



ACCESS BANK (GHANA) PLC

BOARD CREDIT COMMITTEE CHARTER

June 2024

Risk Rating: Above Average

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DOCUMENT INFORMATION

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This document is owned by the Company Secretary who is responsible for ensuring that it is reviewed annually in line with the bank’s policy review requirement.

Name	Role	Date	Version
Helen De Cardi Nelson	Company Secretary	June 2024	4.0

Document History

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Abena Yeboah-Ntiamoah	July, 2021	2.0	Annual Review & adoption to reflect the functions of the Committee.
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Marveline Odai	July, 2023	4.0	Annual Review with some amendments made.
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Document Review / Approval

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Clause 1. Introduction

This Charter governs the operations of Access Bank (Ghana) Plc Board Credit Committee (the “**Committee**”). The Committee is a Committee of the Board of Directors (the “**Board**”) of Access Bank (Ghana) Plc (the “**Bank**”). The Committee shall review and re-assess this Charter as and when required and make recommendations to the Board in relation to required changes.

Clause 2. Definitions

Term	Definition
Bank	means Access Bank (Ghana) Plc.
BASEL II Capital Accord	means Basel II Capital Accord, 2004.
Board	means the board of directors of the Bank.
Board Charter	means the Charter of the Board.
Board Meeting Attendance Policy	means the Bank’s Board Meeting Attendance Policy.
BoG	means Bank of Ghana.
CEO/MD	Means the Chief Executive Officer/ Managing Director of the Bank.
Chairperson	means a member of the Committee appointed to act as the head of the Committee.
Collateral Adequacy Assessment	means an assessment conducted to determine the adequacy of a collateral.
Committee	means the Board Credit Committee.
Committee Charter	means this Committee charter.
Committee member	means a Director of the Bank appointed to act as a member of the Committee.
Company Secretary	means the secretary of the Board.
Director	means a person duly appointed as a director of the Bank.
Directors’ Access to Independent Professional Advice Policy	means the Bank’s Directors’ Access to Independent Professional Advice Policy.

ESRM	means environmental and social management framework.
E&S	means environmental and social principles and guidelines.
Executive Director	means a Director who is involved in the administrative or managerial operations of the Bank.
Independent Director	means a Director who satisfies the criteria set out in Clause 7.5 of the Board Charter.
Law	means any applicable statute, laws, ordinances, regulations, local laws, bye-laws, codes, orders, guidelines, notices, administrative interpretations, directives, which have been duly enacted or issued by any competent authority having jurisdiction over the Bank and any modification or re-enactment of, or legislative provision substituted for, and any subordinated legislation issued or made thereto.
Management	means all persons in a managerial position, role or grade in the Bank.
MCC	means Management Credit Committee.
Non-Executive Director	means a Director who is not involved in the administrative or managerial operations of the Bank.

Clause 3. Purpose

The purpose of the Committee is to advise the Board on its oversight responsibilities in relation to the Bank's credit exposure, management of exposures, lending practices and to provide strategic guidance for the development and achievement of the Bank's credit and lending objectives.

Clause 4. Responsibilities

The Committee (working together with Management) shall have the following responsibilities:

- 4.1. review the quality of the Bank's credit portfolio and the trends affecting the portfolio;

