



DRAFT

**DRAFT GUIDELINES
ON
CORPORATE GOVERNANCE**

September 2024

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**THE NIGERIAN COMMUNICATIONS COMMISSION
NIGERIAN COMMUNICATIONS ACT 2003
GUIDELINES ON CORPORATE GOVERNANCE**

**PART I
INTRODUCTION**

1. Background

- (1) The Nigerian Code of Corporate Governance 2018 (“The Code” or “NCCG 2018”), contains corporate governance principles that are essential to the promotion of awareness and implementation of essential corporate values and ethical practices to enhance the business environment in Nigeria.
- (2) The principles of the Code, if applied properly, will greatly benefit companies, investors across various industries, and the government. Indeed, the value of a functional code of corporate governance is enormous as it promotes a culture of sound operational standards in corporate organisations.
- (3) In this regard, the Nigerian Code of Corporate Governance provides the minimum requirements for corporate organisations to comply with and to foster good corporate governance practices.
- (4) Considering the peculiarities of the communications industry, it has become imperative for the Nigerian Communications Commission (“The Commission”) to issue Guidelines, which eliminate unfair and unethical practices within the industry, as well as promote the practice of a sound corporate governance culture by communications companies (“Licensees”). The provisions of the Guidelines are based on best practices and complement the Nigerian Code of Corporate Governance.

2. Legal Basis of the Guidelines

The Code of Corporate Governance for the Telecommunications Industry 2016 is hereby rescinded and the Corporate Governance Guidelines for the Communications Industry 2024 is made pursuant to the powers conferred upon the Commission by Section 70 of the Nigerian Communications Act, 2003 (the Act) and other enabling powers. The Commission adopts the principles, standards and provisions in relevant extant legislations in Nigeria, particularly the Nigerian Code of Corporate Governance 2018 and the Companies and Allied Matters Act (CAMA) 2020. It particularly adopts the provisions of CAMA as it relates to the responsibilities of Directors and officers in Licensee as a baseline in the absence of express provision in these Guidelines.

3. Objectives

The objectives of the Corporate Governance Guidelines for the Communications Industry are to:

- (1) Facilitate the pursuit of good corporate governance objectives that are in the interest of licensees, shareholders and other stakeholders, while bringing about positive improvement in the corporate governance practices of the industry; and
- (2) Ensure that the highest standards with regards to transparency, due process, data integrity, disclosure requirements, accountability, and ethics are maintained in the industry, without impeding enterprise or innovations.

4. Scope

- (1) These Guidelines are applicable to all Communications companies in Nigeria.
- (2) These Guidelines shall be mandatory for all Individual Licensees of the Commission who are obliged to pay Annual Operating Levies (AOL) to the Commission pursuant to the AOL Regulations, 2022 or as may be amended from time to time.
- (3) The Commission reserves the right to modify and adapt the application of the provisions of these Guidelines in a manner that reflects the unique regulatory expectations and operational circumstances of each category of Individual Licence. Accordingly, and notwithstanding the provisions of subparagraph (2) of this Paragraph, a phased compliance monitoring and enforcement of the Guidelines for the different categories of Individual Licences will be determined by the Commission from time to time and communicated in writing.
- (4) All other Licensees that are not obliged to pay AOL shall be exempted from the application of Parts II, III, IV, V, VI and VII of the Guidelines and other provisions which derive from the obligations in these Parts.
- (5) All Licensees are required to apply the principles of the NCCG 2018 as the minimum corporate governance benchmarks in the conduct of their operations, subject to the **Apply and Explain Philosophy**.
- (6) Licensees are further encouraged to adopt and incorporate good governance practices into their operational frameworks and improve their transparency level, trust and integrity, thereby fostering an environment that promotes good business ethics.

5. Sanctions for Non-Compliance

- (1) The Commission shall conduct periodic on-site and off-site supervision of Licensees to monitor the level of compliance with the Guidelines, and where necessary enforce compliance.
- (2) Whenever the Commission determines that a Licensee is in breach of the Guidelines, the Commission shall notify the Licensee, specifying the non-compliance and the

- specific actions required to remedy the breach and the timeline within which such non-compliance ought to be corrected, failing which, the Commission shall apply appropriate sanctions.
- (3) Non-compliance by a Licensee with the provisions of these Guidelines after 4 (Four) Months of being notified shall, if the Commission considers the breach to be so grievous as to warrant it, lead to suspension of its licence by the Commission, in the first instance, and revocation if the non-compliance persists.
 - (4) Non-compliance with the Guidelines shall attract other appropriate sanctions in accordance with the provisions of the Act, the Nigerian Communications (Enforcement Processes, etc) Regulations 2019, or as may be specified in any applicable subsidiary legislation or regulatory instrument.
 - (5) For the avoidance of doubt, and in lieu of its powers to suspend/revoke a licence the Commission hereby reserves the right to request a Licensee to makes changes in its management within such time as may be specified, where there is continuous non-compliance with the Guidelines.

