

SECURITIES & EXCHANGE COMMISSION
SEC FORM 01 FOR REPORTING COMPLIANCE ON THE
SEC CORPORATE GOVERNANCE
GUIDELINES

Company Name: STERLING BANK PLC

Nature of Business: BANKING

Year Ended: 31ST DECEMBER 2020

SECTION I

GENERAL INFORMATION

- i) Address of Company: **20 Marina Lagos**
- ii) E-mail: **customercare@sterling.ng**
- iii) Website: **www.sterling.ng**
- iv) Financial Year End: **31st December**
- v) Date of Incorporation: **25th November 1960**
- vi) Date of Listing: **1993**
- vii) Mobile phone numbers of:
 - a. MD/CEO: **08035351172**
 - b. Company Secretary: **08035354434**
 - c. Financial Controller: **08023160003**
 - d. Chief Audit Executive: **08023046639**
 - e. Chief Compliance Officer: **07012952707**
- viii) Name and Address of External Auditor (s):
Deloitte & Touche
Civic Towers,
Plot GA 1, Ozumba Mbadiwe Avenue,
Victoria Island, Lagos
- ix) Name and Address of Registrar (s): **Pace**
Registrars Limited.
24 Campbell Street Lagos
- x) If registrars have been changed, list the names of the previous registrars with date: **Registrars have not changed**
- xi) Name and Address of Financial Advisers: **None**
- xii) Name and Address of Company Secretary:
Temitayo Adegoke.
Sterling Towers, 20 Marina Lagos

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Introduction

Public companies, in addition to the template for reporting compliance with the Nigerian Code of Corporate Governance 2018, shall adopt this checklist as part of procedures for assessing their compliance with the SEC Corporate Governance Guideline (SCGG) issued by the Securities and Exchange Commission. The purpose of the Guideline is to add to the standards of transparency, accountability and good corporate governance practice among public companies in Nigeria.

The Guideline, from which SEC Form 01 is developed, is mandatory. The SEC Form 01 shall complement the FRC/CG/001 to help assess and record public companies' compliance with corporate governance requirements. The checklist is structured in line with the guidelines presenting each element as a question to which companies will respond that they have complied, not complied or partially complied. A further section requires a company to record a substantiating comment against the question.

Instructions:

- i) Every line item and indicator **must** be completed.
- ii) Fill in each cell with an "X".
- iii) A substantiating comment **must** be provided in all cases.
- iv) Not Applicable (N/A) is not a valid response.

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- xiii) Name and address of subsidiaries/associates, including % holding: **Non-operating subsidiary**
- xiv) Others/percentage holdings: (minority interest) **NONE**
- xv) Current Status of listed Securities:

Active Dormant

Delisted Unlisted

SECTION II SEC CORPORATE GOVERNANCE GUIDELINES

All companies are required to report compliance with the SEC corporate governance guideline in their annual reports to shareholders and the company website.

No.	Item	Yes	No	Partial	Substantiating Commentary
THE BOARD OF DIRECTORS					
Guideline 1	Composition and Structure of the Board				
	Does the Board have a minimum of five (5) members?	Yes			The Board has Twelve (12) Members
Guideline 2	Family and Interlocking Directorship				
2.1	Do more than two members of the same family shall sit on the Board?		No		No two members of the same family are serving on the Board
2.2	Are there any cross membership on the boards of two or more companies by directors of the company?		No		There are no directors with cross membership

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Guideline 3	Provision of Meeting Documents to Officers of the Board				
	Are Board papers made available to members of the Board at least one week prior to the date of the Board or committee meeting?	Yes			Board papers are made available at least one week before meetings.
Guideline 4	Independent Non-Executive Directors				
4.1	Does the public company have a minimum of one Independent Director on its Board?	Yes			The Company has two Independent Directors

4.2	Are the Independent Directors: i. Partners or Executives of the company's statutory audit firm, internal audit firm, legal or other consulting firm that have a material association with the company? or ii. Partners or Executives of any such firm for three financial years preceding their appointment?		No		The Independent Directors are not and have not been partners in any consulting firms 3 years preceding their appointment
Guideline 5	Nomination and Governance				

