composition</p> <p><i>"The effective discharge of the responsibilities of the Board and its committees is assured by an appropriate balance of skills and diversity (including experience and gender) without compromising competence, independence and integrity"</i></p>	<p>i) What are the qualifications and experiences of the directors?</p>	<p>The Directors of the company have numerous degrees, postgraduate and professional qualifications such as BSc, MBA, MSc, ACIL, AIN, FCA and significant cognate experiences in their respective fields of endeavours</p>
	<p>ii) Does the company have a Board-approved diversity policy? Yes/No If yes, to what extent have the diversity targets been achieved?</p>	<p>Yes. The Board has substantially met its diversity targets as it has appropriate diversity in terms of experience, skills, gender, ethnicity and age relevant for promoting better decision making and effective governance.</p>
	<p>iii) Are there directors holding concurrent directorships? Yes/No If yes, state names of the directors and the companies?</p>	<p>Yes. The list of directors with concurrent directorships and the companies is attached herewith as appendix 1.</p>
	<p>iv) Is the MD/CEO or an Executive Director a chair of any Board Committee? Yes/No If yes, provide the names of the Committees.</p>	<p>No. Board committees are chaired by Non-Executive and Independent directors</p>
	<p>i) Is the Chairman a member or chair of any of the Board Committees? Yes/no If yes, list them.</p>	<p>No. The Chairman is not a member and does not chair any committee</p>
	<p>ii) At which Committee meeting(s) was the Chairman in attendance during the period under review?</p>	<p>The Chairman was not in attendance at any committee meeting during the period under review</p>
	<p>iii) Is the Chairman an INED or a NED?</p>	<p>The Chairman of the company is a NED and not involved in the day-day operations of the company</p>

	iv) Is the Chairman a former MD/CEO or ED of the Company? Yes/No If yes, when did his/her tenure as MD end?	Yes. The Chairman is a former MD/CEO of this Company. His tenure as CEO ended on December 10, 2009.
	v) When was he/she appointed as Chairman?	The Chairman was appointed on June 7, 2016
	vi) Are the roles and responsibilities of the Chairman clearly defined? Yes/No If yes, specify which document	Yes. The roles and responsibilities of the Chairman is clearly defined in the approved Board Charter.

Principles	Reporting Questions	Explanation on application or deviation
Principle 4: Managing Director/Chief Executive Officer <i>"The Managing Director/Chief Executive Officer is the head of management delegated by the Board to run the affairs of the Company to achieve its strategic objectives for sustainable corporate performance"</i>	i) Does the MD/CEO have a contract of employment which sets out his authority and relationship with the Board? Yes/No If no, in which documents is it specified?	Yes. The MD/CEO has an employment contract which set out his authority and relationship with the Board
	ii) Does the MD/CEO declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. MD/CEO declared conflict of interest on appointment and annually thereafter as well as they occur
	iii) Which of the Board Committee meetings did the MD/CEO attend during the period under review?	MD/CEO attended meetings of The Finance, Investment & General Purposes Committee during the review period.
	iv) Is the MD/CEO serving as NED in any other company? Yes/no . If yes, please state the company(ies)?	Yes. The MD/CEO is serving as an NED on the Board of STI Lensing Ltd as a representative of Sovereign Trust Insurance Plc. Sovereign Trust Insurance Plc owns 43% of shares in STI Leasing Limited.
	v) Is the membership of the MD/CEO in these companies in line with the Board-approved policies? Yes/No	Yes. Membership of MD/CEO is in line with Board approved policies and does not affect discharge of his responsibilities
Principle 5: Executive Directors <i>Executive Directors support the Managing Director/Chief Executive Officer in the operations and management of the Company</i>	i) Do the EDs have contracts of employment? Yes/no	Yes. Executive Directors have contracts of employment.
	ii) If yes, do the contracts of employment set out the roles and responsibilities of the EDs? Yes/No If no, in which document are the roles and responsibilities specified?	Yes. The roles, responsibilities and authority of Executive Directors are contained in their respective contracts of employment
	iii) Do the EDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. Executive Directors declared conflict of interest on appointment and annually thereafter as well as they occur
	iv) Are there EDs serving as NEDs in any other company? Yes/No If yes, please list	No. Executive Directors are not serving as NED in any other company
	v) Are their memberships in these companies in line with Board-approved policy? Yes/No	N/A. Executive Directors are not serving as NED in any other company
Principle 6: Non-Executive Directors <i>Non-Executive Directors bring to bear their knowledge, expertise and independent judgment on issues of strategy and performance on the Board</i>	i) Are the roles and responsibilities of the NEDs clearly defined and documented? Yes/No If yes, where are these documented?	Yes. The roles and responsibilities of the NEDs are clearly defined and documented in the approved Board Charter and Letters
	ii) Do the NEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes. The NEDs have letters of appointment stating their duties, terms of engagement and liabilities
	iii) Do the NEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. Non-Executive Directors declared conflict of interest on appointment and annually thereafter as well as they occur
	iv) Are NEDs provided with information relating to the management of the company and on all Board matters? Yes/No If yes, when is the information provided to the NEDs	Yes. NEDs are provided with timely detailed information on management of the Company and on all Board matters. The information is provided quarterly or as otherwise required.

