

# **Access Bank (Ghana) Plc**

## **Charter of the Board of Directors**

**July, 2022**

**Risk Rating: High**

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			<p>Credit Committee.</p> <p>iv. the Bank's Business Continuity and contingency planning in compliance with SEC Corporate Governance Code for Listed Companies 2020.</p>
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## 1. Introduction

This Charter governs the operations of the Board of Directors of Access Bank (Ghana) Plc (“the Board”) in the application of sound principles of Corporate Governance.

The Board of Directors shall adopt, regularly monitor and determine any modifications to this Charter as may be necessary and shall ensure that this Charter is reviewed annually.

## 2. Purpose

This Charter has been adopted by Board resolution as a definitive corporate governance statement by which the Board will manage its affairs.

## 3. Responsibilities of the Board

- 3.1. The Board shall define the Bank’s mission, strategy, goals, objectives and plans and ensure the effective deployment of human and financial resources towards the attainment of these goals.
- 3.2. The Board shall ensure the proper management of the Bank through oversight of Management performance to ensure protection and enhancement of shareholder value and attainment of the Bank’s obligations to its employees and other stakeholders.
- 3.3. The Board shall ensure that the Bank observes the highest ethical standards and carries on its business in accordance with the Bank’s Constitution and in conformity with the Laws of the Republic of Ghana, Codes and Directives from Regulatory bodies.
- 3.4. The Board shall define a framework for the delegation of its authority or duties to Management and Committees. The delegation of any duty or authority to Management shall however not in any way diminish the overall responsibility of the Board and its Directors as being accountable and responsible for the affairs and performance of the Bank.

## 4. Authority of the Board

The Board is authorised to undertake the following:

- 4.1. Formulation and review of policies and overseeing the management and conduct of the business.
- 4.2. Formulation and management of the Risk Management Framework.
- 4.3. Succession planning and the appointment, training, remuneration, performance appraisal and replacement of board members and senior management.
- 4.4. Overseeing the effectiveness and adequacy of internal control systems.
- 4.5. Overseeing the maintenance of the Bank’s communication and information dissemination policy.

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- 4.6. Ensuring effective communication with shareholders.
- 4.7. Ensuring the integrity of financial reports.
- 4.8. Ensuring maintenance of ethical standards.
- 4.9. Ensuring compliance with the Laws of Ghana and Directives and Guidelines from Regulatory bodies.

**5. Composition and Structure of the Board**

- 5.1. The membership of the Board shall be in accordance with the provisions of the Constitution of the Bank and be compliant with all laws and directives of the regulators.
- 5.2. The membership of the Board shall comprise a number of directors, who collectively shall have the integrity, skills and experience necessary to fulfil the Board's responsibilities and protect the interests of all shareholders.
- 5.3. The competencies of the members of the Board shall be diverse to facilitate effective oversight of management and shall ideally cover a blend of several fields including Banking, Law, Finance, Accounting, Economics, Information Technology, Business Administration, financial analysis, Entrepreneurship, Risk Management, Strategic planning and Corporate Governance.
- 5.4. The Board shall comprise a balance of Executive Directors, Non-Executive Directors and Independent Non-Executive Directors, all of whom shall be natural persons and:
  - a. a majority of the directors shall be Non-Executive Directors; and
  - b. a majority of Non-Executive Directors shall be independent, One of whom may be the Chairman of the Board.
- 5.5. The Board shall remain independent of Management and shall carry out its functions in an objective and effective manner.
- 5.6. The Board may delegate such of its powers to the CEO/MD as it may deem appropriate or necessary to ensure smooth operation of the Bank.
- 5.7. The Board shall identify one Independent Non-Executive Director who shall be responsible for relations with minority shareholders.

**6. Officers of the Board**

The following are officers of the Board:

**6.1. The Chairman**

- a. The position of the Chairman of the Board and the Chief Executive Officer shall remain separate and shall be held by different individuals.
- b. The Chairman shall primarily be responsible for the effective operation of the Board and shall ensure that the Board works towards achieving the Bank's strategic objectives. The Chairman shall not be involved in the day-to-day operations of the Bank, as this shall be the responsibility of the Chief Executive Officer and the Management Team.

