

Extraordinary



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A BILL

FOR

AN ACT TO ESTABLISH THE NIGERIAN MINERAL DEVELOPMENT CORPORATION TO INVEST AND CATALYZE INVESTMENTS IN THE MINING SECTOR, TO PROMOTE AND SUPPORT MINING SECTOR GROWTH AND FOR RELATED MATTERS

Sponsored by Senator Al-Makura, Umaru Tanko

[] Commencement

ENACTED by the 9th National Assembly of the Federal Republic of Nigeria:

1 PART 1- ESTABLISHMENT, FUNCTIONS, POWERS OF THE NIGERIAN
2 MINERAL DEVELOPMENT CORPORATION

3 1.-(1) There is hereby established a corporation to be known as the Establishment
4 Nigerian Mineral Development Corporation, which shall be utilized for of the Corporation
5 investments and other activities aimed at promoting the growth of the
6 Nigerian mining sector, attracting and supporting investment in the sector,
7 promoting the diversification and growth of the Nigerian economy (referred
8 to in this act as "The Corporation").

9 (2) The Nigerian mineral development Corporation shall be a body
10 corporate which perpetual succession and a common seal, and may sue and
11 be sued in its corporate name.

12 (3) Subject to the limitations contained in this act, the corporation
13 may acquire, hold, and dispose of movable and immovable property for the
14 purpose of its functions and objects under this act.

15 (4) The Corporation shall be independent in discharge of its
16 functions and shall only be subject to such direction and control as are
17 expressly provided in this act.

18 2. The corporation shall have its head office in the Federal Capital Head Office of
19 Territory Abuja. the Corporation

Functions of
the Corporation

- 1 3.-(1) Exploring and prospecting for, working, mining or otherwise
- 2 acquiring, processing and disposing of mineral of various kinds occurring in
- 3 Nigeria other than oil and gas.
- 4 (2) Smelting, roasting, assaying, amalgamating, refining, or
- 5 otherwise treating the minerals aforesaid in any manner calculated to render
- 6 the products and by products of any such mineral marketable.
- 7 (3) Purchasing the ores or the products and by-products of any of the
- 8 minerals aforesaid from any source outside Nigeria in any case where they are
- 9 not available in Nigeria.
- 10 (4) Marketing the ores, products and by-products of any or all the
- 11 minerals aforesaid.
- 12 (5) Establish the Nigeria Mineral Development Fund (referred to in
- 13 this act as "the Fund").
- 14 (6) Receive, manage, and invest the Nigerian Mineral Development
- 15 Fund in a diversified portfolio of investments specifically related to, and with
- 16 objective of promoting the growth of the Nigerian mining sector and
- 17 particularly solid minerals.
- 18 (7) Act as the unique government funding vehicle for all interventions
- 19 in the Nigerian mining sector focused on maximizing recovery and impact of
- 20 capital deployed.
- 21 (8) Act as the executor and custodian of the federations commercial
- 22 investments in the Nigerian mining sector.
- 23 (9) Fund strategies and activities to further encourage the
- 24 formalization, integration and inclusion of artisanal and small-scale mining
- 25 into the mining sector.
- 26 (10) Develop funding mechanisms and private sector partnership to
- 27 intensify targeted strategic solid mineral exploration activities, aimed at
- 28 demonstrating Nigerian mineralization potential.
- 29 (11) Develop mine-related infrastructure in mining areas.
- 30 (12) Develop local capacity in the mining sector, including but not

1 limited to providing extension services to small scale and artisanal mining
2 operators and generally work with other government institutions to sponsor
3 capacity building programs aimed at bridging the skill gap in the Nigerian
4 mining sector.

5 (13) Invest and catalyse investment in the entire mining chain in
6 Nigeria, including but not limited to:

7 (i) Data development and targeted strategic exploration;

8 (ii) Capacity development and business support for Artisanal and
9 small-scale mining formalization of the ASM sector;

10 (iii) Mine development and production for commercially viable
11 mining projects;

12 (iv) Investing civil, transportation, power and technology
13 infrastructure as key enablers;

14 (v) Invest in Environmental, Public Health and Safety initiatives
15 especially for Artisanal and Small-Scale Miners;

16 (vi) Invest in the most up to date and reliable surveillance and
17 security technology including but not limited to fixed wing drones, XRF
18 technology and photogrammetry; and

19 (vii) Other areas as may be necessary to drive investments in and
20 develop the Nigerian mining sector value chain.