PART II BOARD AND DIRECTORS

6. The Board of Directors

- (1) All licensees to which these Guidelines apply shall have a Board of Directors with the following characteristics and responsibilities:
 - (a) The Board stands in a fiduciary relationship with the licensee in line with the extant provisions of CAMA 2020. Therefore, Board members shall be collectively and/or individually responsible for directing and controlling the affairs of the licensee. They shall be held accountable to the Commission and the government.
 - (b) The Board shall have Independent Non-Executive Directors (INEDs) free from such relationships or circumstances with the licensees, its Management, or substantial shareholders as may, or appear to, impair their ability to make independent judgement.
 - (c) The Board shall devolve to Management by delegating authority to manage the Licensee devoid of any other influence without abdicating its responsibilities.
 - (d) The Board shall ensure that all its members possess a proven track-record of integrity, have the requisite knowledge, experience, and skills, and demonstrate a clear understanding of the licensee's business, its peculiarities, and stakeholders.
 - (e) The Board shall oversee the effectiveness and adequacy of the internal control system and provide an effective communication and information dissemination policy.

- (f) The Board shall ensure the integrity and authenticity of reports, accounts and all material information provided to the Commission and all other relevant bodies.
- (g) The Board shall establish principles and Code of Conduct to which the Licensee shall align its core values. The Code of Conduct shall be in line with the provisions of these Guidelines, the Code, and all other relevant legislations.
- (h) The Board shall clearly state the duties and operations of each member of the Board in his/her letter of appointment and/or contract of employment.
- (i) The Company Secretary shall be appointed and removed by the Board in line with the provisions of CAMA 2020.
- (j) The Board shall ensure that all its deliberations, decisions and actions are founded on the value-based principles of good governance and particularly on Accountability, Transparency, Openness, Honesty, Responsibility, Independence, Integrity, Justice, Equity, and Fairness.

7. Board Size, Composition and Structure

- (1) The Board shall consist of the Chairman, Managing Director/Chief Executive Officer (MD/CEO), Executive Director (ED), Non- Executive Director (NED), and Independent Non-Executive Director (INED). The number of Non-Executive Directors shall be more than Executive Directors on the Board and its Committees.
- (2) Membership of the Board shall not be less than the Five (5) specified under these guidelines. The members of the Board of Directors of a licensee shall be appointed by its shareholders.
- (3) Membership of the Board shall be as follows:
 - (a) Minimum of two (2) Executive Directors of which one (1) shall be the MD/CEO.
 - (b) The number of Non-Executive members (excluding the Chairman) of the Board shall at all times, in the minimum, be equal to the number of Executive members.
 - (c) Minimum of one-third of the Board shall be Independent Directors.
- (4) At least two Non-Executive Directors (NEDs), one of whom shall be an INED, shall have requisite knowledge and experience in Information Communication Technology (ICT) and/or cyber security.
- (5) The Chairman of the Board shall be an NED, who the Directors shall elect amongst themselves.
- (6) The Chairman or anyone designated as Vice-Chairman, shall not under any circumstance exercise executive powers on behalf of the Board as to become the MD/CEO of the Licensee, while occupying the position of Chairman or Vice-Chairman. For the avoidance of doubt, the positions of the Board Chairman (or a Vice-Chairman) and the MD/CEO shall be held by separate individuals for proper checks and balances.

- (7) A person who has held the position of the Chairman of the Board, or any NED, shall not be eligible to be appointed the MD/CEO or take up any executive role in the same Licensee or any of its affiliates, within Five (5) years from the date that such a person ceases to hold office.
- (8) No more than two members of the same family shall be on the Board of a Licensee simultaneously.

8. **Board Committees**

- (1) In accordance with Paragraph 11 of the NCCG 2018, the Board shall establish appropriate committees to assist in its governance functions and duties, and to help improve the efficiency of its work as appropriate.
- (2) The Board shall ensure that each Committee comprises of Directors with relevant skills and competencies.
- (3) The Board shall inter alia set up the following committees:
 - (a) Audit Committee
 - (b) Governance, Remuneration and Nomination Committee
 - (c) Risk Management Committee.
- (4) The Board Chairman and the CEO shall neither chair nor be a member of any committee but may attend committee meetings by invitation.
- (5) Membership of each Committee shall comprise of at least three (3) Directors and no member of the Board of Directors shall sit in more than two (2) committees except as provided under these Guidelines.
- (6) All Committees shall have a Code of Operation/Charter, which shall be approved by the Board of Directors.
- (7) The Board of Directors shall not abdicate its duties to the committees; therefore, each Committee should work with a Terms of Reference covering its scope of services.
- (8) All Committees shall hold meetings at least twice a year or as many times as appropriate to discharge their duties.
- (9) Audit Committee
 - (a) Members of the Committee responsible for audit shall be NEDs and shall include at least one INED.
 - (b) Members of the Audit Committee shall be responsible for audit function, as highlighted under Principle 11.4.6 and 11.4.7 of the NCCG 2018.
 - (c) For greater synergy and effective functioning, the Board shall have at least one Director who is a member of both the Risk Management and Audit Committees.
 - (d) All members of the Committee shall be financially literate and be able to read and understand financial statements. At least one member of the Committee

shall have relevant professional qualifications and experience in financial and accounting matters.