- c. The Chairman of the Board shall be an Independent Non-Executive Director ordinarily resident in Ghana and shall have the following functions:
  - i. provide overall leadership and direction for the Board and the Bank.
  - ii. set the annual board plan.
  - iii. set the agenda for the board meetings in conjunction with the CEO and the Company Secretary.
  - iv. play a leading role in ensuring that the Board and its committees are composed of the relevant skills, competencies and desired experience.
  - v. ensure that Board meetings are properly conducted and that the Board is effective and functions in a cohesive manner.
  - vi. ensure that the Directors receive accurate and clear information about the affairs of the Bank in a timely manner, to enable them take sound decisions.
  - vii. be the principal channel of communication between the Board and the CEO/MD as well as advise the CEO in the effective discharge of his duties.
  - viii. ensure that all Directors focus on their key responsibilities and play constructive roles in the affairs of the Bank.
  - ix. ensure that induction programs are conducted for new Directors and continuing education programs are in place for all Directors.
  - x. ensure effective communication and relations with the Bank's institutional shareholders and strategic stakeholders.
  - xi. take a lead role in the assessment, improvement and development of the Board; and
  - xii. preside over general meetings of shareholders.
- d. The Board Chairman shall ensure that the Directors receive accurate and clear information about the affairs of the Bank at all Board Meetings to enable them take sound decisions.
- e. No person shall be the Chairman of more than one listed company at any one time.

## **6.2. The Chief Executive Officer (CEO)/Managing Director (MD)**

- a. The CEO/MD shall be the head of the Management Team and shall be answerable to the Board.
- b. The CEO/MD shall be knowledgeable in relevant areas of the Bank's activities and shall demonstrate industry, credibility and integrity. He should have the confidence of the Board and Management.
- c. The CEO/MD and the senior Management shall establish a culture of integrity and legal compliance which shall be imbibed by personnel at all levels of the Bank.
- d. The functions and responsibilities of the CEO/MD shall include the following:

- i. day to day running of the Bank.
- ii. guiding the development and growth of the Bank; and
- iii. acting as the Bank's leading representative in its dealings with its stakeholders.

### **6.3. Executive Directors**

Directors who are currently employed by the Bank shall be deemed to be Executive and shall:

- a. be knowledgeable in relevant areas of the Bank's activities in addition to possessing such other qualifications needed for their specific assignments or responsibilities.
- b. be involved in the day-to-day operations and management of the Bank. In particular, they shall be responsible for the departments they head and shall be answerable to the Board through the CEO/MD.
- c. not be involved in the determination of their remuneration.
- d. not receive the sitting allowances or Directors fees paid to Non-Executive Directors; and
- e. where they own substantial stock of the Bank, upon retirement from active employment, elect to serve on the Board of Directors as Non-Executive Directors. In all other cases, an Executive Director shall submit his or her resignation from the Board upon termination of his or her active service as an employee.

### **6.4. Non- Executive Directors**

- a. Non-Executive Directors are Directors not in the employment of the Bank. This may include former employees of the Bank.
- b. They shall always constitute at least a majority of the Board.
- c. They shall bring independent judgment as well as necessary scrutiny to the proposals and actions of Management and Executive Directors especially on issues of strategy, performance evaluation and key appointments.
- d. They shall be persons of high caliber with broad experience, integrity and credibility.
- e. Non-Executive Directors shall be provided with a conducive environment for the effective discharge of their duties. Adequate and comprehensive information on all Board matters shall be provided in a timely manner.

### **6.5. Independent Directors**

- a. An Independent Director shall not:
  - i. be a substantial shareholder of the Bank and his shareholding shall not directly or indirectly exceed 0.1% of the Bank's paid-up capital.
  - ii. be a representative of a shareholder that has the ability to control or significantly influence Management.



