

# DataPro<sup>®</sup>

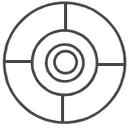
Credit Rating Agency

## CODE OF CORPORATE GOVERNANCE

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## 1.0 BACKGROUND



This code is to serve as guide for the running of affairs of **DataPro Limited** ("The Company") while the Company remain a private limited liability company, it is necessary that it aligns its conduct with, the dictates of local and international Best Practices.

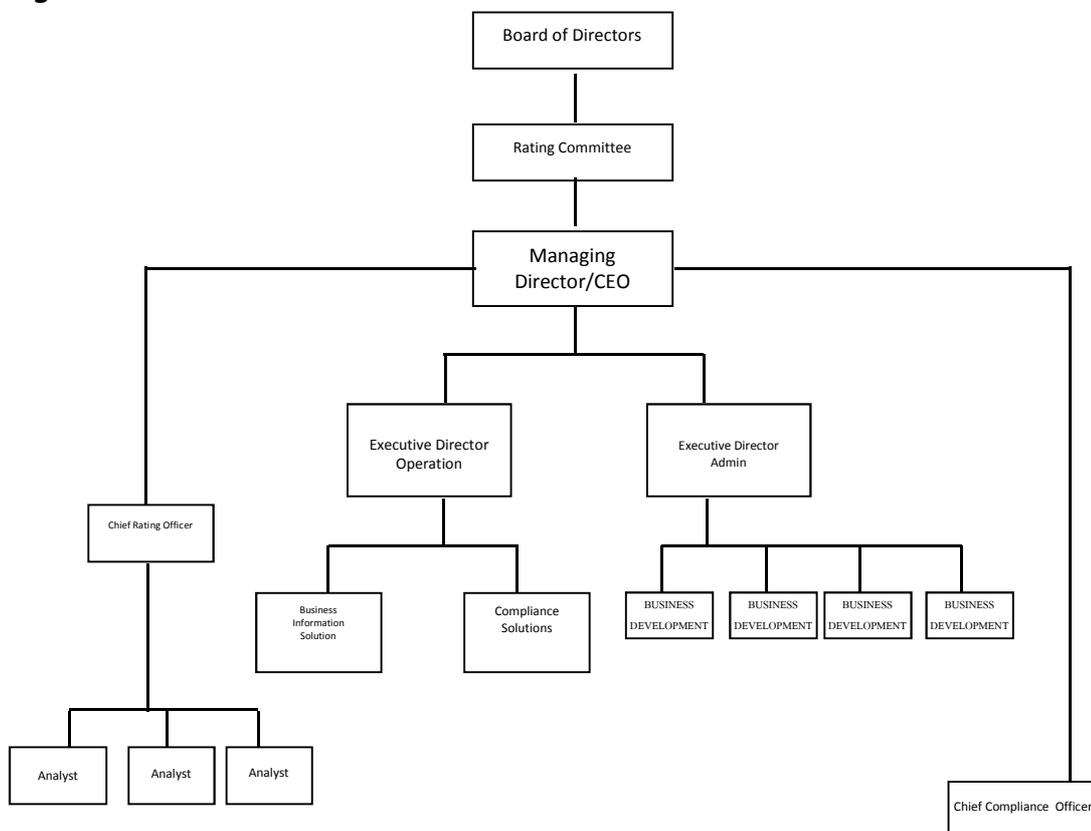
The company seeks to pursue high ethical standards of accountability, transparency and integrity in its daily activities.

This therefore necessitates a need for this code which provides for how the ethical objectives could be met.

## 2.0 ORGANOGRAM

The company organogram is presented below:

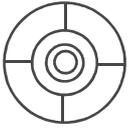
Figure 1



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### **3.0 AUTHORITY AND DUTIES OF SHAREHOLDERS**

Shareholders of the company shall jointly and severally protect, preserve and actively exercise the supreme authority of the company in general meetings. They have a duty, jointly and severally, to exercise that supreme authority to:

- 3.1 Ensure that only competent and reliable persons who can add value to the company are elected or appointed to the Board of Directors;
- 3.2 Ensure that the Board of Directors is constantly held accountable and responsible for the efficient and effective governance of the company.
- 3.3 Change the composition of a Board of Directors that does not perform to expectation or in accordance with the mandate of the company.

