



Central Bank Of Nigeria

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Circular to all Deposit Money Banks

RE: REVIEW OF TENURE OF EXECUTIVE MANAGEMENT AND NON-EXECUTIVE DIRECTORS OF DEPOSIT MONEY BANKS IN NIGERIA

The Central Bank of Nigeria (CBN) has revised the regulatory requirements for the tenure of Executive Management and Non-executive Directors of Deposit Money Banks and Financial Holding Companies in the Code of Corporate Governance for Banks and Discount Houses (Ref: FPR/DIR/CIR/GEN/01/004), as part of measures aimed at strengthening governance practices in the banking industry.

Consequently, the following tenure requirements shall apply effective the date of this circular:

1. The tenure of Executive Directors (ED), Deputy Managing Directors (DMD) and Managing Directors (MDs) shall be in accordance with the terms of their engagement approved by the Board of Directors of banks, subject to a maximum tenure of ten (10) years.
2. Where an Executive who is a DMD becomes the MD/CEO of a bank or any other DMB before the end of his/her maximum tenure, the cumulative tenure of such Executive shall not exceed twelve (12) years.
3. However, for an Executive (ED) who becomes a DMD of a bank or any other DMB, his/her cumulative tenure as ED and DMD shall not exceed 10 years.
4. Non-Executive Directors (NEDs), with the exception of Independent Non-Executive Director (INED), shall serve for a maximum period of twelve (12) years in a bank, broken into three terms of four years each.
5. EDs, DMDs and MDs who exit from the Board of a bank either upon or prior to the expiration of his/her maximum tenure, shall serve out a cooling-off period of 1 year before being eligible for appointment as a NED to the Board of Directors.
6. NEDs who exit from the Board of a bank either upon or prior to the expiration of his/her maximum tenure of 12 years (3 terms of 4 years each), shall serve out a cooling-off period of 1 year before being eligible for appointment to the Board of Directors of any other DMB.
7. The cumulative tenure limit of EDs/DMDs, MDs and NEDs across the banking industry is 20 years.

Please be guided accordingly.


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