- (10) Governance, Remuneration and Nomination Committee
 - (a) Members of the Committee responsible for Governance, Remuneration and Nomination shall be NEDs with a majority of INEDs, where possible.
 - (b) The Chairman of the Committee shall be an INED.
 - (c) Members of the Committee shall be responsible for the functions highlighted under Principle 11.2.5 and 11.3.5 of the NCCG 2018.
- (11) Risk Management Committee.
 - (a) Members of the Committee responsible for Risk Management shall be EDs and NEDs, a majority of whom shall be NEDs.
 - (b) The Chairman of the Committee shall be an NED.
 - (c) Members of the Risk Management Committee shall be responsible for implementing the risk management processes of the Licensee, as highlighted under Principle 11.5.6 of the NCCG 2018.
 - (d) The Risk Management Committee shall also consider operational and strategic risks to the Licensee and shall be responsible for overseeing the Licensee's Enterprise Risk Management (ERM).

9. **Board Appointment Processes**

- (1) The Board shall establish a Nomination Committee, with responsibility to assist the Board in the process of identifying suitable persons to be appointed as Directors in the Licensee.
- (2) The Nomination Committee shall ensure an appropriate balance of competence and diversity (including experience and gender) and shall prioritise individuals with records of diligence, integrity, willingness and ability to be independent and objective, and demonstrable knowledge with continuing education/skills development profiles.
- (3) The Nomination Committee shall carry out background and reference checks before nominating any individual for the position of a Director.
- (4) The report of such background and reference checks shall be made available to all members of the Board and shareholders prior to the election of the Director into the Board. This is to enable them to make their own assessment of the nominee Director (s).
- (5) The appointment of a Director shall be formalised by a letter or a legal document disclosing the terms and conditions of the appointment and setting out responsibilities of such Director to the Board.
- (6) The Board shall ascertain that nominees for the position of Director are fit and proper persons and are not disqualified from being Directors including but not limited to disqualification under CAMA and for reasons of having been indicted for

failure/breach/malfeasance/indebtedness in the industry or any other regulated industry.

- (7) Where a Director has concerns about the management/administration of a Licensee, which cannot be resolved and he elects to resign from the Board, such concerns shall be detailed in a written statement to the Board Chairman for circulation to the Board, with a copy sent to the Commission.

10. Board Meetings

- (1) The Board shall meet at least once every quarter to discharge its duties.
- (2) All written notices and agenda for the Board meeting shall be circulated at least fourteen (14) days before the meeting provided that the notice period may be reduced or waived in the case of extraordinary meetings. Where circumstances warrant scheduling an emergency meeting, the committee or members may schedule a virtual meeting where convenient.
- (3) All Directors shall attend at least two-thirds of all Board and Committee meetings to qualify for re-election.

11. Remuneration

- (1) The Remuneration Committee shall develop and determine the remuneration policy and its application without prejudice to the provisions of CAMA 2020, and other leading practices and legislations on remuneration.
- (2) The remuneration policy of each Licensee shall align with its strategy and consider the Licensee's performance.
- (3) Levels of remuneration shall not be excessive but sufficient to attract, retain and motivate the Board members and staff of the Licensee.
- (4) The Committee is also expected to review workforce remuneration and related policies, terms and condition of employment of Board members and ensure that members of the Board are fairly rewarded for their contribution to the performance of the Licensee.
- (5) The Chairman is expected to prepare and submit a report to the shareholders at the Licensee's annual general meeting for annual remuneration with summary explanations detailing Director's remuneration, any substantial changes and the context which occasioned the changes.

PART III PERFORMANCE EVALUATION

12. Board Evaluation

- (1) There shall be an annual board evaluation/appraisal, which shall be facilitated by an independent external consultant. The board evaluation/appraisal shall be carried

- out prior to the board election and the evaluation report shall be instrumental in the re-election process of Board members.
- (2) The evaluation report shall consider the composition, objectivity, competence of members of the Board, attendance at meetings, corporate governance practices instituted within the previous year and other performance indicators relevant to its effectiveness.
 - (3) The Licensee shall include in its annual report to the Commission the external consultant's evaluation report for the period under review as well as the steps taken/outcome of the evaluation of the Board.