	v) What is the process of ensuring completeness and adequacy of the information provided?	There is in place a robust Management Information System which ensures completeness and adequacy of information provided to the Board in a timely manner
	vi) Do NEDs have unfettered access to the EDs, Company Secretary and the Internal Auditor? Yes/No	Yes. The NEDs have unhindered access to the EDs, Company Secretary and the Internal Auditor.
Principle 7: Independent Non-Executive Directors	ij) Do the INEDs meet the independence criteria prescribed under Section 7.2 of the Code? Yes/No	Yes. The INED fully meets the independence criteria prescribed under section 7.2.1 – 7.2.9 of the Code.

Principles	Reporting Questions	Explanation on application or deviation	
Independent Non-Executive Directors bring a high degree of objectivity to the Board for sustaining stakeholder trust and confidence"	i) Are there any exceptions?	No exception to the independence criteria.	
	ii) What is the process of selecting INEDs?	The Governance Committee makes recommendations to the Board after due consideration of independence criteria, following which the Board seeks approval of industry regulator, NAICOM and the Shareholders.	
	iv) Do the INEDs have letters of appointment specifying their duties, liabilities and terms of engagement? Yes/No	Yes. The INED has a letter of appointment stating his duties, terms of engagement and liabilities	
	v) Do the INEDs declare any conflict of interest on appointment, annually, thereafter and as they occur? Yes/No	Yes. The INED declared conflict of interest on appointment and annually thereafter as well as they occur	
	vi) Does the Board ascertain and confirm the independence of the INEDs? Yes/No If yes, how often? What is the process?	Yes. The Board Governance Committee through direct enquiry from INED, news scanning and 3 rd party confirmation, ascertains and Confirms the independence of the INED annually	
	vii) Is the INED a Shareholder of the Company? Yes/No If yes, what is the percentage shareholding?	No. The INED is not a Shareholder of the Company.	
	viii) Does the INED have another relationship with the Company apart from directorship and/or shareholding? Yes/No If yes, provide details.	No. The INED does not have any other relationship with the Company apart from being INED.	
	ix) What are the components of INEDs remuneration?	Director's Fee and Sitting Allowance only.	
	Principle 8: Company Secretary "The Company Secretary support the effectiveness of the Board by assisting the Board and management to develop good corporate governance practices and culture within the Company"	i) Is the Company Secretary in-house or outsourced?	The Company Secretary is outsourced
		ii) What is the qualification and experience of the Company Secretary?	Equity Union Limited is a corporate entity managed by qualified lawyers and operates as Company Secretaries & Nominees Services. The Managing Partner is a fellow (FCIS) and a past member of the Governing Council of the Chartered Institute of Secretaries and Administrators of Nigeria (ICSAN).
iii) Where the Company Secretary is an employee of the Company, is the person a member of senior management?		N/A. The Company Secretary is outsourced and not member of senior management	
iv) Who does the Company Secretary report to?		The Company Secretary reports functionally to the Board through the Chairman and administratively reports to the MD/CEO	
v) What is the appointment and removal process of the Company Secretary?		The Board appoints and has responsibility for the removal of the Company Secretary. The	

