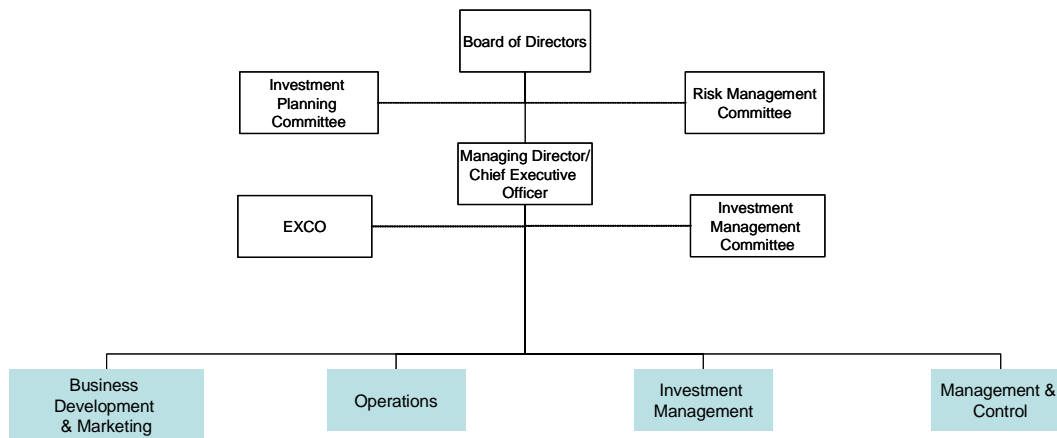


Governance Structure

A key element of our definition of self is to be a highly ethical organization with good corporate governance. Transparency and accountability are fundamental elements of our internal practices and external relationships. The directors of Trustfund Pensions Plc are committed to high standards of ethics and corporate governance and have established a Code of Corporate Governance, which is in substantial conformity with the “Code of Corporate Governance for Banks and Other Financial Institutions, 2003”, as well as the “Code of Best Practices in Corporate Governance in Nigeria, 2003”. Trustfund’s governance structure thus aims to protect customers and the company from risks inherent in its business and losses that could occur as a result of human error or inadequate systems and controls.

The diagram below depicts Trustfund’s governance structure.



Organisational structure

Trustfund’s governance structure is on three levels:

4.1 Board Level:

4.1.1 Role of the Board

The principal responsibilities of the Board of Directors are to ensure that adequate systems, policies and procedures are in place for safeguarding the assets and capital of the company. The responsibilities of the board cover the following functions:

- Internal control and risk management;
- Financial reporting ;
- Performance Evaluation (of its activities as a body, its respective committees, individual directors, corporate performance and executive management); and
- Relationship with shareholders.

4.1.2 Membership

The board is made up of representatives of the company’s owners, who are **objective, capable, and inquisitive**, with a **knowledge or expertise** of the activities of and risks run by the company. The board is made up mainly of members who are independent from the daily management of Trustfund (that is, non-executive directors).

4.1.3 Independent Professional Advice

The Board has in place a procedure whereby directors have the right in furtherance of their duties to seek independent professional advice at the Company's expense. Copies of any instructions and advice given by an independent professional adviser to a director are supplied by the director to the Company Secretary who, where appropriate, circulates to other directors sufficient information to ensure that other members of the Board are kept informed on issues which affect the Company.

4.1.4 Directors' Independence

All the non-executive directors of Trustfund Pensions Plc are independent in character and judgement. No non-executive director:

- has been an employee of the NSITF group within the last seven years;
- has, or has had within the last three years, a material business relationship with the Group;
- receives remuneration from Trustfund Pensions Plc other than a director's fee;
- has close family ties with any of Trustfund's advisers, directors or senior employees;
- has served on the Board for more than five years.

4.2 Board Committee Level:

Two committees headed by members of the board are established and charged with the responsibility of devising strategies for creating and maintaining economic value on customer contributions, and managing the day-to-day business and operational risks faced by the company. The two committees are:

4.2.1 Risk Management Committee

4.2.1.1 Role of the Committee

The principal oversight functions of the Risk Management Committee cover:

- Determining the risk profile of Trustfund's investment portfolio;
- Developing policies for addressing deviations from the approved risk profile;
- Determining appropriate risk mitigation measures (provisions, reserves etc.) to protect customers and Trustfund from inherent risks in the investment portfolio;
- Ensuring the adequacy of the internal and external audit functions;
- Ensuring the adequacy of all internal risk (operational, strategic, regulatory and market risks) control processes and structures;

The Committee has formal terms of reference set by the Board, which are reviewed regularly.

4.2.1.2 Membership

Membership of the committee comprises two non-executive directors, the MD/CEO, with the Heads of divisions and the Head of Risk Management department in attendance.