21 4. Subject to the other provisions of this act, the corporation shall
22 have power to do anything which in its opinion is calculated to facilitate the
23 carrying on of its activities, including, without prejudice to the generality of
24 the foregoing, the power to-

Powers of the
Corporation

25 (a) Sue and be sued in its corporate name;

26 (b) Hold and manage movable and immovable property;

27 (c) Construct and maintain such roads, railways, sidings,
28 tramways, bridges, reservoirs, water courses buildings, plant and machinery
29 and such other works as may be necessary for, or conducive to, the discharge
30 of the functions conferred on it by or under this Act;

1 (d) purchase or otherwise acquire or take over any asset, business,
2 property, privilege, contract, right, obligation and liability of any company,
3 firm or person in furtherance of the business engaged in by the Corporation;

4 (e) enter into contracts or partnerships with any company, firm or
5 person which in the opinion of the Corporation will facilitate the discharge of
6 its functions under this Act;

7 (f) train managerial and technical staff for the purpose of the running
8 of its operations;

9 (g) undertake such research as may be necessary for the performance
10 of its functions under this Act, and for that purpose it may establish such
11 number of research laboratories including mineralogical, chemical, mineral
12 dressing and as-say laboratories either independently or in partnership with
13 any company, firm or person, as it may determine in each case;

14 (h) notwithstanding anything to the contrary contained in any other
15 law, pay for the corporation reasonable, operational and other expenses, which
16 shall be detailed in each annual budget and operating plan (and annual report
17 made by the corporation as set out in this Act) and approved by the board and
18 which shall be at all times in line with international best practice for efficiency
19 and the creation of value for the beneficiaries of the corporations activities, out
20 of the proceeds of investments (without the necessity of declaring a dividend);

21 (i) Notwithstanding anything to the contrary contained in any other
22 law, engage on a competitive basis based on guidelines established by the
23 Corporation, from time to time such consultants, advisers and other service
24 providers as are necessary or expedient for the performance of its functions;

25 (j) Undertake to do or agree to do any activity, incur such expenditures
26 and carry out such functions, which in the opinion of the board are necessary,
27 incidental or conducive to the attainment of the objective and functions of the
28 corporation;

29 (k) exercise such other powers as are necessary or expedient for
30 giving full effect the provisions of this Act.

1 PART 2 - ESTABLISHMENT OF BOARD OF DIRECTORS AND

2 EXECUTIVE MANAGEMENT

3 5. There shall be for the corporation, the board of directors (in this
 4 Act referred to as "the Board") which shall be responsible for the attainment
 5 of the objectives of the corporation, making of the policy and general
 6 supervision of the management and affairs of the corporation and such other
 7 functions conferred upon it by any other provision of this Act.

Establishment
of the Board of
Directors of the
Corporation

8 6.-(1) the board shall consist of:

9 (a) a non-executive Chairperson;

Composition
and Appointment
of the Board

10 (b) the managing director of the corporation;

11 (c) two other executive directors of the corporation who shall have
 12 such designations as may be decided by the board;

13 (d) One non-executive director who is a distinguished legal
 14 practitioner with at least ten years post qualification experience;

15 (e) Four other non-executive directors.

16 (2) Except for the non-executive director to be appointed pursuant
 17 to subsection 1(d) of this section, a person shall not be appointed to the board
 18 unless such a person is a holder of a university degree or is equivalent in geo-
 19 sciences, economics, engineering, finance or a related subject and possesses
 20 relevant experience at a senior management level:

21 PROVIDED that the six non-executive directors shall be
 22 appointed from the six geo-political zones of the country.

23 (3) All appointment of individuals set out in (1), (b) and (c) of this
 24 section shall be made by the president.

25 (4) All appointment of individuals set out in (1) (a) (d) and (e) of
 26 this section shall be made by the president on the recommendation of the
 27 minister of mines and steel development

28 7.-(a) person shall not be appointed the board if he/she is adjudged
 29 bankrupt or suspends payment to, or composes or makes an arrangement
 30 with his or her creditors;

Disqualification

Resignation
and Removal

1 (b) imprisoned or convicted or convicted of an offense not involving
2 fraud or dishonesty, or of any offense not involving fraud or dishonesty the
3 maximum penalty for which exceeds imprisonment for six months;

4 (c) disqualified or suspended from practicing his or her profession in
5 Nigeria or any other country by order of a competent authority made in respect
6 of him or her personally;

7 (d) disqualified or restricted from being a director of any corporate
8 institution by any law or regulatory body.

9 **8.-(1)** A member of the board may at any time resign his or her
10 appointment by giving at least one month's prior notice in writing to the
11 corporation through the managing director of his or her intention to do so.

12 (2) The managing director may at any time resign his or her
13 appointment by giving at least one month prior notice in writing to the
14 president, of his or her intention to do so.