- iii. have been employed by the Bank or the Group of which it currently forms part, nor shall he have served in any executive capacity in the Bank or Group for the preceding three financial years.
- iv. be a member of the immediate family of an individual who is or has been in any of the past three financial years, employed by the Bank or the Group in an executive capacity.
- v. be a professional advisor to the Bank or the Group, other than in a capacity of a Director.
- vi. be a significant supplier to or customer of the Bank or Group; and
- vii. be a partner or an executive of the Bank's statutory audit firm, internal audit firm, legal or other consulting firm that have material association with the Bank and shall not have been a partner or an executive of any such firm for three financial years preceding his/her appointment.

**b. An Independent Director:**

- i. shall have no significant contractual relationship with the Bank or Group and is free from any business or other relationship which could materially interfere with his/her capacity to act in an independent manner; and
- ii. shall be free of any relationship with the Bank or its Management capable of impairing his ability to make independent judgments.

**6.6. Company Secretary**

- a. The primary duty of assisting the Board and Management in the implementation of this Charter and developing good corporate governance practices and culture vests in the Company Secretary.
- b. The Company Secretary shall report directly to the CEO/MD but shall also have a direct channel of communication to the Chairman.
- c. The Company Secretary shall have the following statutory duties:
  - i. attend the meetings of the Bank, the Board of Directors and its Committees, rendering all necessary secretarial services in respect of the meeting and advising on compliance by the Bank with applicable rules and regulations.
  - ii. maintaining the registers and other records statutorily required to be maintained by the Bank; and
  - iii. rendering proper returns and giving notification to the Companies Registry as required under the Companies Act.
- d. In addition to the above statutory functions, the Company Secretary shall carry out the following duties and responsibilities:
  - i. ensure that meetings take place and papers are circulated to those attending, in accordance with the schedule agreed by the Board, and as directed by the Chairman.
  - ii. advise the Board, on Board policies and procedures for the operation of the Board as specified in the law, codes and directives for banks

- and listed companies, the company's constitutive documents and the Board Charter.
- iii. keep records and Board minutes as appropriate.
  - iv. provide the Board and Directors individually, with detailed guidance as to how their responsibilities should be properly discharged in the best interest of the Bank.
  - v. coordinate the orientation and training of new Directors.
  - vi. assist the Chairman and CEO/MD to determine the annual board plan and with the administration of other strategic issues at the Board level.
  - vii. compile and circulate Board papers and ensure that the Board's discussions and decisions are clearly and properly recorded and communicated to the relevant persons.
  - viii. notify the Board members of matters that warrant their attention; and
  - ix. provide a central source of guidance and advice to the Board and the Bank, on matters of ethics, conflict of interest and good corporate governance.
- e. The appointment and termination of the Company Secretary shall be tabled and ratified by the Board. He/she shall be properly empowered by the Board to effectively discharge his/her duties and responsibilities.
  - f. The Company Secretary shall have the requisite qualification under the Companies Act, 2019 (Act 992).

## 7. Multiple Directorships

- 7.1 A prospective nominee to the Board shall disclose memberships of other Boards.
- 7.2 The Board shall consider the other Directorships held by such a prospective nominee and determine whether the prospective nominee can contribute effectively to the performance of the Board and the discharge of its responsibilities before recommending such a person for appointment.
- 7.3 Any Director that is contemplating appointment to another company shall notify the Chairman and Board secretary in advance of the appointment.
- 7.4 Directors shall not be members of Boards of companies in the same industry to avoid conflict of interest, breach of confidentiality and misappropriation of corporate opportunity.
- 7.5 The maximum number of directorships that may be held by a serving Director is no more than five (5) directorships at a time and no more than three (3) directorships in any listed companies at any one time.
- 7.6 An Independent Non-Executive Director shall not hold cross directorship position(s) with another director(s) on the Board of other institutions.
- 7.7 An Independent Non-Executive Director shall not be a director on the Board of an institutional shareholder with significant equity interest in the Bank.