PART IV BOARD AND CORPORATE VALUE SYSTEM

13. Vision, Mission and Strategy

- (1) The Board shall establish a workable and realistic vision and mission statement for the Licensee.
- (2) The Board shall create and implement a strategic plan in line with the Licensee's corporate objectives.
- (3) The Board shall determine the set of principles to which the Licensee shall align its core values.

14. Corporate Reputation

- (1) The Board shall establish a Code of Ethics and Business containing professional and ethical values that will protect and enhance the reputation of the Licensee while promoting good conduct and investors' confidence.
- (2) The Board of Directors shall review the Code of Ethics and Business at least once in every Twelve (12) Months.
- (3) The Code of Ethics and Business shall commit the Licensee, its Board, management, employee, contractors, suppliers and other Licensee-controlled entities to the highest standard of professional and ethical behaviors.
- (4) The Board shall ensure that the Code of Ethics and Business is sufficiently detailed to give clear guidelines to users. This shall be formally communicated to all persons to whom it applies.
- (5) The Board shall ensure that the Licensee is law-abiding, and driven by a culture of compliance and ethics.
- (6) The Board shall appreciate the fact that stakeholders' perception affects the Licensee's reputation; therefore, the Licensee shall make every effort to protect its reputation.
- (7) The Board shall establish a whistle-blowing policy as part of its corporate culture.

- (8) The Licensee shall develop a Corporate Social Responsibility (CSR) policy that would positively impact society.
- (9) The Board shall ensure that the Licensee focuses adequate attention on sustainability issues including environmental, social, occupational, and community health and safety issues that ensures successful long term business performance and projects the Licensee as a responsible corporate citizen.
- (10) The Licensee shall submit a report known as a Sustainability and Corporate Social Responsibility Report to the Commission at the end of every financial year which shall detail the Environmental, Social and Governance (ESG) goals of the Licensee and the steps being taken to achieve them.
- (11) The Licensee shall strive to adopt renewable energy sources in its operations.
- (12) The Board shall ensure that the Licensee honors its commitments and contractual obligations, including loans obtained from financial institutions, and accrued and undisputed debts owed to other licensees and stakeholders within the timeframe and under such terms and conditions as may be stipulated in the agreement(s) entered between the parties.
- (13) All licensees shall be guided by the extant laws, regulations, policies and standard as determined from time to time by the Commission.
- (14) The Board shall ensure that the Licensee complies with all relevant environmental Laws and Regulations.
- (15) The Board shall ensure that the Licensee promptly settles interconnect debts owed.

15. Stakeholders' Consideration and Engagement

- (1) The Board shall establish and implement a stakeholder management and communication policy.
- (2) The Board shall have a balanced understanding of shareholder issues.
- (3) The Board shall encourage interaction with institutional investors to positively influence the standard of corporate governance and promote value creation in the Licensee in which they invest and monitor conformity.
- (4) The Board shall ensure that dealings of the Licensee with its shareholders are always transparent and, in the Licensee's best interest.
- (5) The Board shall ensure that a balanced and effective assessment strategy of the Licensee's external stakeholder is carried out and engage the stakeholders to obtain appropriate feedback.
- (6) The Board shall put in place a framework that recognises the sector's importance to the economy and, therefore, ensures a commitment to providing excellent customer service.
- (7) The Board shall ensure that an effective and efficient process is put in place to deal with incidence and/or cases of service failure.

- (8) The Board shall ensure that the Licensee puts in place procedures and channels for customers to raise queries, lodge complaints and the timeframe for redress.

PART V

OFFICERS OF THE BOARD AND THEIR RESPECTIVE DUTIES

16. The Chairman

- (1) The Chairman's primary responsibility is to ensure effective operation of the Board towards achieving the Licensee's strategic objectives.
- (2) The functions of the Chairman shall include the following:
 - (a) Provide overall leadership and direction for the Board and the Licensee.
 - (b) Set the annual board plan.
 - (c) Ensure that the Board and its Committees are composed of the relevant skills, competencies and desired experience.
 - (d) Ensure that Board meetings are properly conducted and that the Board is effective and functions in a cohesive manner.
 - (e) Ensure that Board members receive accurate and clear information on the affairs of the Licensee to enable Directors make sound decisions.
 - (f) Act as the main link between the Board and the MD/CEO and advising the MD/CEO in effectively discharging his duties.
 - (g) Ensure that all Directors focus on their key responsibilities and play constructive roles in the affairs of the Licensee;
 - (h) Ensure that a good corporate governance framework exists in the Licensee.
 - (i) Ensure an induction programme is conducted for new Directors and that continuing education programme is in place for all Directors.
 - (j) Ensure effective communication and relations with the Licensee's institutional shareholders and strategic stakeholders.
 - (k) Take a leading role in the assessment, improvement and development of the Board.

