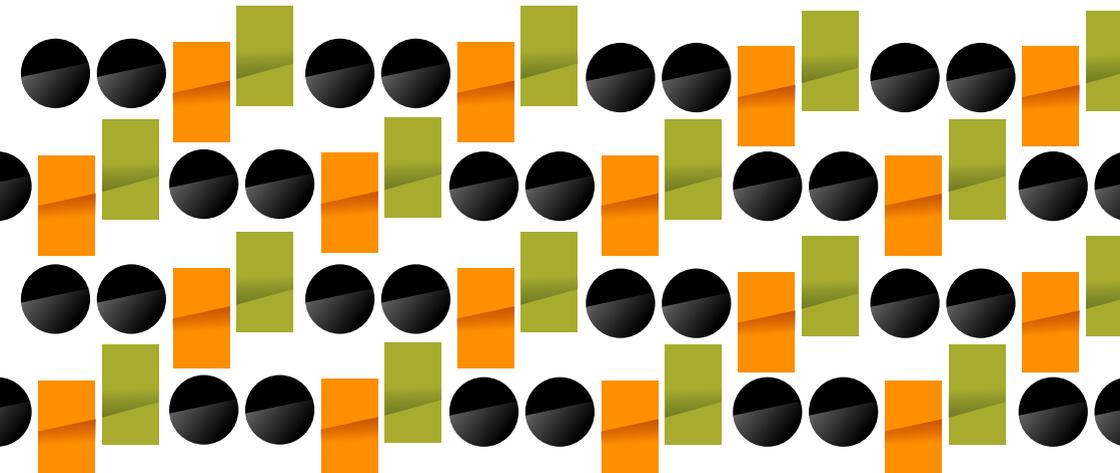




Frequently Asked
Questions (FAQs)
ON THE CORPORATE
GOVERNANCE RATING
SYSTEM (CGRS)



1 What is the Corporate Governance Rating System (CGRS)?

The Corporate Governance Rating System (CGRS) is a joint initiative between The Nigerian Stock Exchange (“The Exchange”) and the Convention on Business Integrity (“CBI”) developed to rate the corporate governance and integrity practices of all companies listed on The Exchange.

2 When was CGRS launched?

The CGRS was launched on 3 November 2014 with eight (8) listed companies that volunteered as Pilot companies.

3 What are the objectives of CGRS?

- To diagnose the status quo of Corporate Governance in Nigeria;
- To improve Corporate Governance and business culture in Nigeria;
- To provide incentives for companies committed to good Corporate Governance; and
- To raise the attractiveness and competitiveness of Nigerian Companies to external capital.

4 Is there a governance structure for the CGRS?

Yes. The highest decision making body of CGRS is the Steering Board (SB). The SB is responsible for defining the system's scope and structure, and approving the ratings prior to their official release. It is assisted in

this effort by three (3) committees, namely: Quality Assurance Committee, Ratings Committee, and the Rules Committee.

5 How does the CGRS rate the corporate governance practices of listed companies?¹

The CGRS rates listed companies through a three (3) segment process via:

- An independently verified, self-assessment by the company;
- A certification of director awareness of their fiduciary duties; and
- A corporate integrity assessment where perceptions of actual company behavior are sought from internal and external stakeholders.

A combination of the three with attendant weighted scores are collated and companies with a score of 70% and above will be given the CGRS Certification Mark.

6 Are all listed companies required to be assessed under the CGRS?

Presently, all companies listed on The Exchange's Premium and Main Boards are required to undergo the CGRS certification process.

7 Can companies not listed on The Exchange apply to be CGRS Certified?

Other than by special dispensation, only companies listed on The Exchange are eligible to participate in the CGRS process.

¹www.nse.com.ng/cgrs/methodology.pdf

8 Will CGRS Certified Companies be re-evaluated? If yes, when?

Yes, CGRS certified companies will be re-evaluated every three (3) years.

9 Will Directors that passed the Fiduciary Awareness Certification Test (FACT) receive certificates?

Yes. All Directors that passed the FACT will receive certificates.

10 Will Directors be required to re-take the FACT if they become directors of other listed companies?

Directors will not be required to re-take the FACT should they become directors of another listed company.

11 Do companies need to pay to be CGRS rated?

Companies are not required to pay to be CGRS rated. However, companies that require non-CGRS services may secure such from CBI on payment of fees agreed with CBI.



**THE Nigerian
STOCK EXCHANGE**

www.nse.com.ng

Stock Exchange House
2-4 Customs Street, Lagos, Nigeria
Tel: +234 1 4638333-5; +234 700 225 5673
Email: contactcenter@nse.com.ng
Website: www.nse.com.ng

NSECONTACT, NSEENIGERIA 

THE NIGERIAN STOCK EXCHANGE 

NSEENIGERIA 

THE NIGERIAN STOCK EXCHANGE 



The Convention on
Business Integrity

www.cbinigeria.com

17A, House 2, Muyibat Oyefusi Crescent
Off Akinola Adegunwa Street
Off Adeyemo Akapo Street
Omole Phase I, Ikeja, Lagos
Tel: +234-1-791 5712, +234-819 158 0287

 CBINGR

 CBI Nigeria

www.cgrsng.com