## 8. Board Committees

- 8.1. The following shall be the Committees of the Board:
  - a. Board Audit Committee.
  - b. Board Risk Management and Payment Systems Committee.
  - c. Board Credit Committee.
  - d. Board Governance, Remuneration and Nominating Committee; and
  - e. Board Cyber Security and Information Technology Committee.
- 8.2. Only Directors shall be members of the Board Committees. However, senior management may be in attendance at meetings of the Committees.
- 8.3. Each Committee shall be chaired by a Non-Executive Director who shall serve as Chairman no longer than three successive years.
- 8.4. The Committees shall be free to seek independent professional advice at the expense of the Bank subject to the approval of the Board and in accordance with the policy on Directors' Access to Independent Advice.
- 8.5. Directors shall serve on Committees in addition to the full board. Membership on Committees shall be rotated to provide all Directors experience on all Committees. However, this principle of rotation shall not deprive the Board expertise that Directors possess.
- 8.6. Each Committee shall have a Charter approved by that Committee and by the full Board of Directors.
- 8.7. The Board shall review the terms of reference of each Committee as well as the performance of the Committees annually.
- 8.8. The functions of the Committees shall be as follows:

### a. Board Audit Committee

The Board will establish a Board Audit Committee to assist it in its oversight of the Bank's system of internal control and mechanism for receiving complaints regarding the Bank's accounting and operating procedures, the integrity of the Bank's financial statements and the financial reporting process as well as the independence and performance of the Bank's internal and external auditors.

The functions of the Committee shall include the following:

- i. monitoring the internal audit function of the Bank including its independence.
- ii. investigate any matter brought to its attention within the scope of its duties with the authority to retain counsel or other advisors, if in its judgment that is appropriate, at the expense of the Bank.
- iii. review the results of the annual audit and discuss the annual financial statements with management.
- iv. review the statutory auditors' management letter when presented and ensure adequacy of management's response; and
- v. review with the Chief Financial Officer annually the significant financial reporting issues and practices of the Bank and ensure that

appropriate accounting principles are applied including financial controls relating to the “closing of the books” process.

The Chief Internal Auditor shall be part of senior management of the Bank and shall report directly to the Audit Committee of the Board.

**b. Board Risk Management and Payment Systems Committee**

The Board shall establish a Risk Management and Payment Systems Committee to assist in its oversight of the risk profile, risk management framework and the risk reward strategy determined by the Board.

The functions of the Committee shall include the following:

- i. review and approve the Bank’s risk management policy including risk appetite and risk strategy.
- ii. review the adequacy and effectiveness of risk management and controls.
- iii. oversight of management’s process for the identification of significant risk across the Bank and the adequacy of prevention, detection and reporting mechanisms.
- iv. review of the Bank’s compliance level with applicable laws and regulatory requirements that may impact the Bank’s risk profile.
- v. periodic review of changes in the economic and business environment including emerging trends and other factors relevant to the Bank’s risk profile.
- vi. review and recommend for approval of the Board, risk management procedures and controls for new products and services.
- vii. exercise oversight responsibility over the Bank’s payment systems, ensure internal compliance and control measures are put in place, and ensure effective oversight and proper risk management of the Bank’s payment systems.
- viii. exercise oversight responsibility over the Bank’s Environmental and Social (E&S) risk issues within all relevant business activities,
- ix. establish clear policies and procedures for identification, assessment, approval, and
- x. ensure the Bank complies with the Ghana Sustainability Banking Principles and Sector Guidance Notes and applicable Ghanaian laws and regulations (including the Environmental Protection Act, 1994 (Act 490); the Environmental Assessment Regulations 1999 (LI) and The Labour Act, 2003 (Act 651), and all relevant international conventions and protocols, codes and conduct and industry best practices initiatives.
- xi. 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.

- xii. The Chief Risk Officer shall report directly to the CEO/MD.

**c. Board Credit Committee**

The Board shall establish a Credit Committee to assist it in its oversight functions with regard to the Bank's credit exposure and management, lending practices and the Bank's credit and lending strategy.

