



**ACCESS BANK (GHANA) PLC**

**BOARD RISK MANAGEMENT AND PAYMENT SYSTEMS COMMITTEE CHARTER**

May 2024

Risk Rating: Above Average

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## DOCUMENT INFORMATION

### Document Owner

This document is owned by the Company Secretary and is responsible for ensuring that it is reviewed annually in line with the bank's policies review requirement.

Name	Role	Date	Version
Helen De Cardi Nelson	Company Secretary	May, 2024	6.0

### Document History

Prepared By	Date	Version	Reason/ Notes
Catherine Owusu	August, 2014	1.0	Initial document
Abena Yeboah-Ntiamoah	July, 2021	2.0	Annual Review & adoption to reflect the functions of the Committee.
Elsie Asante	March 2021	3.0	Annual Review to incorporate the new directives by Bank of Ghana (Risk Management Directives) and incorporation of the terms of reference of payment systems as stipulated in the Payment Systems and Services Act 2019 (Act 987).
Elsie Asante	June 2022	4.0	Annual Review to incorporate:  The terms of reference of Environmental and Social Risk Management (ESRM) as part of the Committee's responsibilities.  the Bank's Business Continuity and contingency planning in compliance with SEC Corporate Governance Code for Listed Companies 2020.
Marveline Odai	July 2023	5.0	Annual Review (No Changes)
Marveline Odai	May 2024	6.0	Annual review to align with all relevant laws and regulations, including SEC Corporate Governance Code for Listed Companies, 2020, BoG Corporate Governance Directive and GSE Listing rules, and ESG best practice

### Document Review / Approval

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## Clause 1. Introduction

This Charter governs the operations of the Access Bank (Ghana) Plc Board Risk Management and Payment Systems Committee. Access Bank (Ghana) Plc Board Risk Management and Payment Systems 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 annually and make recommendations to the Board in relation to required changes.

## Clause 2. Definitions

<b>Term</b>	<b>Definition</b>
Bank	means Access Bank (Ghana) Plc.
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.
Business Continuity Plan	means a framework that defines how the Bank will continue operations in the case of a disaster and/or manage other disruptive incidents, and how it will recover its activities within set deadlines.
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.
Committee	means the Board Risk Management and Payment Systems 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.
Contingency Funding Plan	means the Bank’s framework for the effective and efficient management of any liquidity crisis that can affect the Bank’s local and foreign currency portfolios.

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.
Enterprise-wide Risk Management Policy	means the Bank's Enterprise-wide Risk Management Policy.
Ghana Sustainability Banking Principles and Sector Guidance Notes	means the Bank of Ghana's Sustainability Banking Principles and Sector Guidance Notes, 2019.
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, byelaws, 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.
Non-Executive Director	means a Director who is not involved in the administrative or managerial operations of the company.
Risk Management Department	means the department of the Bank that focuses on identifying, analyzing and mitigating various risks faced by the Bank in its operations
Risk Management Declaration	means the annual declaration on the risk management of the Bank in accordance with the BoG Risk Management Directive, 2021

Risk Management Policy	means the Bank's Risk Management Policy.
Sustainability Report	means the report highlighting the Bank's commitment to sustainability principles

### **Clause 3. Purpose**

The purpose of the Committee is to assist the Board in fulfilling its:

- a. oversight responsibility pertaining to the management of the Bank's payment systems;
- b. oversight responsibility pertaining to the framework, policies and procedures for assessing and managing the Bank's E&S risk issues within all relevant business activities;
- c. establishment of policies, procedures, standards and guidelines for risk management, and compliance with legal and regulatory requirements in the Bank; and
- d. oversight responsibility pertaining to the Bank's business continuity and contingency planning.

### **Clause 4. Duties and Responsibilities**

The Committee will perform the following responsibilities as it relates to the following:

#### **4.1. Payment Systems**

- a. Exercise oversight responsibility over the Bank's payment systems.
- b. Ensure internal compliance and control measures are put in place.
- c. Ensure strategic decisions on payment systems.
- d. Ensure effective oversight and proper risk management of the Bank's payment systems.

#### **4.2. Environmental and Social Risk Management (ESRM)**

- a. Exercise oversight responsibility over the Bank's E&S risk issues within all relevant business activities.
- b. Establish clear policies and procedures for identification, assessment and approval.
- c. Ensure the Bank complies with the Ghana Sustainability Banking Principles and Sector Guidance Notes and applicable Laws and all relevant international conventions and protocols, codes and conduct and industry best practice initiatives.
- d. Ensure the relevant business areas with respect to the appropriate roles and responsibilities for managing and monitoring E&S risks are in place in the Bank.
- e. Monitor E&S risks within all such relevant business areas.

- f. Ensure that E&S issues in relevant business areas are promptly identified.
- g. Ensure management systems are in place to assess and review such risks as well as advise customer(s).
- h. Consider and approve procedures including product programs that have E&S considerations in line with the Bank's ESRM Policy.