17. The Chief Executive Officer or Managing Director

- (1) The Chief Executive Officer (CEO) or Managing Director (MD), as the case may be, shall be the Head of the Management team and is answerable to the Board.
- (2) The CEO or MD shall be knowledgeable in relevant areas of the Licensee's business. He shall demonstrate industry knowledge, credibility, competencies, integrity, and leadership.
- (3) The CEO or MD and the Senior Management shall demonstrate and establish culture of ethical integrity and legal compliance which shall be imbibed by personnel at all levels of the Licensee.

- (4) The functions and responsibilities of the CEO or MD shall inter alia include the following:
 - (a) Day-to-day running of the Licensee.
 - (b) Guiding the development and growth of the Licensee.
 - (c) Acting as the Licensee's leading representative in its dealings with its stakeholders.
 - (d) The authority of the CEO or MD and the relationship between the office and the Board shall be clearly and adequately described in a letter of appointment or documented.
 - (e) The Board may delegate such of its powers to the CEO or MD as it may deem appropriate or necessary to ensure smooth operation of the Licensee.

18. Executive Directors (EDs)

- (1) Executive Directors (EDs) shall be knowledgeable in the general and relevant areas of the Licensees operations and shall possess other qualifications and competencies needed for their specific assignments or responsibilities.
- (2) The responsibilities and authority of EDs shall be clearly set out in a contract of employment and they shall be answerable to the Board through the CEO/MD.

19. Non-Executive Directors (NEDs)

- (1) Non-Executive Directors (NEDs) shall be key members of the Board. They shall bring independent judgment as well as necessary scrutiny to the proposals and actions of the Management and EDs.
- (2) NEDs shall accordingly be persons of high calibre, with board experience, integrity and credibility.

20. Independent Directors (INED)

- (1) An Independent Director is a Non-Executive Director who shall be free of any relationship with the Licensee or its Management that may impair or appear to impair the Director's ability to make independent judgments.
- (2) An Independent Director shall generally bring sound independent perspective to policy or business issues and monitor corporate affairs and policies. He shall also act as a check and balance on the acts of the Board and Management of the Licensee.

21. Multiple Directorships

- (1) No individual shall simultaneously serve as a Director on the Boards of competing licensees.

- (2) An individual may serve on the Board of not more than Two (2) related licensees in different licence categories.
- (3) A prospective nominee to the Board of Directors of a Licensee shall disclose membership of other Boards while a serving Director shall notify the Board through the Chairman of his/her appointment on other Boards.
- (4) The Board shall consider other Directorships held by such prospective nominee to determine whether the prospective nominee can contribute effectively to the performance of the Board.

22. Tenure and Re-election of Directors

- (1) Members of the Board shall be appointed by shareholders of the Licensee through a written, clearly defined, formal and transparent procedure.
- (2) Directors may serve on a Board for a period of two (2) terms of five (5) years each subject to outstanding performance and re-election.
- (3) No Director shall serve on a Board for a period exceeding a total number of Ten (10) years provided however, that the tenure for INEDs shall not exceed two terms of four (4) years each.
- (4) Any Director, (including the MD and Chairman) who has served for the maximum tenure of ten (10) years in a Licensee shall not be eligible for reappointment in the Licensee or its subsidiaries in any capacity until after a cooling-off period of five (5) years after the expiration of his/her tenure as a Director.
- (5) Directors shall have access to corporate information under conditions of confidentiality, and the ability to seek independent professional advice in the effective discharge of their duties.
- (6) Appointed Directors shall undergo a formal induction programme to familiarise themselves with the Licensee's strategic plan, operations, business environment, senior Management, and the Directors' fiduciary responsibilities.
- (7) All Directors shall on a bi-annual basis, participate in relevant, continuing education programme to update their knowledge and skills and keep them informed on new developments in the Licensee's business and operating environment. This shall form part of the criteria for re-election of Directors.

23. The Company Secretary

- (1) The Company Secretary shall be appointed and removed by the Board of Directors in line with the provisions of CAMA, provided howsoever that the removal shall be subject to notification to the Commission.
- (2) The Company Secretary should possess relevant qualification and competence necessary to discharge the duties of a company secretary in accordance with CAMA. The Company Secretary's duty shall include to assist the Board and Management to comply with these Guidelines, the Code and extant laws applicable to the Licensee.

- (3) The Company Secretary shall report to the Board of Directors through the Chairman on Board matters and shall report to the CEO on administrative matters.
- (4) The Company Secretary shall be responsible for drawing the attention of the Board to the non-compliance by the Licensee with its obligations and responsibilities under these Guidelines.

24. Information Flow

- (1) The Board and individual Directors shall have information, which is clear, accurate, adequate, and provided in a timely manner to support effective governance.
- (2) The Board shall provide clear guidelines as to the timelines and format of information to be provided to members to enable them participate effectively at the meeting of the Board and its Committees.
- (3) Where the information required for making decisions on an issue is not provided to Board members in a timely manner, the Board is at liberty to defer consideration of the issue(s) to a future date.