The functions of the Committee shall include the following:

- i. review the quality of the Bank's credit portfolio and the trends affecting the portfolio.
- ii. oversee the effectiveness and administration of credit related policies including compliance with legal lending limits and the Bank's in-house lending restrictions.
- iii. review the process for determining provision for credit losses and the adequacy of the provision made.
- iv. provide oversight and guidance to the Bank regarding credit related aspects of implementing the BASEL II Capital Accord and compliance with the Bank of Ghana Risk based supervision framework.
- v. approve credit risk appetite and credit portfolio strategy and ensure it is in line with the corporate strategy of the Bank.
- vi. 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; and
- vii. exercise general oversight of the Bank's Environmental and Social Risk Management with regard to sustainability matters in the Bank's credit policies and procedures. This includes the approval of all credit policies and procedures including product programs that have E&S considerations in line with the Bank's ESRM Policy; and the consideration and approval of the recommendation of the Management Credit Committee (MCC) on the credit policy direction articulation of risk and return preferences at the corporate level and for individual assets-creating business units in the Bank.

**d. Board Governance, Remuneration and Nominating Committee**

The Board shall establish a Governance, Remuneration and Nominating Committee which shall comprise solely of Non-Executive Directors.

The functions of the Committee shall include the following:

- i. establish the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflict of interest; assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.
- ii. prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.

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- iii. periodically evaluate the skills, knowledge and experience required on the Board.
- iv. make recommendations on experience required by Board Committee members, Board and Committee nominations, appointments and removal, operating structure, reporting and another committee operational matters.
- v. make recommendations on compensation structure for Executive Directors.
- vi. provide input to the Annual Report of the Bank in respect of Director compensation.
- vii. ensure that a succession policy/plan exists for the positions of the Chairman, CEO/MD, the Executive Directors, and other senior executive officers.
- viii. ensure that the Board conducts a Board evaluation on an annual basis.
- ix. review and make recommendations to the Board for approval of the Bank's organisational structure and any proposed amendments; and
- x. ensure that the Board complies with the provisions of the Fit and Proper Persons Policy in respect of Board and Committee nominations as well as the appointment of Key Management staff of the Bank.

**e. Board Cyber Security and Information Technology Committee**

The Board shall establish a Cyber Security and Information Technology Committee to assist the Board in fulfilling its oversight responsibility relating to the establishment of policies, standards and guidelines for Cyber Security and Information Technology and compliance with legal and regulatory requirements in the Bank.

The functions of the Committee shall include the following:

- i. determine the Bank's cyber and information security strategy.
- ii. approve the Bank's policies of cyber and information security, outsourcing, survivability, backup and recovery from cyber incidents and attacks, and disaster events.
- iii. approve the annual and other work plans for cyber and information security, business continuity and disaster recovery.
- iv. receive monthly and/or immediate reports, as required, about significant cyber and information security incidents.
- v. hold an annual discussion about the adequacy of the bank's cyber and information security policies and strategies.
- vi. state and extend its support for inter-bank collaboration on cyber and information security defense.
- vii. ensure effective internal controls and risk management practices are implemented to achieve security, reliability, availability, resiliency, and recoverability.



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- viii. review the Bank's activities related to the Code of Conduct and Ethics of the Bank.
- ix. review the adequacy and effectiveness of the programme of compliance established within the Bank.
- x. review the processes in place for ensuring new and changed legal and regulatory requirements are identified and reflected in the Bank's processes.
- xi. review the scope and depth of Information Security compliance activities, and the resulting impact audit findings have on the Cyber and Information Security profile of the Bank.
- xii. evaluate the nature and effectiveness of action plans implemented to address identified compliance weaknesses.
- xiii. identify and monitor key risks arising from technology and digital areas.
- xiv. review and recommend to the Board for approval at least annually, the Bank's Information Technology (IT) data governance framework to ensure that IT data risks are adequately mitigated, and relevant risks are managed effectively.
- xv. review key technology risks and associated strategies, including the overall technology risk profile of the Bank. This includes key technology security strategies and policies, the Bank's compliance with laws and regulations related to its IT and Digital activities, investigations and reviews of security issues relevant to the Bank's technology processes/systems and any significant issues identified by Internal Audit.
- xvi. oversee the effectiveness of the Bank's Business Continuity & IT Disaster Recovery Plans and Business Continuity & Disaster Recovery Testing.
- xvii. oversee the effectiveness of the Bank's IT vulnerability testing and remediation.
- xviii. Review, on an annual basis, the performance of the Digital Business and IT Department against its strategy