### **4.0 LEADERSHIP OF THE COMPANY**

The Board of Directors shall exercise leadership, enterprise, integrity and sagacious judgment in directing the company so as to achieve continuing prosperity for the company and shall always act in the best interests of the company.

### **5.0 ROLE AND FUNCTIONS OF THE BOARD**

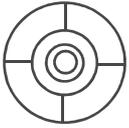
The Board of Directors shall exercise all the powers of the company subject only to the limitations contained in the law and the memorandum and articles of incorporation.

In this regard, it is expected that the Board of Directors shall fulfill the following functions:

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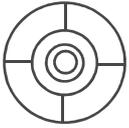


- Exercise leadership, enterprise, integrity and sound judgments in directing the company so as to achieve continuing prosperity and to act in the best interest of the enterprise while respecting the principles of transparency and accountability;
- Ensure that through a managed and effective process, board appointments are made that provide a mix of proficient directors, each of whom is able to add value and bring independent judgment to bear on the decision-making process;
- Determine the company's purpose and values, determine the strategy to achieve its purpose and to implement its values in order to ensure it survives and thrives, and ensure that procedures and practices are in place that protect the company's assets and reputation;
- Monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
- Ensure that the company complies with all relevant laws, regulations and codes of best business practice;
- Ensure that the company communicates with shareholders and other stakeholders effectively;
- Serve the legitimate interest of the shareholders and the company and account to them fully;
- Identify the company's internal and external stakeholders and agree on a policy, or policies determining how the company should relate to them;
- Ensure that no one person or a block of persons has unfettered power and that there is an appropriate balance of power and authority on the board which is, inter alia, usually reflected by separating the roles of the Chief

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Executive Officer and Chairman, and by having a balance between executive and non-executive directors;

- Regularly review processes and procedures to ensure the effectiveness of its internal systems of control, so that its decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times;
- Regularly assess its performance and effectiveness as a whole, and that of the individual directors, including the Chief Executive Officer;
- Appoint the Chief Executive Officer and at least participate in the appointment of senior management, ensure the motivation and protection of intellectual capital intrinsic to the company, ensure that there is adequate training in the company for management and employees, and a succession plan for senior management;
- Ensure that all technology and systems used in the company are adequate to properly run the business and for it to remain effectively competitive;
- Identify key risk areas and key performance indicators of the business and monitor these factors;
- Ensure annually that the company will survive, thrive and continue as a viable going concern.

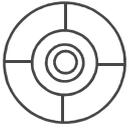
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In Order to fulfill these functions, the Board of Directors shall:

- Meet regularly at least four (4) times in a year and retain full and effective control over the company.
- Define the limits of authority of the Chief Executive and other top executives.
- Compile and communicate company policies, strategies etc. covering style of operation; external and internal



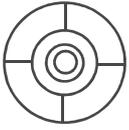
relationships; markets and business; required rates of return and performance standards; growth and change policies; planning and budgetary procedures.

- Review and approve strategic plans and arrange that meaningful plans are produced at all levels on an on-going basis covering the longest realistic time-scale.
- Determine the (actual and potential) total resources of the company in terms of men, money, methods, equipment etc. and market position, and allocate these by unit and time-scale, defining closely what returns are expected and when.
- Devote sufficient time to their responsibilities.
- Structure and organize the company.
- Monitor management performance.
- Map out the mechanisms for internal and external liaison and communications.
- Define how the Board will operate including:
  - ✓ What information or reports it requires on a monthly or quarterly basis.
  - ✓ How, with what data, and by what means, it will constantly monitor management performance and the financial progress of the company.
  - ✓ How it will evaluate its own performance at least once every year.
- Ensure that the company is properly managed and for the attainment of lawful objectives.
- Ensure that the company's affairs are not managed or conducted in a manner oppressive to any of its shareholders or for fraudulent purposes.
- Ensure that the company complies with all statutory requirements.