15 (3) If any of the circumstances set out in section 7. of this Act applies
16 at any time to member of the board or if he or she is determined by the board to
17 be in material breach of his or her duties to the corporation, the member of the
18 board in question may be removed from office by the president upon the
19 passage of a unanimous resolution of the board, finding such circumstances
20 and recommending the removal of such a member of the Board (whose
21 individual vote shall, under no circumstances, be required for such resolution
22 of the board) PROVIDED that a member of the board appointed pursuant to
23 section 6 (1)(b) and (c) shall not be so removed from office unless the
24 unanimous resolution of the board is supported by the president.

25 (4) A member of the board shall not be removed from office except as
26 specified in this (3) above.

Terms of office
for members of
the Board

27 **9.-(1)** The members of the board appointed pursuant to section 6. (1)
28 (b) and (c) of this Act shall serve for an initial term of 5 years and may be
29 eligible for another term of 5 years and no more.

30 (2) The members of the board appointed pursuant to section 6 (1) (a)

1 (d) and (e) of this Act shall serve for an initial term of 4 years.

2 (3) Upon the expiration of the initial term of a member of the board
3 referred to in subsection 2 above, such member may be eligible for
4 appointment for another term of 4 years and no more.

5 **10.** There shall be for the corporation, a Managing Director
6 appointed by the president in accordance with provisions of this Act, who
7 shall:

Appointment of
the Managing
Director of the
Corporation

8 (a) Be appointment on such terms and conditions and paid such
9 emoluments and allowances as may be specified in his or her letter of
10 appointment;

11 (b) Be the chief executive officer responsible for the execution of
12 the policies formulated by the board and the day to day administration of the
13 corporation.

14 **11.-(1)** The board shall appoint for the corporation a secretary on
15 such terms, conditions and remunerations as may be specified in his or her
16 letter of appointment.

Appointment of
the Corporation
Secretary

17 (2) The secretary shall serve as board secretary.

18 (3) The secretary shall be responsible for:

19 (a) Issuing notices of board meetings;

20 (b) Keeping records of the proceedings of all board meetings;

21 (c) Carrying out other duties as the managing director or the board
22 may, from time to time direct.

23 **12.-(1)** The corporation may appoint such other staff, who shall be
24 pensionable, for the proper and efficient performance of the function of the
25 corporation under this Act.

Appointment,
Remuneration
and Discipline
of other staff

26 (2) Notwithstanding anything to the contrary contained in any
27 other law, the corporation shall pay its staff such remuneration, allowances,
28 and other benefits as may be fixed by the board consistent with best practice
29 and the mission of the corporation to develop the mining sector. The
30 remuneration, allowances and other benefits of employment with regards to

	1	the executive directors shall be based on global standards and approved by the
	2	president.
	3	(3) Notwithstanding anything to the contrary contained in any other
	4	law, the corporation may, subject to the approval of the board, make rules
	5	relating generally to the conditions of service of staff of the corporation, and
	6	without prejudice to the generality of the foregoing, the rules may provide for:
	7	(a) The appointment and disciplinary control of all employees of the
	8	corporation;
	9	(b) Appeals by the staff against dismissal or other disciplinary
	10	measures;
	11	(4) The corporation shall ensure that rules made under subsection (3)
	12	of this section shall be brought to the notice of such affected persons in such
	13	manner as it may from time to time determine
Delegation	14	13. -(1) The board may delegate any part of its function, in each case
	15	on such terms and conditions, in relation to such matters and such extent as they
	16	deem fit, to committees of the board or, unless reserved to the board by this Act,
	17	to the management of the corporation.
	18	(2) The board of the corporation shall at a minimum constitute a
	19	compensation committee, risk management committee, investment committee
	20	and an audit committee.
Independent of the Board	21	14. -(1) The board shall be independent in the exercise of its
	22	responsibilities under this Act;
	23	(2) The Board shall not be dissolved except by a written resolution
	24	signed by the President.
Conflict of Interest and Corporate responsibility	25	15. -(1) In the discharge of their responsibilities, members of the
	26	Board shall act in utmost good faith, with care, skill, and diligence.
	27	(2) Members of the Board have fiduciary obligations to the
	28	Corporation, and shall not act in any circumstance where their personal
	29	interests' conflict with the interest of the Corporation.
	30	(3) Members of the Board shall adhere to all the duties and obligations

1 specified for Directors under the Companies and Allied Matters Act.

2 (4) Members of the Board shall submit a written statement of
3 disclosure of interests and statement of absence of conflict with the
4 Corporations investment and annual investment plan, annually to the Board.

5 16.-(1) Members of the Board shall be paid such reasonable
6 remuneration, costs and allowances for service as Directors and attendance
7 at meetings of the Board or its committees, as the compensation committee
8 may from time to time determine, consistent with best practices and the
9 mission of the Corporation to develop the mining sector and grow the
10 country's resources.

Remuneration,
Costs and
Allowances

11 (2) All remuneration, costs and allowances of the Board shall be
12 reported in the annual report of the Corporation.