## 9. Board Meetings

- 9.1 To effectively perform its oversight function and monitor Management's performance, the Board shall meet at least once every quarter.
- 9.2 Every Director shall be required to attend at least two-thirds of all Board meetings. Such attendance shall be considered as part of the criteria for the re-nomination of a Director, except when there are cogent reasons which the Board must notify the shareholders of at the Annual General Meeting.
- 9.3 A Director is deemed to have attended a Board meeting if that Director participates in the meeting via teleconference for the entire duration of the meeting.

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- 9.4 The Board shall have one meeting which shall be an extended meeting focusing on long-range strategies of the Bank and shall normally be held at an off-site location.
- 9.5 Appropriate officers of the Bank may be invited by the Chairman of the Board or the MD/CEO to attend Board Committee Meetings.
- 9.6 Prior to a regular Board meeting, with the direction of the Chairman of the Board and the MD/CEO, an agenda for the meeting and any information or material for review shall be sent to the Directors. Directors may request that additional subjects be placed on the agenda.
- 9.7 Board papers shall be made available to Directors at least one week ahead of Board or Committee meetings.
- 9.8 During Board meetings, Directors shall take a vote on decisions by a simple majority. In the event of a deadlock or tie, the Chairman shall be entitled to the use of one (1) casting vote.
- 9.9 Decisions taken during Board meetings shall be recorded by the Company Secretary and disseminated to the Board and Management for further action.

**10. Quorum**

- 10.1 The quorum of the Board shall be as provided by the Constitution of the Bank.

**11. Notice of Meetings**

- 11.1 Every Director shall be entitled to receive 14 days' notice for meetings, in writing or via electronic mail.

**12. Board Appointment**

- 12.1 There shall be a written, clearly defined, formal and transparent procedure for appointment to the Board of Directors that shall be overseen by the nominating committee of the Board.
- 12.2 The Board shall ascertain whether nominees for the position of Directors are fit and proper and are not disqualified from being Directors. This procedure shall be set out in accordance with the BOG Fit and Proper Persons Directive, and the Bank's Fit and Proper Persons Policy for Key Management Personnel and Directors.
- 12.3 The Board shall consider the recommendations of the nominating committee when choosing which candidates to nominate to the shareholders for approval. The Board shall nominate candidates that include those who command the support of minority shareholders as well as those who have the support of any majority or substantial shareholders.

**13. Remuneration**

- 13.1 The Board shall adopt a remuneration policy for Directors and senior management on the recommendation of the Remuneration Committee of the Board.



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- 13.2 The remuneration policy shall be documented, subject to the approval of shareholders and shall:
- a. define the criteria and mechanism for determining levels of remuneration and the frequency for review of such criteria and mechanism.
  - b. define a process, if necessary, with the assistance of external advisers, for determining executive and Non-Executive Directors compensation; and
  - c. provide how and to what extent Executive Directors rewards should be linked to corporate and individual performance.
- 13.3 The Board shall approve the remuneration of each Executive Director including the CEO individually taking into consideration direct relevance of skill and experience to the Bank at the time.
- 13.4 Only Non-Executive Directors should be involved in decisions regarding the remuneration of Executive Directors.
- 13.5 Compensation for Non-Executive Directors shall be fixed by the Board and approved by shareholders in general meeting. However, the fees and allowances or other incentives tied to corporate performance, paid to Non-Executive Directors shall not be at a level that could compromise their independence.
- 13.6 The Board shall undertake a periodic “peer review” of its compensation and remuneration levels to ensure that the Bank remains competitive.

