

BOARD DIVERSITY POLICY

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OBJECTIVES

The present policy sets out the approach to diversity on the Board of Advans La Fayette Microfinance Bank Limited ("the Bank"). Diversity includes skills, geographical, commercial, and industry experience, knowledge, race, and gender without compromising competence, independence, and integrity.

RELATED DOCUMENTS

Board Charter

Board Committee Charters

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1. Introduction

It is essential that the Board of Directors of the Bank (“the Board”) promotes diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. Thus, this policy aims to achieve:

- ⊕ An all-inclusive and diverse membership of the Board resulting in optimal decision-making and assisting in the development and execution of a strategy that promotes the success of the Bank for the benefit of its shareholders as a whole, having regard to the interests of other stakeholders.
- ⊕ A better Corporate Governance structure for the Bank.

2. Scope of the Policy

This policy applies to the composition of the Board of the Bank.

3. Diversity Objectives

- The Board seeks to achieve its diversity balance by ensuring:
 - ⊕ That at least two (2) members of the Board other than the Executive Director(s) have banking or related financial industry experience;
 - ⊕ That there is female/male membership on the Board of the Bank with a commitment to have at least 40% female representation on the Board; and
 - ⊕ At least 1 Director is a Nigerian.

The Board acknowledges that periods of change in Board composition may result in temporary periods when this balance may not be achieved, in particular to secure quorum at meetings or to secure a sufficient number of directors that qualify to serve on the committees of the Board of Directors.

4. Policy Statement

- In determining the composition of the Board, the Board Governance and Nomination Committee (“the Committee”) shall ensure that there is a balance on the Board and that all Board appointments are made on merit, in the context of the appropriate balance of skills, experience, gender, and knowledge that the Board as a whole requires to be effective.
- The Committee shall periodically review and assesses the Board composition on behalf of the Board, and recommend the appointment of new directors with relevant skills and fresh perspectives while retaining valuable knowledge, skills, experience, and maintaining continuity.
- In reviewing Board composition, the Committee shall consider the benefits of all aspects of diversity, specifically including, but not limited to, gender, experience and race diversity, in order to enable it to discharge its duties and responsibilities effectively.

- The evaluation of the Board shall consider the mix of skills, experience, objectivity, competence of members of the Board, its diversity (including gender), knowledge of the Bank's business and how the Board works together as a unit, and other factors relevant to its effectiveness.

5. Periodic Review

- The Board Diversity Policy shall be reviewed every 3 years.
- This Policy may be amended only by the Board.