PART VI SHAREHOLDERS AND STAKEHOLDERS

25. Shareholders

- (1) The Licensee shall engage the shareholders and provide them with sufficient knowledge in understanding its business, governance and performance.
- (2) Shareholders should be provided with biographical information of proposed Directors to guide their decision. Such information should include:
 - (a) name, age, qualifications, country of primary residence and the ownership interest represented, if any;
 - (b) whether the appointment is for ED, NED or INED, and any proposed specific area of responsibility or Board Committee roles if any;
 - (c) work experience and occupation;
 - (d) current Directorships and appointments;
 - (e) direct and/or indirect shareholding in the Licensee and/or its subsidiaries; and
 - (f) any other relevant information.
- (3) All shareholders shall have the opportunity to exercise their ownership rights and express their views to the Board on any area of interest.
- (4) No shareholder shall have controlling interest in more than one communications company of a similar licence category.
- (5) The Board shall ensure the equitable treatment of all shareholders and protection of the interest of the minority.
- (6) Notices of General Meetings shall be given at least twenty-one (21) days from the date on which the meeting will be held.

- (7) All information including annual reports, audited financial statements and all other information pertaining to any resolution to be voted, including voting or proxy instructions and relevant papers, that will enable members to prepare adequately for the meeting shall be dispatched along with the notice.
- (8) A Licensee may where necessary, conduct 'virtual' or 'hybrid' general meetings provided adequate notice is given to its shareholders, proxies and other participants of such plans in a timely manner and there are clear directions as to the logistical details of the "virtual" or "hybrid" meeting, including how shareholders can remotely access, participate in, and vote at such meeting.
- (9) The Board shall ensure that the decisions reached at the general meetings are properly and fully implemented as governance directives.
- (10) The Board shall establish a regular communication channel with the shareholders to balance their needs, interests and expectations with the objectives of the Licensee.
- (11) The Board shall promptly provide the shareholders with documentary evidence of ownership interest in the Licensee and related instruments. Where these are rendered electronically, the Board would ensure that they are rendered to shareholders in a secure manner.

26. Stakeholders

- (1) The Board shall establish and implement a stakeholder management and communication policy.
- (2) The Board shall ensure that the reports and other communication issued to stakeholders are in clear and concise language and are posted on the Licensee's website. This information may include description of the Board and Management structures amongst others, frameworks, policies and other material information about the Licensee.
- (3) The Board shall ensure that a balanced and effective assessment strategy of the Licensee's external stakeholders is carried out including creating a stakeholders' engagement program to be supervised by the Management for appropriate feedback.
- (4) Pursuant to subparagraph (1) of this Paragraph, every Licensee shall have a Regulatory Officer who shall have the primarily responsibility of ensuring the Licensee complies with provisions of the Act and the subsidiary legislation made thereunder. In this regard, and to foster a culture of integrity and accountability in the Licensee, the Regulatory Officer shall be accountable for regulatory filings and reporting, and handling inquiries or audits from the Commission.
- (5) The Board shall put in place a framework that recognises the sector's importance to the society and economy, and therefore, ensure a commitment to providing excellent service to customers.

- (6) The Board shall ensure that an effective and efficient process is put in place to deal with any incidence and any case of service failure in accordance with the provisions of subsidiary legislation issued by the Commission.

PART VII

RISK MANAGEMENT AND INTERNAL CONTROL

27. Risk Management

- (1) The Board is primarily responsible for the risk management process and risk governance. It shall put in place risk management systems that include identification, assessment, evaluation, mitigation and monitoring of risk.
- (2) The Board shall be responsible for determining the Licensee's risk appetite or risk tolerance in the pursuit of its business objectives.
- (3) The Board shall ensure that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Licensee, for the year under review and up to the date of approval of the annual report and financial statements.
- (4) While Management is accountable to the Board for designing, implementing and monitoring the risk management process, the Board has a responsibility to form its own opinion on the effectiveness of the process and shall periodically identify and assess key risks, and satisfy itself as to the effectiveness of the risk management system.
- (5) The Board shall assess the need to establish a formal risk management function.

28. Internal Control

- (1) The Board shall establish an effective internal control system that ensures a transparent system for financial reporting and compliance, as well as periodic checks on the effectiveness of these checks in the Licensee.
- (2) The internal control system shall be a combined assurance model which promotes synergy between internal and external audit and shall provide reasonable assurance regarding the achievement of organisational goals in the following areas:
 - (a) Internal and external audit functions.
 - (b) Efficiency of operations.
 - (c) Safeguarding the Licensee's assets.
 - (d) Compliance with applicable laws, subsidiary legislation and supervisory requirements.
 - (e) Supporting business sustainability at all times.
 - (f) Reliability of reporting.
 - (g) Directors shall seek professional advice on how to establish effective internal control processes.
 - (h) Resolving industry and Interconnect Indebtedness.