appointment goes through a rigorous selection process similar to that of a new director and handled by the Board Governance Committee

	vi) Who undertakes and approves the performance appraisal of the Company Secretary?	The Board undertakes and approves the performance evaluation of the Company Secretary
Principle 9: Access to Independent Advice <i>"Directors are sometimes required to make decisions of a technical and complex nature that may require independent external expertise"</i>	i) Does the company have a Board-approved policy that allows directors access to independent professional advice in the discharge of their duties? Yes/No If yes, where is it documented?	Yes. This is documented in the approved Board and Committee Charters in order to ensure that directors, NEDs in particular discharge their responsibilities effectively.
	ii) Who bears the cost for the independent professional advice?	The Company bears the cost of the independent professional advice
	iii) During the period under review, did the Directors obtain any independent professional advice? Yes/No If yes, provide details.	No. There was no request for such during the review period
Principle 10: Meetings of the Board <i>"Meetings are the principal vehicle for conducting the business of the Board and successfully fulfilling the</i>	i) What is the process for reviewing and approving minutes of Board meetings?	Minutes of the previous meetings are sent promptly to directors and reviewed and adopted at commencement of the next meeting.
	ii) What are the timelines for sending the minutes to Directors?	Minutes of meeting are sent at least 2 weeks before the date of the next meeting
	iii) What are the implications for Directors who do not meet the Company policy on meeting attendance?	This would reflect in the annual report and Board Evaluation report. This also forms a criteria when considering them for re-election

Principles	Reporting Questions	Explanation on application or deviation
strategic objectives of the Company"		
Principle 11: Board Committees "To ensure efficiency and effectiveness, the Board delegates some of its functions, duties and responsibilities to well-structured committees, without abdicating its responsibilities"	i) Do the Board Committees have Board-approved Charters which set out their responsibilities and terms of reference? Yes/No	Yes. The Board Committees have Board approved Charters which sets out delegated oversight responsibilities of the Board
	ii) What is the process for reviewing and approving minutes of Board Committee of meetings?	Minutes of the prior meetings are sent promptly to members and reviewed and adopted at commencement of the next meeting.
	iii) What are the timelines for sending the minutes to the directors?	Minutes of meeting are sent at least 2 weeks before the date of the next meeting
	iv) Who acts as Secretary to board committees?	Equity Union Limited
	v) What Board Committees are responsible for the following matters? a) Nomination and Governance b) Remuneration c) Audit d) Risk Management	a. Enterprise Risk Management & Governance b. Finance, Investment & General Purpose c. Audit & Compliance Committee d. Enterprise Risk Management & Governance
	vi) What is the process of appointing the chair of each committee?	Chairmen of Committees are appointed by the Board taking into consideration skills, experience and knowledge for effective decision making
	Committee responsible for Nomination and Governance	
	vii) What is the proportion of INEDs to NEDs on the Committee responsible for Nomination and Governance?	25%
	viii) Is the chairman of the Committee a NED or INED?	In view of experience and competence, the chairman was INED during the review period but the committee has been reconstituted with NED as the chairman
	ix) Does the Company have a succession plan policy? Yes/No If yes, how often is it reviewed?	Yes. The Company has a succession plan to ensure transparency in the filling of Board vacancy and the policy is reviewed every 3 years
x) How often are Board and Committee charters as well as other governance policies reviewed?	These are reviewed every 3 years or as otherwise required.	
xi) How does the committee report on its activities to the Board?	The Committee chairmen report quarterly on its activities to the Board	
Committee responsible for Remuneration		
xii) What is the proportion of INEDs to NEDs on the Committee responsible for Remuneration?	25%	
xiii) Is the chairman of the Committee a NED or INED?	INED	
Committee responsible for Audit		

	xiv) Does the Company have a Board Audit Committee separate from the Statutory Audit Committee? Yes/No	No. Only a Statutory Audit Committee is in place.
	xv) Are members of the Committee responsible for Audit financially literate? Yes/No	Yes. The members are financially literate
	xvi) What are their qualifications and experience?	Members have various degrees, postgraduate and professional qualifications such as HND, BSC, MBA, PHD, ACS, ACCA, ACIT, FCIT, ACA, FCA, CFA, CFE, FCIM, as well as robust cognate experiences in their respective fields of endeavours
	xvii) Name the financial expert(s) on the Committee responsible for Audit	Mr. Babatunde Adaramaja, Mr. Emmanuel O. Oluwadare and Mr. Oluwole Ashaolu.