13 17. The supplementary provisions set out in the schedule 1 to this
14 Act shall have effect with respect to the proceedings of the board

Proceedings of
the Board Schedule

15 PART 3 - FINANCIAL PROVISIONS: FUNDING, DISTRIBUTION, ACCOUNT,
16 AUDIT AND REPORTING

17 18. An initial capitalization of the sum of \$300,000,000 (three
18 hundred million dollars) shall be provided to the Corporation within 30 days
19 of the commencement date. The fund is to be secured from private financial
20 institutions secured with a Sovereign Guarantee to be provided by the
21 Federal Government of Nigeria.

Initial Funding

22 19.-(1) Subsequent funding shall be derived:

Further Funding

23 (a) From Natural Resources Development Fund, which shall not be
24 less than 40% of the amount standing to the credit of Natural Resources
25 Development Fund account;

26 (b) All sums dedicated for the interventions in the Nigerian Mining
27 sector by the government of the federation of any of its institution;

28 (c) Any funds received as grants, donations, foreign loans, bonds,
29 and long-term swaps;

30 (d) All other sums approved for solid mineral development by the

1 government of the federation.

2 (2) Promptly upon revenues being received into the federation
3 account each month, not less than 40% of the amount standing to the credit of
4 the natural resources development fund account shall be credited to the
5 Nigerian mineral development fund.

6 (3) To preserve the principle amount of the managed funds, the
7 corporation shall be entitled to invest the managed funds in and sell short-term
8 liquid assets, derivative instruments and other instruments, and engage in such
9 other fund management activities as it considers appropriate and prudent for
10 purposes of hedging and ensuring efficient fund management.

11 (4) The corporation shall have power to receive from and manage
12 other funds and asset on behalf of the government of other public institutions
13 provided that such third-party asset management shall be without any recourse
14 whatsoever to the Fund established by this Act.

Funding
Allocation

15 **20.**-(1) The initial and subsequent funding of the corporation shall be
16 allocated to different sector focused areas of the corporation by resolution of
17 the board

18 (2) The board shall review the allocation to each focused area every 2
19 years and reallocate the funding based on a super majority decision of the board

The Nigerian
Mineral
Development
Fund

20 **21.** Shall have the following functions:

21 (1) Reinvest the profit and proceeds of the investments to generate
22 further risk-adjusted returns in service of the federation as provided in this Act.

23 (2) Attract co-investment from other investors including strategic
24 investors, sovereign and internationally recognised investment funds and
25 private companies, to enhance the corporation's capital and maximise risk-
26 adjusted returns.

27 (3) Collaborate with specialised banks and financial institutions to
28 establish structured funding opportunities in the Nigerian mining sector.

29 (4) Adopt investment models including but not limited to sole
30 investments or partnerships, joint ventures, and strategic alliances with other

1 financial and technical partners to invest in projects in the mining sector.

2 (5) Adopt various investment instruments including but not limited
3 to equity, debt, guarantees and grants depending on the levels of risk and
4 time to monetisation.

5 **22.**-(1) Ownership interest in the Corporation shall be held by the Ownership
6 Federal Government and selected private sector investors/partners in a
7 Public Private Partnership model, the Federal Government shall retain
8 majority shareholding in the ownership of the Corporation.

9 (2) The Corporation shall be registered with the Corporate Affairs
10 Commission (CAC) with Ten Million (10,000,000) ordinary shares and a
11 paid up capital sum of One Billion Naira.

12 (3) The Corporation shall issue documentary evidence to the
13 Federal Government, and Private Sector Partners of the amount of their
14 respective contributions.

15 (4) The Federal Government and Private Sector Partners shall not
16 transfer, redeem, assign, dispose of, sell, mortgage, pledge or otherwise
17 encumber any interest of any kind in the Corporation.

18 **23.** The authority shall cause to be kept proper books of accounts Accounting
19 with respect to all the transactions and businesses of the corporation in Records
20 conformity with international financial reporting standards or such other
21 internationally recognised financial reporting standards, as applied in the
22 federal republic of Nigeria and Nigerian generally accepted principles of
23 account.

24 **24.**-(1) Not later than 3 months after the end of each financial year Annual Report
25 of the Corporation, which shall be determined by the board, the Corporation
26 shall submit a report (annual report) to the president and the national
27 assembly of its activities during the financial year concerned

28 (2) The Corporation shall make the annual report together with
29 quarterly financial reports and key policy documents prepared by the
30 authority, accessible to the public.