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## 6.0 COMPOSITION OF THE BOARD

The membership of the board shall not be less than two (2) or more than four (4) at any point in time. The board shall be chaired by a director who is not involve in the management of the company. The Managing Director shall be responsible for the running of the company.

### 6.1 OFFICERS OF THE BOARD

#### 6.1.1 The Chairman:

The roles of the chairman are:

- To lead the Board;
- To chair meetings of the Board and members, ensuring order, proper conduct of meetings, affording participants a reasonable opportunity to speak, ensuring decisions are fairly made, deciding on technicalities and to cast the deciding vote in case of ties;
- To organize and facilitate a balance of internal and external relationships, and
- To facilitate effective Board management.
- He is to be present where issues relating to:
  - ✓ Financial reporting
  - ✓ Nomination and remuneration of directors and
  - ✓ Evaluation of Board performance are to be discussed

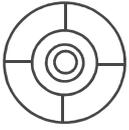
The company must always have a qualified, competent, fit and proper company secretary who must have the requisite knowledge and experience necessary to undertake the statutory duties and responsibilities of the post and advise the Board.

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Secretary should have responsibility for ensuring that the company adheres to this code of best practice for corporate governance.

### **6.1.2 THE MANAGING DIRECTOR**

The Managing Director shall be the head of the management and is answerable to the board. His functions and responsibilities shall include:

- Day to day running of the company
- Guiding the development and growth of the company
- It shall be the leading representative for the company in all the company's dealings with its stakeholders.

### **6.1.3 THE COMPANY SECRETARY**

The role of the company secretary shall include;

- Ensure adherence to this code
- Provide the board and directors with detailed guidance as to our their responsibilities should be discharged in the interest of the company
- Coordinates induction and training of new directors
- Coordinates administrative issues relating to meetings, notification and communication of issues to relevant persons

The appointment and termination of the company secretary shall be ratify by the board

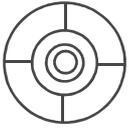
## **7.0 APPOINTMENTS TO THE BOARD**

There will be formal and transparent procedures for nomination and appointment of new directors to the Board. In this regard:

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7.1 The Board of Directors will formally review its composition and performance at least once every year to ensure that:

- ✓ The mix of membership is appropriate and compatible with the needs of the Board and company and.
- ✓ non-executive directors commit adequate time to his responsibilities and contributes effectively.

7.2 Service contracts of Executive Directors shall not exceed three years but these are renewable with the approval of shareholders on the recommendation of the Board.

## 8.0 DIRECTORS' REMUNERATION

In order to avoid potential conflict of interest, all members of the Board shall be present at the meeting where the remuneration of directors shall be discussed.

## 9.0 DISCLOSURES OF INFORMATION BY DIRECTORS

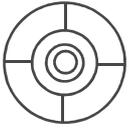
On first appointment and at regular intervals (at least once every year), or at any time when circumstances change, all directors shall, in good faith, disclose to the Board for recording and disclosure to the external auditors, any business or other interests that are likely to create a potential conflict of interest, including:

- ✓ All business interests (direct or indirect) in any other company, partnership or other business venture.
- ✓ Membership in trade, business or other economic organizations.
- ✓ Their shareholding, share options and/or other interest in the company.
- ✓ Any interest (direct or indirect) in any transaction with the company.

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- ✓ Any gifts, monies, commissions, benefits or other favours extended or received from whatsoever party in respect of or in relation to any business dealings with the company.

At any time when a director resigns or is removed from office before the expiry of his term, he shall disclose to the company's external auditors and if necessary to the shareholders (if the reason for removal or resignation is refusal to compound fraud, corruption or other activities or behaviour incompatible with the shareholders' interests) the reasons for his resignation or removal.

## 10.0 SUPPLY OF INFORMATION TO DIRECTORS

For Board members to exercise informed, intelligent, objective and independent judgments on corporate affairs, they shall have access to accurate, relevant and timely information. In this regard:

- It shall be the duty of every director to demand and obtain any information he deems critical to the performance of his duties as a director.