4.2.2 Investment Planning Committee

4.2.2.1 Role of the Committee

The principal oversight responsibilities of the committee cover:

- Developing investment strategy and guidelines consistent with regulatory provisions and risk appetite of Trustfund;
- Determining the optimal asset allocation mix;
- Evaluating the performance and valuations of the company’s investment portfolio, and making appropriate recommendations to the Board.

4.2.2.2 Membership

Members of the committee include two non-executive directors, the MD/CEO, with the Heads of divisions and the Investment Manager in attendance.

There is synergy between both committees to ensure that customers and the company’s overall interests are safeguarded. The Risk Management and Investment Planning Committees are supported by the Risk Management and Fund Research & Planning departments respectively.

4.3 Management Level

4.3.1 The Executive Committee (EXCO)

4.3.1.1 Role of the EXCO

The principal role of the EXCO is the execution of all management decisions approved by the board of directors, periodically evaluate the performance of the company, and address all internal day-to-day management issues.

4.3.1.2 Membership

The EXCO comprises the MD/CEO (Chairman), Heads of divisions, the Chief Compliance Officer, and the Legal Adviser/Company Secretary.

4.3.2 Investment Management Committee (IMC)

4.3.2.1 Role of the IMC

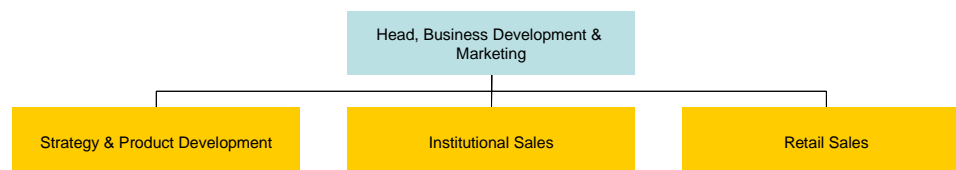
The principal role of the IMC is the approval of individual portfolio purchase and exit decisions in line with the approved investment guidelines.

4.3.2.2 Membership

The committee comprises the MD/CEO (Chairman), Heads, Investment Management and Business Development divisions and Head, Risk Management department.

5.0 Divisions & Departments

5.1 Business Development & Marketing



Business Development and Marketing Divisional Arrangement

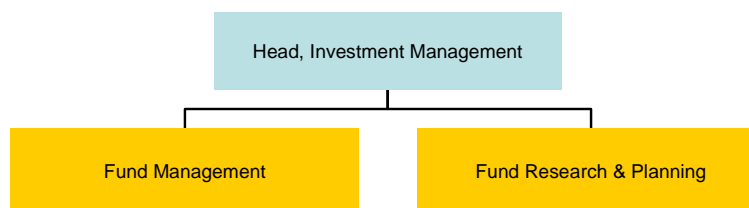
The Business Development and Marketing division drives Strategy, Product Development and Marketing from three departments within the company:

5.1.1 Strategy & Product Development, with responsibility for market research, business research, market strategy, brand management, product development, and client communication strategy.

5.1.2 Institutional Sales, with responsibility for executing Trustfund’s marketing strategies in institutional markets, and has direct responsibility for creating and managing relationships with Closed PFAs, other PFAs, Public Sector, and key strategic clients in the private sectors.

5.1.3 Retail Sales, responsible for executing the company’s marketing strategy in retail markets, and has direct responsibility for creating and managing relationships with individuals in small and medium enterprises (SMEs) and Large Corporates, exploring the possibility of expanding the company’s captive markets to include the public sector in States and local governments.

5.2 Investment Management



Investment management is at the core of Trustfund’s business and primarily involves the investment and day-to-day management of customer contributions. To ensure that the company delivers on its promise to customers to maximize *returns without unnecessary exposure to high risks*, the Investment Management function will be undertaken by two core departments:

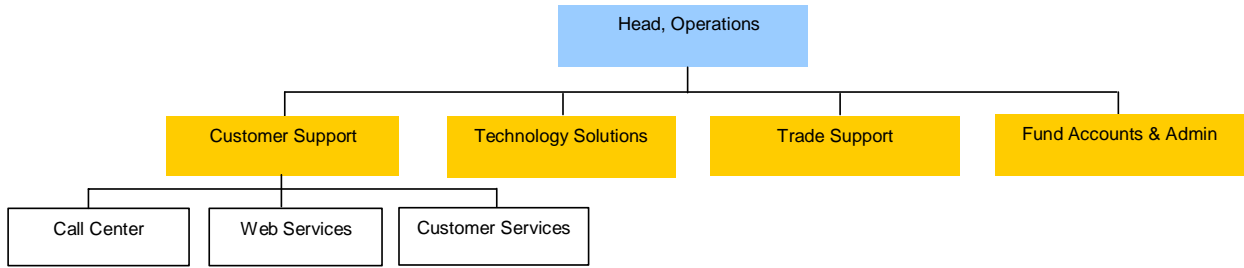
5.2.1 Fund Research & Planning, with responsibility for:

- Investment Research;
- Investment Performance & Risk Analysis; and
- Investment Monitoring.

