

# Board Evaluation Report

26 February 2015

**The Chairman  
Board of Directors  
FCMB Group Plc  
First City Plaza  
44 Marina Lagos, Nigeria.**



## **Report Of The External Consultants On The Performance Of The Board Of Directors Of FCMB Group Plc (FCMB Group) For The Year Ended 31 December 2014.**

DCSL Corporate Services Limited (DCSL) was engaged by FCMB Group Plc to carry out an appraisal of the Board's performance for the year ended 31 December 2014. Our engagement entailed a comprehensive review of the Company's corporate and statutory documents, the minutes of Board and Committee meetings, policies currently in place and other ancillary documents made available to us, questionnaires administered as well as information derived from our interactions with the Board members and select members of the Executive Management team. We benchmarked the Company's corporate governance structures, policies and processes against the provisions of the Central Bank of Nigeria (CBN) Code of Corporate Governance 2014 (CBN Code); the Securities and Exchange Commission (SEC) Code of Corporate Governance 2011 (SEC Code) as well as global best practices.

In undertaking the appraisal, we considered seven key corporate governance areas as follows:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure.

The Board has a responsibility to put in place structures, policies and processes that will ensure the Company's sustainability. As Consultants, our responsibility is to draw conclusions on the effectiveness of these structures, policies and processes based on our review of the Board's activities and performance during the year ended December 2014; and as outlined in our letter of engagement dated 24 November 2014. Following our review, we have provided the details of our findings; highlighted areas of improvement; reviewed status of previous year recommendations and made recommendations aimed at further improving the performance of the Board's oversight functions.

At the conclusion of the evaluation exercise, we are of the opinion that the Board has substantially complied with the provisions of the Codes. The Board of FCMB Group Plc is composed of Directors with the relevant skills and competencies, and of an appropriate mix in terms of relevant experience. The Board operates an efficient Committee system that sees each Director effectively participating in Board Committees.

However, we note the absence of a clear and definite selection criterion for appointments unto the Board, as provided by Section 13.2 of the SEC Code, and recommend that one is inserted into the Board Charter. We also recommend that the Board should put in place a Director Development Programme that will ensure Directors receive relevant ongoing training required to perform their oversight functions more effectively.

Details of our key findings and other recommendations are contained in our Report.

Yours faithfully,

**For: DCSL Corporate Services Limited**

**Bisi Adeyemi**  
Managing Director