- 4.2. oversee the effectiveness and administration of credit related policies including compliance with legal lending limits and the Bank's in-house lending restrictions;
- 4.3. review the process for determining provision for credit losses and the adequacy of the provision made;
- 4.4. provide oversight and guidance to the Bank regarding credit related aspects of implementing the BASEL II Capital Accord and compliance with BoG risk-based supervision framework;
- 4.5. approve definition of risk and return preferences, target risk portfolio, credit portfolio quality plan for the year and level of exposure to domestic and foreign banks;
- 4.6. approve credit risk appetite and credit portfolio strategy and ensure it is in line with the corporate strategy of the Bank;
- 4.7. review and approve, as and when required, the establishment of or any material changes to:
 - a. credit policies;
 - b. underwriting guidelines;
 - c. credit concentration guidelines and limits relating to industry, market, product, customer segment and maturity;
 - d. compliance programs for credit-related matters;
 - e. delegation of credit authority;
 - f. provision for loan loss methodology; and
 - g. other matters as required, on the recommendation of the MCC;
- 4.8. exercise general oversight of the Bank's credit portfolio and related risk management processes through a periodic review of reports on the following:
 - a. credit and asset quality trends and statistics;
 - b. reports on the lending activities of the major business units and lines of business which comprise the Bank's lending operations;
 - c. reports on any category of credit or specialized credit activity that reflects areas of material or rapidly increasing risk (e.g., concentrations of credit, classified credits and non-performing assets, etc.);
 - d. report of the Bank's Collateral Adequacy Assessment; and
 - e. any other matter that relates to the extension or administration of credit or the condition of the Bank's credit portfolio that is deemed appropriate by the Committee or as required by regulation at a level and frequency established by the Committee;

- 4.9. oversee the administration and effectiveness of, and compliance with the Bank's credit policies through the review of processes and reports on the recommendation of the MCC and any other means as it deems appropriate. The review shall as a minimum, include the loan quality grading in accordance with the BoG Prudential Guidelines, internal and external audits and examinations of the Bank's credit processes, the incidence of new problem assets and the frequency and reasons for credit policy exceptions;
- 4.10. approve credit facility requests and proposals within limits defined by the Bank's credit policy and within the statutory requirements set by the regulatory/ supervisory authorities;
- 4.11. approve and oversee credit risk mitigation;
- 4.12. review and assess the adequacy of the provision for credit losses. In making its assessment, the Committee may review such measures of the adequacy of the provision as it deems appropriate, and shall periodically review the credit rating methodology used in computing the adequacy of the provisions;
- 4.13. approve new credit products and processes;
- 4.14. approve limit setting and assignment of credit approval authority on the recommendation of the MCC;
- 4.15. approve changes to credit policy guidelines on the recommendation of the MCC;
- 4.16. approve credit facility requests as stipulated on the credit approval limit;
- 4.17. review credit risk reports on a periodic basis;
- 4.18. approve credit exceptions in line with Board approval;
- 4.19. make recommendations to the Board on suggested changes to credit policy and strategy where appropriate;
- 4.20. approve credit write-offs in accordance with Credit Policy Guidelines and regulatory requirements;
- 4.21. review and take action on watch list and non-performing accounts;

- 4.22. exercise general oversight of the Bank's ESRM with regard to sustainability matters in the Bank's credit policies and procedures. The Committee shall be responsible for:
- a. the approval of all credit policies and procedures including product programmes that have E&S considerations in line with the Bank's ESRM Policy; and
 - b. the consideration and approval of the recommendation of the MCC on the credit policy direction articulation of risk and return preferences at the corporate level and for individual asset-creating business units in the Bank.

Clause 5. Authority of the Committee

The Committee is authorized by the Board to:

- a. investigate any activity within this Committee Charter;
- b. seek any information that it requires from any employee of the Bank and accordingly, all employees are directed to co-operate with any request made by the Committee;
- c. obtain external legal or independent professional advice, at the Bank's expense, and secure the services of consultants with relevant experience and expertise, where necessary; and
- d. form and delegate authority to sub-committees, comprised of one or more members of the Committee, as necessary or appropriate. The sub-committee will have the full power and authority of the Committee.

Clause 6. Composition and Structure of Committee

- 6.1. The Committee shall comprise at least three (3) members or as many as the Board may from time to time determine.
- 6.2. The Committee shall be chaired by a Non-Executive Director.
- 6.3. The Board shall have the authority to appoint and remove a member from the Committee as it deems fit.
- 6.4. The Committee shall have authority to invite members of Management, or others to attend meetings and provide pertinent information, as necessary.

Clause 7. Secretary

The Company Secretary shall serve as the secretary to the Committee.