29. Whistleblowing Policy and Mechanisms

- (1) The Board shall put in place mechanisms (such as hotlines and emails) to aid easy reporting of unethical or illegal practices.
- (2) The Audit Committee shall review the Whistleblowing mechanisms at least once every 12 (Twelve) months.
- (3) The Board shall encourage the reporting of unethical and unlawful behaviour by employees in fulfilling its control and oversight responsibilities; approaches may include a developing code of ethics and whistleblowing policy.
- (4) The Board shall encourage a confidential reporting process covering fraud and other risks.
- (5) Reward or safety net for whistle blowers shall be instituted in the policy.
- (6) The Board shall ensure that the whistle blowing policy protects whistle blowers.
- (7) The policy shall provide sufficient latitude where the Chairman or CEO/MD can blow the whistle on the Board of Directors or the CEO. This can be done via petitions and is part of the responsibility of acting in the Licensee's best interest.
- (8) An Ethics and Disciplinary Committee (EDC) comprising designated senior officers should be set up by the Licensee and charged with the responsibility of reviewing reported cases and initiating appropriate action.
- (9) The EDC shall provide the Chairman of the Audit Committee with a summary of reported cases, cases investigated, the process of investigation and result of the investigation.

30. The Governance Committee

- (1) The Board shall establish a Governance Committee which shall solely comprise Non-Executive Directors.
- (2) The functions of the Governance Committee shall be guided by a written Terms of Reference or Charter and shall include the following: -
 - (a) Establish the criteria for membership of the Board and Board Committee, review candidates' qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.
 - (b) Prepare a job specification for Board positions, including an assessment of time commitment required of each candidate.
 - (c) Periodically evaluate the skills, knowledge and experience required on the Board.
 - (d) Make recommendations on experience required by Board Committee members, Committee appointments and removal, operating structure, reporting and other Committees' operational matters.

- (e) Provide input to the Licensee's annual report regarding Directors' compensation.
- (f) Ensure that a succession policy and plan exist for the Chairman, CEO/MD, EDs and NEDs and the MD/CEO of a subsidiary company.
- (g) Ensure that the Board conducts Board evaluation on an annual basis.
- (h) Review the evaluation and make recommendations.

31. Audit Committee

- (1) The Board shall ensure that an Audit Committee is constituted in line with CAMA 2020.
- (2) Membership of the Audit Committee shall be disclosed in the Annual Report.
- (3) The Chairman of the Audit Committee shall be available at the Annual General Meeting (AGM) to respond to questions about the work of the Committee.
- (4) The Audit Committee shall nominate the External Auditor for appointment by the Board, recommend the terms of engagement and remuneration for the External Auditor, and monitor and report on the independence and performance of the External Auditor.
- (5) The External Auditor so appointed shall in submitting the requisite statutory report include therein a report on compliance with these Guidelines.
- (6) The Audit Committee shall meet at least two times a year.
- (7) The Audit Committee shall meet with the External and Internal Auditors of the Licensee at least once every year in a joint session.

32. Internal Audit

- (1) The Board shall establish a dedicated Internal Audit to strengthen the system of internal controls and internal assurance model.
- (2) The Internal Audit shall have the cooperation of both the Board and Management, and directly support the attainment of strategic goals. The Leadership of the Internal Audit shall be positioned at a sufficiently senior level within the Licensee to understand the strategic direction and goals of the Licensee.
- (3) No person shall be appointed as the Head of Internal Audit of a Licensee unless such person meets the following requirements:
 - i. Three (3) years relevant experience in audit or finance or compliance function.
 - ii. Competence in accounting or compliance procedures
 - iii. A member of a recognised body of professional Accountants or possesses relevant certification that imbues one with the competences satisfactory to the Board to effectively carry out the function of an Auditor.

- (4) The Head of Internal Audit shall report administratively to the CEO and shall have open and regular access to the Licensee's Board Chairman and the Chairman of the Audit Committee.
- (5) The appointment or removal of the Head of the Internal Audit shall be with the concurrence of the Audit Committee.
- (6) The Internal Audit function may be outsourced to an Accounting Firm. However, the external and internal audit functions shall not be carried out by the same accounting firm in order to ensure that their independence is not impaired.

33. Terms and Conditions of Service

- (1) The terms and conditions of Directors' employment or service on the Board shall be in writing and issued to the Director in the form of a contract.
- (2) The Director's Letter of Appointment shall cover the following issues:
 - (a) Duration or term of appointment.
 - (b) Details of remuneration.
 - (c) Summary of the rights, fiduciary duties and responsibilities of the Director.
 - (d) Requirement to disclose any material interests in the Licensee and other entities carrying on business or providing services or related to the licensee.
 - (e) Requirement to periodically disclose material interests in contracts in which the Licensee is interested or involved.
 - (f) Specific requirements, such as attendance of Board or Board Committee meetings.
 - (g) Formal induction programme or training for the Director to attend; and details of such training shall be provided to examiners upon request.
 - (h) Board Charter, Code of Ethics and Business (attached as separate documents) and the Directors' responsibility to abide by them.
 - (i) The licensee's Board performance evaluation process; and
 - (j) Any other relevant information.