#### 4.3. **Enterprise Risk Management**

- a. Oversee the establishment of a formal written policy on the overall risk management system. The policy should define risks and risk limits that are acceptable and unacceptable to the Bank. It should provide guidelines and standards to administer the acceptance and on-going management of all risks.
- b. Ensure that adequate policies are in place to manage and mitigate the adverse effects of both business and control risks in its operations.
- c. Ensure compliance with established policy through periodic review of reports provided by Management, internal and external (statutory) auditors and the supervisory authorities.
- d. Ensure the appointment of qualified officers to manage the risk function.
- e. Review the adequacy and effectiveness of risk management and controls at minimum, on an annual basis or more frequently as deemed fit.
- f. Oversight of Management's process for the identification of significant risk across the Bank and assessment of the adequacy of prevention, detection and reporting mechanisms.
- g. Oversee the functions of the Risk Management Department in the Bank.
- h. Re-evaluate the Enterprise-wide Risk Management Policy of the Bank on a periodic basis to accommodate major changes in internal or external factors.
- i. Review the internal capital adequacy assessment and internal liquidity adequacy assessment of the Bank.
- j. Review the external risk information disclosures including annual report and accounts and quarterly disclosures of the Bank.
- k. Provide oversight and critique of due diligence on risk issues relating to material transactions and strategic proposals that are subject to approval by the Board.
- l. At minimum, on an annual basis or more frequently as deemed fit, review, establish and recommend to the Board the risk appetite as well as assess the appropriateness of the corporate plan in the context of the risk appetite of the Bank.
- m. Ensure that the Board's Risk management process and contingency planning shall be set in accordance with the Bank's Enterprise-wide Risk Management Policy, Business Continuity Plan and the Contingency Funding Plan respectively.



- n. Submit annual Risk Management Declaration of the Bank to BoG (not later than 31st March of the ensuing year) and in the audited financial statements and/or the Bank's website. The declaration will be signed by the Chairperson of the Committee. The Board will qualify the risk management declaration if there has been any significant breach of, or material deviation from the risk management policy. Any qualification shall include a description of the cause and circumstances and steps taken or proposed for remediation.
- o. Monitor the risk exposures of the Bank through the:
  - i. review of the risk profile of the Bank (that is, performance indicators) against the risk appetite, approved limits and risk trends;
  - ii. review of Management report on the nature and extent of risk exposures;
  - iii. review of key performance indicators on risk, controls and compliance;
  - iv. review of current risk exposures and future risk strategy, considering the macro-economic environment;
  - v. review of the Bank's litigation portfolio.

#### 4.4. **Business Continuity and Contingency Planning**

- a. The Committee shall ensure the Bank maintains relevant policies and guidelines pertaining to business continuity and contingency planning in line with all relevant Laws.
- b. The Committee shall review and adopt contingency plans for maintaining business continuity in the event of certain specified risks, including:
  - i. technology failure;
  - ii. the loss of access to the Bank's offices;
  - iii. the loss of records or access to them;
  - iv. the default or failure of a counterparty; and
  - v. the loss of Key/Senior Management.
- c. The Committee shall ensure that the contingency arrangements are tested from time to time and no less frequently than annually.
- d. The Committee shall ensure that an evaluation is conducted, either by the executive, or independently (for example by the external auditor) of its risk assessment and the effectiveness of its risk management process no less frequently than annually. The Committee shall review the results of that evaluation and take any necessary action. The results of the review, the action taken and the reasons for such action (or, where appropriate, no action) shall be documented.

#### 4.5. **Compliance with laws and regulations**

- a. Review the Bank's activities related to the Code of Conduct and Ethics.

- b. Review the adequacy and effectiveness of the programme of compliance established within the Bank.
- c. Review the processes in place for ensuring new and changed legal and regulatory requirements are identified and reflected in the Bank's processes.
- d. Review the scope and depth of the compliance unit's activities, and the resulting impact audit findings have on the risk profile of the Bank.
- e. Review of the Bank's compliance level with applicable laws and regulatory requirements that may impact the Bank's risk profile;
- f. Evaluate the nature and effectiveness of action plans implemented to address identified compliance weaknesses.
- g. Report on its activities in the annual report.

#### **Clause 5. Authority of the Committee**

The Committee is authorized by the Board to:

- a. investigate any activity within its terms of reference;
- b. seek any information that it requires from any employee of the Bank and all employees are directed to co-operate with any request made by the Committee;
- c. obtain outside legal or independent professional advice, at the Bank's expense, and secure the services of consultants with relevant experience and expertise if it is considered necessary;
- d. review the Bank's risk management processes in a general manner and provide oversight of enterprise risk in accordance with the Bank's Enterprise-wide Risk Management Policy and Environmental and Social Risk Management (ESRM) Manual although the Board Credit Committee has primary responsibility for overseeing the Bank's credit management process; and
- e. 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, a majority of whom (including the Chairperson) shall be Independent Non-Executive directors.
- 6.2 The Committee shall be chaired by an experienced Independent Non-Executive Director who is knowledgeable in risk management, finance, accounting, economics and other business skills.