Clause 8. Chairperson Eligibility and Terms of Appointment

- 8.1. The Chairperson of the Committee shall be appointed by the Board from the non-executive members of the Committee and shall have an initial tenure of three (3) years which may be extended for not more than two (2) additional years.
- 8.2. The Chairperson of the Board shall neither be a member nor the Chairperson of the Board Credit Committee.
- 8.3. Where the Chairperson is absent from a meeting, the members of the Committee present at the meeting shall have authority to choose another member to act as Chairperson for that particular meeting.

Clause 9. Period of Membership

Each member of the Committee shall be appointed for an initial term of three (3) years, and their appointment may be renewed for not more than two (2) additional terms, upon the approval of the Board.

Clause 10. Remuneration for Members of the Committee

The members of the Committee shall be entitled to sitting allowance, reimbursable travel and hotel expenses for official duties of the Bank, and other fees as approved by the Board.

Clause 11. Restrictions placed on the Committee's Powers and Responsibilities

The Board shall reserve the right to make final approval for the Bank's lending limits and risk appetite.

Clause 12. Frequency of Meetings

The Committee shall meet at least once every quarter, upon request of the Chairperson of the Committee or upon the request of any two (2) members of the Committee.

Clause 13. Attendance at Committee Meetings

- 13.1. All Committee members are required to attend all meetings of the Committee. This will, however, be guided by the Board Meeting Attendance Policy.

- 13.2. Meetings shall be held in person at such venue and at such time as the Chairperson deems appropriate, or via any other appropriate virtual platform.

Clause 14. Notice of Meetings

The Company Secretary shall provide at least five (5) working days' notice for meetings (or such shorter period as may be agreed by the Chairperson), but lack of notice shall not invalidate the proceeding of any meeting at which a quorum was present.

Clause 15. Quorum at meetings

Where the total number of Committee members is three (3), quorum shall be two (2) Committee members with one being a Non-Executive Director. In all other cases, three (3) Committee members shall constitute a quorum, with a majority being Non-Executive Directors.

Clause 16. Proceedings at Meetings

- 16.1. Where a Director will personally benefit from or be affected by any decision of the Committee, such Director shall not partake in making such decision.
- 16.2. Each Committee member shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a Committee meeting whether in person or virtually.
- 16.3. If a matter that is considered by the Committee is one where a Committee member, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 16.4. In the case of an equality or tie of votes, the Chairperson shall have a casting vote.
- 16.5. The Chairperson may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

Clause 17. Record Keeping at Meetings

- 17.1. The Company Secretary shall keep minutes of the Committee meetings. The Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

- 17.2. The minutes of the Committee meetings shall be made available for approval at the next meeting of the Committee.
- 17.3. Decisions taken during Committee meetings shall be recorded by the Company Secretary and disseminated to the Board and Management for further action.

Clause 18. Appointment of Sub-Committees

The Committee may appoint its own sub-committees and delegate any of its responsibilities that do not require approval of the Committee as a whole, to a sub-committee. The sub-committee may comprise of one (1) or more members of the Committee. Each sub-committee shall report its actions at the next practicable meeting of the Committee.

Clause 19. Ability to Take External Advice

Subject to the provisions of the Directors' Access to Independent Professional Advice Policy, and provided prior written notice is given to the Company Secretary and CEO/MD:

- 19.1. the Committee has the power, to obtain advice and assistance from, and to retain at the Bank's expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties; and
- 19.2. the Committee shall have the sole authority to retain and replace professional advisors and consultants, approve fees and agree other retention terms for any consultant or advisors that it shall deem necessary to assist it in fulfilling its duties.

Clause 20. Reporting and accountability

- 20.1. The Committee shall report the proceedings and recommendations of each meeting to the Board at the next practicable meeting of the Board. The reports to the Board shall include the quality of the Bank's loan portfolio and any significant actions or approvals made by the Committee.
- 20.2. The performance of the Committee shall be reviewed annually and a report on its performance presented to the Board.