	1	(3) The annual report will be summarised and such summary printed
	2	at the corporation expense in the two most widely circulated newspapers in
	3	Nigeria.
Audits	4	25. -(1) The Corporation shall carry out an annual internal audit of its
	5	operations and financial statements in accordance with international financial
	6	reporting standard, as applied in the federal republic of Nigeria and Nigerian
	7	generally accepted principles of accounting
	8	(2) The Corporation operations and financial statements shall be
	9	audited annually in accordance with internal financial reporting standards, as
	10	applied in the federal republic of Nigeria and Nigerian generally accepted
	11	principles of accounting by an internationally recognised accounting firm,
	12	through such firms local Nigerian branch
	13	PART 3 - MISCELLANEOUS
Regulations, Guidelines and Procedures	14	26. -(1) Notwithstanding anything to the contrary contained in any
	15	other law, the Corporation shall have the power to develop, adopt and, as
	16	appropriate from time to time, amend, revoke or supplement appropriate
	17	regulations, codes, internal guidelines and procedures consistent with this Act,
	18	in furtherance of the Corporations objectives and in connection with the
	19	performance of any of the Corporations functions under this Act; including
	20	without limitation a manual of policies and procedures.
	21	(2) such regulations, codes, internal guidelines, and procedures
	22	referred to in subsection (1) of this section shall govern the following matters:
	23	(a) the conduct of the business and operations of the Corporation in a
	24	manner that fosters accountability and good corporate governance, is
	25	transparent and consistent with the highest ethical standards and further
	26	ensures the maintenance of best practices;
	27	(b) an environmental, health and safety policy that is designed to
	28	ensure compliance with all applicable legislation and industry and industry
	29	standards in order to minimize the impact on the environment of its activities;
	30	(c) monitoring standards for investments;

- 1 (d) risk management;
- 2 (e) employment and discipline of its staff;
- 3 (f) procurement of goods and services;
- 4 (g) treasury and cash management; and
- 5 (h) any other matter relevant to the operations of the Corporation as
- 6 a best-in-class investment corporation as may be directed by the Board.

7 **27.** All investments made by the Corporation shall be documented Documentation
 8 and the Corporations rights protected by appropriate contractual provisions
 9 approved by the legal and risk management personnel and advisors of the
 10 Corporation.

11 **28.-(1)** Subject to the provisions of this Act, the provisions of the Limitations of
 12 Public Officers Protection Act shall apply in relation to any suit instituted suits against the
 13 against any officer or employee of the Corporation or any affiliate or Corporation
 14 subsidiary thereof.

15 (2) No suit shall lie against the Corporation, its Directors, the
 16 Board, the Managing Director, or any other officer or employee of the
 17 Corporation or any of its affiliates or subsidiaries for any act done in
 18 pursuance of this Act or any other law or enactment, or of any public duty or
 19 authority or in respect of any alleged neglect or default in the execution of
 20 this Act or such law or enactment, duty or authority, or be instituted in any
 21 court unless:

22 (a) it is commenced within 3 months next after the act of neglect or
 23 default complained of; or

24 (b) in the case of a continuation of damage or injury, within 3
 25 months next after the ceasing of the act, neglect or default complained of.

26 **29.** A notice of summons or any other document required or Services of
 27 authorized to be served upon the Corporation under the provisions of this Documents
 28 Act or any other law or enactment may be served by delivering it to the
 29 Managing Director or by sending it by registered post and addressed to the
 30 Managing Director at the principal office of the Corporation.

Restriction on
execution against
the property of
the Corporation

1 **30.**-(1) in any action or suit against the Corporation, no execution or
2 attachment of process shall be issued against the Corporation.

3 (2) Any sum of money which may be the judgment of any court
4 awarded against the Corporation shall, subject to any direction given by the
5 court where notice of appeal of the said judgment has been given, be paid from
6 the general reserve fund of the Corporation.

Tax and
Investments
Exemptions

7 **31.**-(1) The Corporation and its wholly owned subsidiaries shall be
8 exempt from the provisions of any and all taxes, fees, import levies or similar
9 fiscal laws or regulations of the Federal Government, State Governments,
10 Federal Capital Territory, Local Governments and Area Councils of the Federal
11 Republic of Nigeria including without limitation, the companies income tax
12 Act Cap C21 LFN 2004, the Capital Gains Tax Act Cap C1 LFN 2004, the
13 Stamp Duties Act Cap S8 LFN 2004, the Value Added Tax Act Cap V1 LFN
14 2004 or other imposts, taxes on interests and dividends or any similar law or
15 regulation.

16 (2) The provisions of the Investment and Securities Act No. 29 of
17 2007 and the Banking and Other Financial Institutions Act Cap B3 LFN 2004,
18 as may be amended from time to time, shall not apply to the Corporation or its
19 activities.

20 (3) If any other enactment or law relating to or affecting the
21 Corporation or its operations is inconsistent with this Act, this Act shall prevail.

22 (4) Notwithstanding the provisions of section 31 (1), nothing in this
23 Act shall be construed as exempting employees of the Corporation or its
24 wholly owned subsidiaries from payment of personal income tax in so far as
25 such employment is not affected by an international treaty obligation to
26 Nigeria.