- 6.3 The Committee shall have at least thirty percent (30%) of its members being Ghanaians who are ordinarily resident in Ghana.
- 6.4 The appointment and removal of Committee members shall be the responsibility of the Board.
- 6.5 Attending each meeting by standing invitation are the Head, Risk Management; Head, Conduct and Compliance; Head, Financial Control & Strategy; Head, Legal; Head, Internal Audit; Head, Treasury; and Company Secretary. The Chairperson shall be entitled to request that the Committee meet without any of these persons.
- 6.6 The Head, Risk Management; the Head, Conduct and Compliance; and the Chief Internal Auditor/Head, Internal Audit are encouraged to meet as appropriate with the Chairperson, independent of Management.
- 6.7 The Chairperson will generally meet with Management, the Head, Internal Audit; the Head, Risk Management; and the Head, Conduct and Compliance (either together or separately as the Chairperson deems appropriate) before each Committee meeting and at other times as required.

**Clause 7. Secretary**

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

**Clause 8. Chairperson's eligibility and terms of appointment**

- 8.1 The Chairperson of the Committee shall be appointed by the Board from the Independent Non-Executive Directors and shall have a tenure of a period of up to three (3) years, which may be extended by not more than two (2) additional [terms]. The Chairperson shall be a person other than the Chairperson of the Board and the Chairperson of the Board Credit Committee.
- 8.2 Where the Chairperson is absent from a meeting, the members of the Committee present at the meeting shall have authority to choose one of their members 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 may be renewed for not more than two (2) additional years, upon the approval of the Board.

**Clause 10. Remuneration of members of the Committee**

The non-executive 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. Frequency of meetings**

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

**Clause 12. Attendance at Meetings**

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

12.2. 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 13. Notice of meetings**

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

**Clause 14. Quorum at meetings**

Where the total number of Committee members is three (3), the 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 15. Proceedings at Meetings**

15.1. 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.

15.2. 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.

15.3. 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.

- 15.4. In the case of an equality or tie of votes, the Chairperson shall have a casting vote.
- 15.5. The Chairperson may ask any attendees of a Committee meeting to leave the meeting to allow discussions of matters relating to them.

**Clause 16. Record keeping at meetings**

- 16.1 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.
- 16.2 The minutes of the Committee meeting shall be made available for approval at the next meeting of the Committee.
- 16.3 Decisions taken during Committee meetings shall be recorded by the Company Secretary and disseminated to the Board and Management for further action.

**Clause 17. Appointment of Sub-Committees**

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

**Clause 18. 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:

- 18.1 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.
- 18.2 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 requires to assist it in fulfilling its duties.

**Clause 19. Reporting and accountability**

- 19.1 The Committee shall report the proceedings and recommendations of each meeting to the Board at the next practicable meeting of the Board.

- 19.2 The Committee shall ensure that an evaluation is conducted, either by Management, or independently (for example as part of the annual Board performance evaluation) of its risk assessment and the effectiveness of its risk management process no less frequently than annually.
- 19.3 The Committee shall review the results of that evaluation and take any necessary action. The results of the review, the action taken and the reasons for such action (or, where appropriate, no action) shall be documented.
- 19.4 The Committee shall submit the annual Risk Management Declaration of the Bank to BoG (not later than 31<sup>st</sup> March of the ensuing year) and in the audited financial statements and/or the Bank's website. The declaration will be signed by the Chairperson.
- 19.5 The Committee shall ensure that the Bank's Sustainability Report is sent to the BoG in April and October each year.
- 19.6 The Committee will qualify the Risk Management Declaration stating if there has been any significant breach of, or material deviation from the Risk Management Policy. Any qualification shall include a description of the cause and circumstances and steps taken or proposed for remediation.
- 19.7 The Committee shall ensure that an approved copy of the Bank's Risk Management Policy is submitted to BoG by Key/Senior Management of the Bank not more than ten (10) business days after Board approval.
- 19.8 The Committee shall ensure that the Bank notifies BoG within ten (10) business days after awareness of a significant breach of or material deviation from the Risk Management Policy or awareness that the policy did not adequately address a material risk.
- 19.9 The Committee, as directed by BoG will state to the best of its knowledge and having made appropriate enquiries in all material respects, that:
- a. the Bank has put in place systems for ensuring compliance with all prudential requirements;
  - b. the systems and resources in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risk and the Risk Management Policy itself are appropriate to the Bank and is commensurate with the size business mix and complexity of the Bank;
  - c. the risk management and internal control systems in place are operating effectively and are adequate;
  - d. the Bank has a risk management system that complies with this directive and has complied with the requirements described in its risk management system; and
  - e. the Bank is satisfied with the effectiveness of its processes and management information systems.

**Clause 20. Other Issues**

- 20.1. The Board may rely on information provided by the Committee and its members in relation to matters within the Committee's responsibility under the terms of this Committee Charter provided that it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.
- 20.2. The Bank's Key/Senior Management is responsible for making recommendations to the Committee regarding the appointment or termination of the Head, Risk Management and the Head, Conduct and Compliance.
- 20.3. The Committee shall review such recommendations and advise the Board appropriately. The Board has the ultimate responsibility to select, evaluate and where appropriate replace the Head, Risk Management and the Head, Conduct and Compliance.