## 11.0 DIRECTORS' TRAINING AND DEVELOPMENT

Directors shall be sponsored on any training once every three years and subject to availability of fund on matters relevant towards enabling such director to discharge his/her duties.

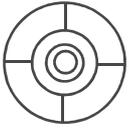
This training may cover, inter alia:

- Role, duties and responsibilities of the Board and directors.
- Rights and obligations of a director.

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- Statutory liabilities and duties of a director under criminal and company law.
- Board practices and procedures.
- Corporate strategy and organization.
- Disclosure and communication policies.
- Financial management systems, internal control procedures and internal audit.
- External Audit and the Board.
- The Corporate Environment.
- Performance targeting, monitoring and evaluation.
- Risk management.
- Information Technology and information to the Board.
- Any other matters of interest to the Board.

## **12.0 ACCOUNTS: AUDIT AND DISCLOSURE**

It is the statutory duty of directors, jointly and severally, to cause to be kept proper and accurate books of accounts in respect to all sums of money received and expended by the company, and the matters in respect of which receipt or expenditure takes place; and of all the assets and liabilities of the company, as necessary to give with reasonable accuracy at anytime, the financial position of the company

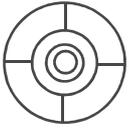
### **12.1 EXTENSION OF SCOPE AND DUTIES OF AUDITORS**

- Consequent upon the board responsibility to ensure the integrity of financial report to relevant stakeholders, the board shall engage persons who are qualified, reliable and independent of the Board and management as auditors. The Board shall endeavour to extend the definition and scope of audit to cover an independent opinion to those with interest in the company that they have received from those

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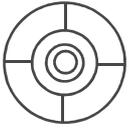
responsible for the direction and management of the company an adequate account of:

- ✓ The proper conduct of the company's affairs;
- ✓ The company's financial performance and position;
- ✓ Future risks.
- Facilitate an extension of Auditors duties in regard to:
  - ✓ Reporting on whether the company has financial and other risk management controls
  - ✓ Evaluating and reporting on aspects of propriety and efficiency
  - ✓ Reporting directly to the Board, regulatory authorities and shareholders as appropriate, when illegal acts are discovered and to monitor basic ethical behaviour particularly in regard to the public interest
- Enhance the independence of the auditor from the Board and management;
- Extend the liability of Auditors to third parties.
- Consider appointment, remuneration and the resignation or dismissal of external auditors.
- Discuss and agree on the scope, nature and priorities of audit.
- Discuss with external auditors any reservations and problems arising in the course of audit and any audit management letters and management responses prior to the issuance of the audit certificate.
- Review and discuss with the external auditors aspects relevant to internal control procedures, risk management and internal audit.
- Review major findings on internal audit and investigations and consider management response or actions thereto.

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### **13.0 RIGHTS OF SHAREHOLDERS**

All shareholder rights shall be recognized, respected and protected.

Basic shareholder rights include:

- To secure methods of ownership registration;
- To convey or transfer shares;
- To obtain relevant information on the company on a timely and regular basis;
- To participate and vote in general shareholder meetings;
- To elect members of the Board; and
- To share in the residual profits of the company.

Shareholders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as:

- Amendments to the statutes, or articles of incorporation or similar governing documents of the company;
- The authorization of additional shares; and
- Extra-ordinary transactions that in effect result in the sale of the company.

The Shareholders in turn have a duty and are well advised to exercise the supreme authority of the company in general meetings to hold the Board accountable for stewardship of the company.

### **14.0 RESPONSIBILITIES TO OTHER STAKEHOLDERS**

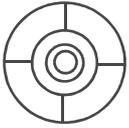
The Board of Directors and the company recognize the rights of stakeholders as established by law and shall encourage active co-

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operation between the company and its stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises.



In this regard, the Board of Directors shall:

- Ensure that the rights of stakeholders that are protected by law are respected.
- Where stakeholder interests are protected by law, ensure that stakeholders have the opportunity to seek effective redress for any violation of their rights.
- Permit and facilitate performance-enhancing mechanisms for stakeholder participation.
- Ensure that where stakeholders participate in performance-enhancing mechanisms, they have access to all relevant information.

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