PART VIII REPORTING, TRANSPARENCY AND DISCLOSURE

34. Guiding Rules

- (1) The Board shall develop and present a balanced, understandable and transparent assessment of the Licensees' position and prospects to shareholders and stakeholders.
- (2) The Licensee shall have a corporate reporting model in two forms: the financial reporting model and non-financial reporting component.
- (3) The financial reporting model shall contain the annual report, financial statements and accompanying notes while the non-financial reporting component shall provide

- for the operating environment, including the submission of Industry Network/Subscriber Statistics data and other reports required by the Commission as well as reports on corporate social responsibility and other civic responsibilities.
- (4) The annual report shall be prepared in accordance with the provisions of CAMA, and the Board shall ensure the integrity of same.

PART IX RELATED PARTY TRANSACTIONS

35. Relevant Steps

- (1) All related party transactions shall be reported to the Audit Committee, which shall make recommendations or report them to the Board for formal action.
- (2) Every Licensee shall maintain records of related party transactions, in each financial year, along with all relevant documents and explanations.
- (3) The record of related party transactions shall include the following particulars in respect of each transaction: name of related party, nature of relationship with related party, nature and amount of transaction.

36. Cooling-off Period

- (1) The Chairman, Executive Vice-Chairman and Board Commissioners (Executive and Non-Executive) of the Commission shall not be eligible for appointment in any capacity in any Licensee until after the expiration of five (5) years (cooling-off period) from the date of their exit from the Commission.
- (2) No Director of a Department in the Commission shall be eligible for appointment in any capacity in any Licensee and its subsidiary under the supervision of the Commission until after the expiration of three (3) years from the date of his/her exit from the Commission.

PART X COMPLIANCE REPORT

37. Duty to Submit Compliance Report

- (1) Licensees shall submit to the Commission reports on compliance with the Guidelines in accordance with the reporting template on the Commission's Website.
- (2) Licensees shall submit to the Commission a mid-year (ending 30th of June every year) Compliance Report not later than 31st of July of every year in accordance with the reporting template designed and hosted on the Commission's Website.

- (3) All Licensees shall submit an Annual Compliance Report to the Commission no later than 31st of January of the succeeding year (ending 31st of December every year).
- (4) The Board shall ensure and certify the integrity of the Report prior to its submission.
- (5) The Commission reserves the right to request Licensees to submit clarifications on a Compliance Report and may further conduct compliance checks on Licensees at its discretion.
- (6) The Compliance Report shall state the extent of a Licensee's compliance with the provisions of these Guidelines.

PART XI REVIEW/MODIFICATION

38. Review of the Guidelines

The Commission reserves the right to review and if applicable, modify these Guidelines from time to time.

PART XII MISCELLANEOUS

39. Interpretation

In these Guidelines, unless the context otherwise requires:

“Board” means the Board of Directors of any Communication company.

“Code” means the Nigerian Corporate Governance Code, 2018.

“Commission” means the Nigerian Communications Commission or NCC.

“Chairman” means a non-executive member of the Board of a Licensee who chairs the Board.

“Director” means a person duly appointed by a Licensee to serve on its Board and in that regards to direct and manage the affairs of the Licensee.

“Enforcement Regulations” means the Nigerian Communications (Enforcement Processes, etc.) Regulations 2019, as may be amended from time to time.

“Executive Directors” or **“Executives”** means members of the Board of Directors holding Management function in a Licensee; and except where the terms “Managing Director” and/or “Chief Executive Officer” have been used to separate the holder of that office, shall include the Managing Director/Chief Executive Officer.

“Family” means individuals who are related by blood marriage, or adoption. This includes, but is not limited to spouses, parents, children, siblings, grandparents, grandchildren, aunts, uncles, nieces, nephews, and first cousins. It also extends to domestic partners and any other person who shares the same household or has a relationship similar to that of a family member.

“Interconnect Indebtedness” means a debt incurred by a Licensee for terminating calls on another network.

“Legislation” means relevant applicable laws codified or enacted as a statute.

“Licensee” means an incorporated entity who holds an Individual Licence or undertakes activities which are not subject to a Class Licence granted under the Nigerian Communications Act 2003 as may be amended from time to time.

“Shareholder” means a person who lawfully acquires shares in the capital of a Licensee.

“Stakeholder” includes directors, employees, customers, distributors, regulatory authorities and the host community.

Made at Abuja this day of 2024

Dr. Aminu Maida
Executive Vice-Chairman/CEO
Nigerian Communications Commission