



BRIEF ON GUIDELINES FOR TENURE OF MANAGING DIRECTORS OF DEPOSIT MONEY BANKS AND RELATED MATTERS

In furtherance of the on-going banking reforms, the Central Bank of Nigeria pursuant to the powers conferred on it by Banks and Other Financial Institutions Act (BOFIA), Laws of the Federation of Nigeria, (LFN), 2004 has issued the following guidelines to address some corporate governance issues in the deposit money banks:

1. Chief Executive Officers, CEO of banks shall serve a maximum tenure of ten years.
2. All CEOs who would have served for ten years by July 31, 2010 shall cease to function in that capacity and shall hand over to their successors.
3. Where a bank is a product of merger, acquisition, take-over or any other form of combination, the ten-year period shall include the *pre* and *post* combination service years of a CEO provided that the bank in which he previously served as CEO was part of the new bank that emerged after the combination.
4. Any person who has served as CEO for the maximum tenure in a bank shall not qualify for appointment in his former bank or subsidiaries in any capacity until after a period of three years after the expiration of his tenure as CEO.
5. The Governor/Deputy Governors of the CBN and the Managing Director/CEO and Executive Directors of the Nigeria Deposit Insurance Corporation, NDIC shall not be eligible for appointment in any capacity in banks until after the expiration of five years from the date of their exit from the CBN or NDIC as the case may be.
6. The Departmental Directors of the CBN and the NDIC shall not be eligible for appointment in any capacity in banks and their subsidiaries under the supervision of the CBN and NDIC until after the expiration of three years from the date of their exit from the CBN or NDIC as the case may be.
7. Henceforth, all banks shall reflect the provisions of these guidelines in the terms of engagement of their CEOs.

These guidelines shall apply notwithstanding the terms of any contract of engagement or the provisions of the Memorandum and Articles of Association of any bank.

Signed
Management