Principles	Reporting Questions	Explanation on application or deviation
	xvii) How often does the Committee responsible for Audit review the internal auditor's reports?	The Committee reviews the Internal Audit report on a quarterly basis.
	xix) Does the Company have a Board approved internal control framework in place? Yes/No	Yes. There is Board approved Internal Control Framework in place.
	xx) How does the Board monitor compliance with the internal control framework?	The Board receives and reviews the internal audit report on a quarterly basis. The internal audit report describes the strength and quality of internal controls including identification and resolutions of issues raised in the reports.
	xxi) Does the Committee responsible for Audit review the External Auditors management letter, Key Audit Matters and management response to issues raised? Yes/No Please explain.	Yes. The Audit Committee reviews the management letter, key audit matters and management response to the issues raised.
	xxii) Is there a Board-approved policy that clearly specifies the non-audit services that the external auditor shall not provide? Yes/No	Yes. There is Board approved policy on the nature, extent and terms under which the external auditor may perform non-audit services
	xxiii) How many times did the Audit Committee hold discussions with the head of internal audit function and external auditors without the management during the period under review?	Once during the period under review
	Committee responsible for Risk Management	
	xxiv) Is the Chairman of the Risk Committee a NED or an INED?	In view of experience and competence, the chairman was INED during the review period but the committee has been reconstituted with NED as the chairman
	xxv) Is there a Board approved Risk Management framework? Yes/No? If yes, when was it approved?	Yes. There is Board approved Risk Management Framework and was updated and approved in 2019
	xxvi) How often does the Committee review the adequacy and effectiveness of the Risk Management Controls in place? Date of last review	The review is done on a quarterly basis and the last review was on November 24, 2020.
	xxvii) Does the Company have a Board-approved IT Data Governance framework? Yes/No If yes, how often is it reviewed?	Yes. There is Board approved IT Data Governance Framework and it is reviewed annually
	xxviii) How often does the Committee receive and review compliance report on the IT Data Governance Framework?	The Committee receives quarterly reports in this regard
	xxix) Is the Chief Risk Officer (CRO) a member of Senior Management and does he have relevant experience for this role? Yes/No	Yes. The CRO is a member of Senior Management and has relevant qualification such as FCA, certified risk management professional and with over 20 years' experience for the role

	<p>xxx) How many meetings of the Committee did the CRO attend during the period under review?</p>	<p>The CRO attended the two meetings held during the period under review</p>
<p>Principle 12: Appointment to the Board</p> <p><i>"A written, clearly defined, rigorous, formal and transparent procedure serves as a guide for the selection of Directors to ensure the appointment of high-quality individuals to the Board"</i></p>	<p>i) Is there a Board-approved policy for the appointment of Directors? Yes/No</p>	<p>Yes. There is a Board approved policy on appointment of directors</p>
	<p>ii) What criteria are considered for their appointment?</p>	<p>The criteria includes experience, specialist knowledge, integrity and personal qualities as well as meeting the board's diversity targets</p>
	<p>iii) What is the Board process for ascertaining that prospective directors are fit and proper persons?</p>	<p>The Board's Enterprise Risk Management and Governance Committee is charged with the responsibility of leading the process for Board appointments and for identifying and recommending suitable candidates for the consideration and approval of the Board based on approved criteria. The Committee undertakes background checks and recommends candidates for potential appointment as Directors.</p> <p>The appointment of Directors is subject to the approval of the National Insurance Commission (NAICOM) and shareholders at the Annual General Meeting.</p>
	<p>iv) Is there a defined tenure for the following:</p> <p>a) The Chairman</p> <p>b) The MD/CEO</p> <p>c) INED</p>	<p>Their tenure is defined in line with former NIACOM 2009 Code of Corporate Governance and the Board Charter</p>