Citation

27 **32.** This Bill may be cited as the Nigerian Mineral Development
28 Corporation Bill, 2020.

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SCHEDULE 1

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD

Proceedings of the Board

1. The board may make rules as it deems appropriate for regulating its proceedings.

Meetings of the Board

2.-(1). Any two Directors or a Director and the Secretary may call a Board meeting by giving 14 days' notice of the meeting to each of the Directors or by authorizing the Secretary to give such notice.

(2). Directors may waive their entitlement to such notice prior to or up to seven days after any meeting and at a minimum, the Board shall meet once each quarter.

(3) The Chairman of the Board shall chair the meetings of the Board, unless he or she is absent, in which case the attending Directors shall appoint a Chair for such a meeting.

(4) The Chairman of the Board shall have a deciding vote in the event that the number of votes for and against a proposal at a meeting of the Board are equal.

(5) Unless a quorum of Directors is participating, no other than to call another meeting of the Directors may be made and the quorum for the transaction of business shall not be less than 7 Directors.

(6) Where the Board seeks the advice of any person on a particular matter, the Board may invite to attend for such a period as it deems fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards the quorum.

(7) In addition to meeting with all participants physically present, the Board may hold or continue a meeting by the use of any means of communication by which all the participants can hear and be heard at the same time, and a member of the Board who participates in a teleconference meeting shall be taken for all purposes to have been present at the meeting

1 and the Board may establish procedures for teleconference meetings
2 (including recording the minutes of such meetings) in its minute book.

3 (8) The Board may pass a resolution without a meeting being held if
4 all its members entitled to vote on the resolution sign and date on one or more
5 copies, a document containing a statement that they are in favor of the
6 resolution in the document and any such resolution shall be deemed passed on
7 the date of the last signature to be applied.

8 (9). The Secretary shall ensure that the Corporation keeps a record in
9 writing of every decision of the Board.

10 *Conflict of Interest and Refusal*

11 3.-(1). If a member of the Board has pecuniary interest or other
12 beneficial interest in any material to, a matter that falls to be considered by the
13 Board, he or she shall:

14 (a) Disclose to the other Directors of the Board the nature of his or her
15 interest in advance of any consideration of the matter;

16 (b) Not influence nor seek to influence a decision to be made in
17 relation to the matter;

18 (c) Take no part in any consideration of the matter; and

19 (d) absent himself or herself from the meeting or that part of the
20 meeting during which the matter is discussed.

21 (2) If a member of the Board declares an obligation or discloses an
22 interest pursuant to paragraph 3 (1) (a), the declaration or disclosure shall be
23 recorded in the minutes of the meeting of the Board.

24 (3) No member of the Board or any employee of the Corporation
25 shall, in any capacity, either directly or indirectly be involved in the purchase of
26 any assets of or being required by the Corporation.

27 *Seal of the Corporation*

28 4.-(1) the fixing of the seal of the Corporation shall be authenticated
29 by the signature of the Chairperson or of any person specifically authorized to
30 act for that purpose by the Board.

1 (2) Any contract or instrument which, if made or executed by a
2 person not being a body corporate, would not be required to be under seal
3 may be made by the Chairman or any person specifically authorized to act
4 for that purpose by the Board.

5 (3) Any document purporting to be a document duly executed
6 under the seal of the Corporation shall be received in evidence and shall,
7 unless and until the contrary is proved, be presumed to be so executed.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the Nigerian Mineral Development Corporation to invest and catalyze investments in the Mining Sector, to promote and support Mining Sector growth.

FOR

Sponsored by Senator Al-Makura, Umaru Tanko

[] Commencement

Establishment of the Company

Responsibilities and functions of the Company

17 (d) the development of the application and use of iron and steel
18 generally.

Functions of
the Company

- 1 (2) In connection with the discharge of its responsibilities under
2 subsection (1) of this section, the functions of the Authority shall be to:
- 3 (a) examine from the technical and economic point of view in all its
4 aspects the feasibility of establishing in Nigeria a national iron and steel plant
5 or national iron and steel plants on the basis of locally available raw materials,
6 imported raw materials or both, to consider suitable processes, possible sites
7 and other factors relating to the establishment of the said plant or plants and to
8 make recommendations as to the viable economic conditions for the
9 establishment thereof;
- 10 (b) conduct, manage and co-ordinate (in collaboration with the
11 Federal Ministry of Mines and Steel Development and its relevant agencies)
12 surveys, mining operations and other necessary activities for obtaining in
13 Nigeria materials of the kind needed for iron and steel production;
- 14 (c) establish facilities and conduct tests and operations for
15 ascertaining and improving the qualities and performance of the materials and
16 processes for iron and steel production, and of iron and steel products;
- 17 (d) design, erect and construct in Nigeria a national iron and steel
18 plant or national iron and steel plants and provide and carry out incidental
19 services and works;
- 20 (e) to train managerial and technical staff for the running of the said
21 plant or plants and for the carrying on of the various surveys, services and other
22 activities incidental or related to the plant or plants and its or their
23 establishment;
- 24 (f) conduct research and development in the technology and other
25 aspects of iron and steel production and in the application of iron and steel
26 products;
- 27 (g) operate and manage the said plant or plants and incidental services
28 and sell iron and steel products;
- 29 (h) utilize the by-products of the said plant or plants;
- 30 (i) develop and manufacture iron and steel products and equipment to