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	<p>Does the Nomination and Governance Committee:</p> <p>i. Review the performance and effectiveness of the Board of the company's subsidiary on an annual basis?</p> <p>ii. Prepare job specification for the position of the Chairman, including an assessment of time commitment required of the candidate?</p> <p>iii. Provide input to the annual report of the company in respect of Director compensation?</p>	No			Non-operating subsidiary
		Yes			The Governance Committee would consider the skills and specification of Board members prior to their appointment.
		Yes			The Governance and Remuneration Committee reviews and recommend the compensation for directors in line with its Charter.
Guideline 6	Audit Committee				
	Whenever necessary, does the Committee obtain external professional advice?	Yes			The Committee obtains external professional advice as required
Guideline 7	Risk Management Committee				
	Does the CEO/MD, Executive Directors and the Head of the internal audit unit attend the meetings of the Risk Management Committee?	Yes			The Chief Audit Executive attends the Risk Management Committee meeting along with other members of the Executive Management/Senior Management team. The CAE is a member of the committee.

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Guideline 8	Appointment to the Board				
8.1	In appointing a person to the Board, are shareholders provided with information on any real or potential conflict of interest, including whether the proposed appointee is an interlocking director?	Yes			This is made available to shareholders before the election of a Director at the Annual General Meeting (AGM)
8.2	Do the letters of appointment cover: i. Synopsis of Director's rights? ii. Director evaluation programme used by the company? iii. Any other contractual responsibilities?	Yes Yes Yes			The appointment letter of the Executive Directors states their rights, reporting line/evaluation and other contractual obligation. Other Obligations are also captured in the Board Charter
Guideline 9	Board Evaluation				
	i. Does the Chairman oversee the annual evaluation of the performance of the Chief Executive Officer? ii. Does the CEO/MD perform an annual evaluation for the Executive Directors based on agreed criteria or performance indicators?	Yes Yes			The Chairman oversees the annual evaluation of the Chief Executive Officer. The CEO/MD periodically reviews the performance of the Executive Directors based on agreed criteria/performance indicators
Guideline 10	Remuneration				
10.1.	Does the remuneration policy define a process for determining Executive and Non-Executive Directors' compensation?	Yes			The remuneration policy defines a process for determining Executive and Non-Executive Compensation. The remuneration is also

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					benchmarked against market practice.
10.2.	Does the Board approve the remuneration of each Executive Director including the CEO individually, taking into consideration direct relevance of skill and experience to the company at that time?	Yes			The remuneration of the MD/CEO and the Executive Directors is determined by the Board of Directors. The Board reviews relevant skill and experience and any other relevant factor in determining their remuneration.
10.3	<p>i. Where share options are adopted as part of executive remuneration or compensation, does the Board ensure that they are not priced at a discount except with the authorization of the SEC and that any such deferred compensation are not exercisable until one year after the expiration of the minimum tenor of directorship?</p> <p>ii. Where share options are granted as part of remuneration to Directors, are the limits set in any given financial year and subject to the approval of the shareholders in general meeting?</p>		Not Applicable		<p>This is not applicable.</p> <p>If it becomes applicable the Board will ensure a full compliance with the provisions of the Code if share options are adopted.</p>

10.4.	Does the company disclose in their annual report, details of shares held by all Directors, including on an "if-converted" basis?	Yes			Directors interest in shares are fully disclosed in the Annual Report.
10.5.	Are Directors required to disclose their shareholding whether on a proprietary or fiduciary basis in the public company in which they are proposed to be appointed as Directors, prior to their appointment?	Yes			Directors are required to disclose their shareholding, whether on a proprietary or fiduciary basis