5.2.2 Fund Management, with responsibility for executing individual investment purchase and exit decisions in line with the Company’s investment guidelines and strategy.

5.3 Operations

Operations division is a core operational function providing essential support and operational services, and deals with the Investment Management division, customers, custodians, and brokers/agents. It has the following four core departments as depicted in the organisational structure below which show the division’s organizational structure and reporting relationships.



5.3.1 Customer Support Department:

This department manages customer relationships and provides after-sales support to all categories of customers. The department also supports the selling function by using the company's distribution channels as an avenue to cross sell the company's products and services to customers.

5.3.2 Trade Support Department:

This department carries out the following broad responsibilities:

- Trade Capture ;
- Matching and Confirmation ; and
- Settlement .

5.3.3 Technology Solutions Department:

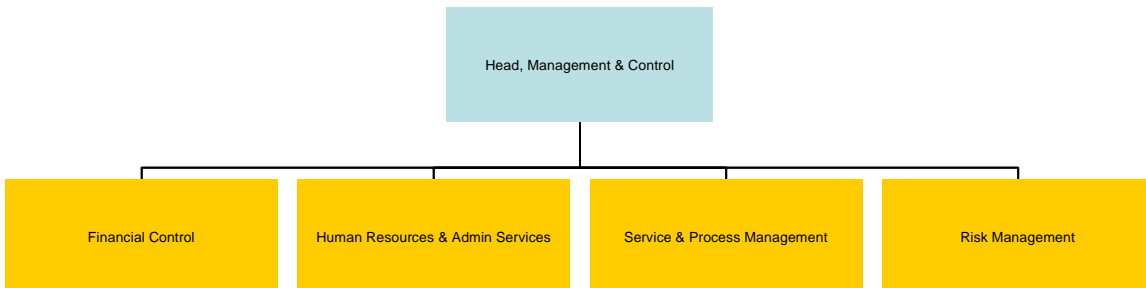
This department manages the company's technology infrastructure (communication, network, application, data and security infrastructure) and provides IT help desk services. Key processes in the Operations Division are supported by enabling technologies that ensure end-to-end automated processing and administration; and significantly reduce the need for human intervention.

5.3.4 Fund Accounts & Admin department:

This department carries out the following broad activities:

- Fund Accounting ; and
- Fund Administration .

5.4 Management & Control Division



The Management & Control division covers all other back-office functions in the company that provide required support and control services to the front and middle offices. This division is

structured to ensure necessary back-office services are available and adequate whilst maintaining a low cost, lean organizational arrangement. These functions include:

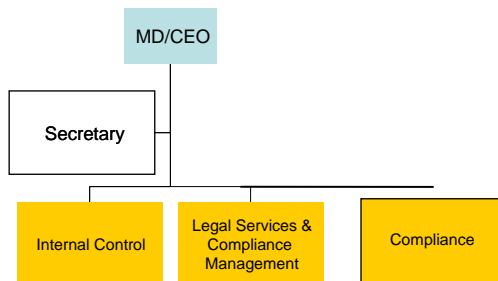
- 5.4.1 Human Resource & Admin Services:** Manages the company’s human resources, provides facility management services and performs all other administrative functions.
- 5.4.2 Finance:** Undertakes all functions related to the management of the company’s book of accounts and finances.
- 5.4.3 Risk Management:** Develops and implements risk management policies, procedures and practices to protect the company from the risk of loss arising out of market failures.
- 5.4.4 Service & Process Management:** Defines, implements, and monitors service and process performance indicators, undertakes periodic review of service quality and process efficiency, and advises the company on best practices in service and process management.

5.5 MD’s Office

The following sensitive back-office functions report directly to the Managing Director/CEO.

- 5.5.1 Legal Services;**
- 5.5.2 Compliance Management unit; and**
- 5.5.3 Internal Control & Audit unit (with parallel reporting line to the Risk Management Committee).**

The diagram below depicts the organisation of the MD/CEO’s office.



6.0

Trustfund Ownership Structure

The ownership of Trustfund Pensions Plc is diversified and reflects various interests, which include the representative bodies of Nigerian workers, employers, and financial institutional investors from the private sector. The Nigeria Social Insurance Trustfund (NSITF) owns 40% of the share capital of Trustfund Pensions, while the other 60% is held by the Nigeria Labour Congress (NLC), the Trade Union Congress (TUC), the Nigeria Employers Consultative Council (NECA), Afribank (Nig) Plc, Niger Insurance Plc, and Denham Asset Management.

The ownership structure bestows on Trustfund Pensions Plc a unique advantage of competence, reliability, experience, professionalism, and trust.