1 be used for the purposes of and in relation to basic engineering;

2 (j) collect information on the supply and demand and prices of iron
3 and steel products in Nigeria and elsewhere in order to determine how the
4 development of industries in Nigeria is hereby affected;

5 (k) effect the standardization of iron and steel products for
6 economic production and utilization and for the purpose of facilitating the
7 co-ordination of specifications;

8 (l) make recommendations to the Minister on the formulation of
9 policies relating to the development of the iron and steel industry and related
10 industries in Nigeria; and

11 (m) carry on all such other activities as are necessary or expedient
12 for the discharge of its responsibilities under subsection (1) of this section.

13 3.-(1) Subject to subsection (2) of this section, the Company shall
14 have power to do anything which in its opinion is calculated to facilitate the
15 carrying on of its activities, including and without prejudice to the generality
16 of the foregoing the power to-

Powers of the
Company

17 (a) sue and be sued in its corporate name;

18 (b) hold and manage movable and immovable property; and

19 (c) enter into contracts.

20 (2) Except with the general or special approval of the President, the
21 Company shall not have power to borrow money or dispose of any property
22 (including land vested in the Company pursuant to section 9 of this Act).

23 *Establishment of Board of Directors and Executive Management*

24 1.-(1) There shall be for the company, the board of directors (in this
25 Act referred to as "the Board") which shall be responsible for the attainment
26 of the objectives of the company, making of the policy and general
27 supervision of the management and affairs of the company and such other
28 functions conferred upon it by any other provision of this Act.

Establishment
of the Board of
Directors of the
Company

29 2.-(1) the board shall consist of:

30 (a) a non-executive Chairperson;

Composition
and Appointment
of the Board

- 1 (b) the managing director of the company;
- 2 (c) two other executive directors of the company who shall have such
- 3 designations as may be decided by the board;
- 4 (d) One non-executive director who is a distinguished legal
- 5 practitioner with at least ten years post qualification experience;
- 6 (e) Four other non-executive directors.

7 2. Except for the non-executive director to be appointed pursuant to

8 subsection 1(d) of this section, a person shall not be appointed to the board

9 unless such a person is a holder of a university degree or is equivalent in geo-

10 sciences, economics, engineering, finance or a related subject and possesses

11 relevant experience at a senior management level. PROVIDED that the six

12 non-executive directors shall be appointed from the six geo-political zones of

13 the country.

14 3. All appointment of individuals set out in (1), (b) and (c) of this

15 section shall be made by the president.

16 4. All appointment of individuals set out in (1) (a) (d) and (e) of this

17 section shall be made by the president on the recommendation of the minister

18 of mines and steel development

Disqualification

19 3.-(a) person shall not be appointed the board if he/she is adjudged

20 bankrupt or suspends payment to, or composes or makes an arrangement with

21 his or her creditors;

22 (b) imprisoned or convicted or convicted of an offense not involving

23 fraud or dishonesty, or of any offense not involving fraud or dishonesty the

24 maximum penalty for which exceeds imprisonment for six months;

25 (c) disqualified or suspended from practicing his or her profession in

26 Nigeria or any other country by order of a competent authority made in respect

27 of him or her personally;

28 (d) disqualified or restricted from being a director of any corporate

29 institution by any law or regulatory body.

1 4.-(1) A member of the board may at any time resign his or her Resignation and
2 appointment by giving at least one month's prior notice in writing to the Removal
3 company through the managing director of his or her intention to do so.

(2) The managing director may at any time resign his or her appointment by giving at least one-month prior notice in writing to the president, of his or her intention to do so.

(3) If any of the circumstances set out in section 7 of this Act applies at any time to member of the board or if he or she is determined by the board to be in material breach of his or her duties to the company, the member of the board in question may be removed from office by the president upon the passage of a unanimous resolution of the board, finding such circumstances and recommending the removal of such a member of the Board (whose individual vote shall, under no circumstances, be required for such resolution of the board) PROVIDED that a member of the board appointed pursuant to section 6. (1)(b) and (c) shall not be so removed from office unless the unanimous resolution of the board is supported by the president.