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10.6.	Does the Board undertake a periodic peer review of its compensation and remuneration levels to ensure that the company remains competitive?	Yes			The compensation review is done periodically.
Guideline 11	Internal Audit Function				
	Does the annual risk-based internal audit plan: i. address the broad range of risks facing the company linking this to risk management framework? ii. identify audit priority areas and areas of greatest threat to the company; iii. indicate how assurance will be provided on the company's risk management process? iv. indicate the resources and skills available or required to achieve the plan?	Yes Yes Yes Yes			The Internal Audit function of the Bank has a risk-based methodology in line with the provisions of the Code.
Guideline 12	Business Conduct And Ethics				
	Are Directors, Management and other employees obligated to comply with the principles of the Code of Business Conduct and Ethics at all times, including to: i. protect and ensure the efficient use of the Company's assets for legitimate business purposes? ii. make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally, towards achieving its goals? iii. not engage in conduct likely to bring discredit upon the company, and should encourage fair dealing by all employees with the Company's customers,	Yes Yes Yes			The Bank has a Code of Ethics that staff and Directors of the Bank are obligated to comply with.

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	<p>suppliers, competitors and other employees?</p> <p>iv. not take advantage of Company property or use such property for personal gain or to compete with the Company?</p> <p>v. keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorized by the person from whom the information is provided, or is required by law?</p>	Yes			
Guideline 13	Sustainability				
13.1.	Does the company recognize corruption as a major threat to business and national development and therefore as a sustainability issue for businesses in Nigeria?	Yes			The Bank recognizes corruption as a major threat to business and national development and therefore monitors compliance with its Code of Professional Conduct & Ethics, Anti-Bribery & Corruption policy and the Whistleblowing Policy amongst other steps to combat the threat.

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13.2.	Does the company, Board and individual directors commit themselves to transparent dealings and the establishment of a culture of integrity and zero tolerance to corruption and corrupt practices?	Yes			The Company, Board and Individual Directors are committed to the highest standards of transparent dealings with zero tolerance for corrupt practices. The Board Members are all subjected to and required to comply with the provisions of the Board approved policy on Anti-Bribery & Corruption, Code of Professional and Ethics.
Guideline 14	Disclosure				
	Does the company engage in increased disclosure beyond the statutory requirements in the CAMA, in order to foster good corporate governance?	Yes			In line with international best practice, the Board discloses all significant matters beyond the requirements of CAMA, this is done in order to ensure transparency, accountability and good corporate governance.

SECTION III

ADDITIONAL DISCLOSURES

1. State the names and percentage holding of substantial shareholder(s) (5% and above)

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Name	Percentage (%) holding	Representation in the board
SILVERLAKE INVESTMENT LTD	25%	N/A
STATE BANK OF INDIA	8.86%	MR. RAMESH RAJAPUR (Retired November 2020)
MIKE ADENUGA	5.63%	MR. MICHAEL JITUBOH
ESS-AY INVESTMENTS LTD	5.02%	MRS.TAIRAT TIJANI

2. Unclaimed Dividend

- (i) Total Unclaimed Dividend
N1,172,680,997.66 (Funds are retained with Pace Registrars Limited)
- (ii) Bank Balance **None**
- (iii) Investments **(made) None**
- (iv) Earned Income **None**

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CERTIFICATION

All information provided herein is to the best of our knowledge true. We take responsibility for any Contradictory information given by us. Material variations would be considered as fraudulent misrepresentation.

Company Secretary

Name: Mrs. Temitayo Adegoke

Sign & Date: _____



Chief Internal Auditor

Name: Mr. Cyril Osheku

Sign & Date: _____

 26/01/2021

Financial Controller

Name: Mrs. Adebimpe Olambiwonnu

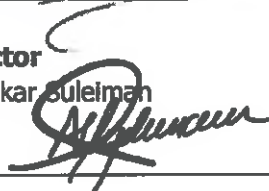
Sign & Date: _____

 26/01/2021

Managing Director

Name: Mr. Abubakar Suleiman

Sign & Stamp: _____



Chairman of the Board

Name: Mr. Asue Ighodalo

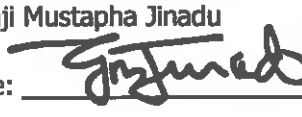
Sign & Date: _____

 26.01.

Chairman of Audit Committee

Name: Alhaji Mustapha Jinadu

Sign & Date: _____

 26/01/2021

COMPANY SEAL