18 (4) A member of the board shall not be removed from office except
19 as specified in this (3) above.

20 **5.-(1)** The members of the board appointed pursuant to section 6. Terms of office
21 (1) (b) and (c) of this Act shall serve for an initial term of 5 years and may be members of the
22 eligible for another term of 5 years and no more. Board

(2) The members of the board appointed pursuant to section 6. (1)

(a) (d) and (e) of this Act shall serve for an initial term of 4 years.

(3) Upon the expiration of the initial term of a member of the board referred to in subsection 2 above, such member may be eligible for appointment for another term of 4 years and no more.

28 **6.** There shall be for the company, a Managing Director appointed Appointment of
29 by the president in accordance with provisions of this Act, who shall: the Managing
Director of the

30 (a) Be appointment on such terms and conditions and paid such

	1	emoluments and allowances as may be specified in his or her letter of
	2	appointment;
	3	(b) Be the chief executive officer responsible for the execution of the
	4	policies formulated by the board and the day to day administration of the
	5	company.
Appointment of the Company Secretary	6	7.-(1) The board shall appoint for the company a secretary on such
	7	terms, conditions and remunerations as may be specified in his or her letter of
	8	appointment.
	9	(2) The secretary shall serve as board secretary.
	10	(3) The secretary shall be responsible for:
	11	(a) Issuing notices of board meetings;
	12	(b) Keeping records of the proceedings of all board meetings;
	13	(c) Carrying out other duties as the managing director or the board
	14	may, from time to time direct.
Appointment, Remuneration and Discipline of other staff	15	8.-(1)The company may appoint such other staff, who shall be
	16	pensionable, for the proper and efficient performance of the function of the
	17	company under this Act.
	18	(2) Notwithstanding anything to the contrary contained in any other
	19	law, the company shall pay its staff such remuneration, allowances, and other
	20	benefits as may be fixed by the board consistent with best practice and the
	21	mission of the company to the develop the steel sector. The remuneration,
	22	allowances and other benefits of employment with regards to the executive
	23	directors shall be based on global standards and approved by the president.
	24	(3) Notwithstanding anything to the contrary contained in any other
	25	law, the company may, subject to the approval of the board, make rules relating
	26	generally to the conditions of service of staff of the company, and without
	27	prejudice to the generality of the foregoing, the rules may provide for:
	28	(a) The appointment and disciplinary control of all employees of the
	29	company;

1 (b) Appeals by the staff against dismissal or other disciplinary
2 measures;

3 (4) The company shall ensure that rules made under subsection (3)
4 of this section shall be brought to the notice of such affected persons in such
5 manner as it may from time to time determine

6 **9.**-(1) The board may delegate any part of its function, in each case Delegation
7 on such terms and conditions, in relation to such matters and such extent as
8 they deem fit, to committees of the board or, unless reserved to the board by
9 this Act, to the management of the company.

10 (2) The board of the company shall at a minimum constitute a
11 compensation committee, risk management committee, investment
12 committee and an audit committee.

13 **10.**-(1) The board shall be independent in the exercise of its Independence
14 responsibilities under this Act. of the Board

15 (2) The Board shall not be dissolved except by a written resolution
16 signed by the President.

17 **11.**-(1) In the discharge of their responsibilities, members of the Conflict of
18 Board shall act in utmost good faith, with care, skill, and diligence. Interest and
Corporate
Responsibility

19 (2) Members of the Board have fiduciary obligations to the
20 Company, and shall not act in any circumstance where their personal
21 interests' conflict with the interest of the Company.

22 (3) Members of the Board shall adhere to all the duties and
23 obligations specified for Directors under the Companies and Allied Matters
24 Act.

25 (4) Members of the Board shall submit a written statement of
26 disclosure of interests and statement of absence of conflict with the
27 Company investment and annual investment plan, annually to the Board.

28 **12.**-(1) Members of the Board shall be paid such reasonable Remuneration,
29 remuneration, costs and allowances for service as Directors and attendance Costs and
Allowances
30 at meetings of the Board or its committees, as the compensation committee

	1	may from time to time determine, consistent with best practices and the
	2	mission of the Company to develop the mining sector and grow the country's
	3	resources.
	4	(2) All remuneration, costs and allowances of the Board shall be
	5	reported in the annual report of the Company.
Proceedings of the Board Schedule	6	13. The supplementary provisions set out in the schedule 1 to this Act
	7	shall have effect with respect to the proceedings of the board.
Citation	8	14. This Bill may be cited as the National Steel Development
	9	Company Bill, 2020.

EXPLANATORY MEMORANDUM

This Bill seeks to establish the National Steel Development Company as a statutory organization to be responsible for establishing, developing and operating a Nigerian iron and steel industry.