**14. Performance Evaluation**

- 14.1 The Board shall establish a system to undertake a formal and rigorous annual evaluation of its own performance, that of its Committees, the Chairman and individual Directors in order to review the effectiveness of its own governance practices and procedures including on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) issues, to determine where improvements may be needed and make any necessary changes.
- 14.2 The Board may engage the services of external consultants to facilitate the performance evaluation of the Board, its Committees or individual Directors.
- 14.3 The evaluation system shall include the criteria and key performance indicators and targets for the Board, its Committees, the Chairman and each individual committee member.
- 14.4 The Chairman shall oversee the annual evaluation of the performance of the CEO/MD. The CEO/MD shall similarly perform an annual evaluation for the Executive Directors based on agreed criteria or performance indicators.
- 14.5 The result of the Board performance evaluation shall be communicated and discussed by the Board as a whole; while those of individual Directors shall be communicated and discussed with them by the chairman.
- 14.6 Where the performance of a Director is determined to be unsatisfactory, such Director shall undergo further training. Where such is not feasible or practicable, the Director may be removed in accordance with established procedures.

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- 14.7 The cumulative result of the performance evaluation of the Board and individual Directors shall be used as a guide in deciding eligibility for re-election.
- 14.8 The Board shall in addition to the above, undertake a formal and rigorous evaluation of its performance with external facilitation of the process every two (2) years.

**15. Orientation and Training**

- 15.1 The Board shall establish a formal orientation programme to familiarize new Directors with the Bank's operations, strategic plan, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities.
- 15.2 All Directors shall participate in periodic, relevant, professional continuing education programs in order to update their knowledge and skills and keep them informed of new developments in the Bank's business and operating environment. The objective of the training is to assist the Directors to fully and effectively discharge their duties to the bank. Such training shall be at the bank's expense.

**16. Conflict of Interest**

- 16.1 A Director shall not put himself in a position where his interests conflict or may be perceived to conflict with those of the Bank. Directors shall abide strictly by the following:
  - a. disclosure by a Director when being considered for appointment and thereafter, annually or on the occasion of significant changes, of any outside financial, economic or other interest.
  - b. promptly disclose any real or potential conflict of interest regarding any matters that may come before the Board or its Committees.
  - c. abstain from discussions and voting on any matter in which the Director has or may have conflict of interest.
  - d. where a Director is not certain whether he is in a conflict-of-interest situation, such a Director shall discuss the matter with the Chairman of the Board or with the Company Secretary for advice and guidance.
  - e. if any question arises before the Board as to the existence of a real or perceived conflict, the Board shall by a simple majority, determine if a conflict exists. The Director or Directors potentially in the conflict-of-interest situation shall not participate in any discussion and shall not vote on the issue; and
  - f. directors who are aware of a real, potential or perceived conflict of interest on the part of a fellow Director, have a responsibility to promptly raise the issue for clarification, either with the Director concerned or with the Chairman of the Board.
- 16.2 Disclosure by a Director of a real, potential or perceived conflict of interest or a decision by the Board as to whether a conflict of interest exists shall be

recorded in the minutes of the meeting and a register put in place by the Company Secretary.

- 16.3 The Board shall maintain an up-to-date register for documenting and managing conflict of interest situations in the Regulated Financial Institution.

## 17. Code of Ethics

- 17.1 As part of corporate governance practices of the Bank, the Board shall formulate a code of ethics and business practice.
- 17.2 Directors, Management and employees of the Bank shall be required to abide by the code of ethics and should confirm in writing, annually that they have read and understood the code of ethics.
- 17.3 The Board through the Audit Committee shall monitor adherence and ensure that breaches are effectively sanctioned.
- 17.4 The Code of Ethics shall at the minimum ensure that:
- a. In accordance with legal requirements and agreed ethical standards, Directors and key executives of the Bank shall act honestly, in good faith and in the best interest of the Bank.
  - b. Directors owe a fiduciary duty to the Bank and have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
  - c. Directors shall undertake diligent analysis of all proposals placed before the Board and act with a level of skill expected from Directors and key executives of the Bank.
  - d. Directors do not make improper use of information acquired as Directors and key executives and shall not disclose non-public information except where disclosure is authorised or legally mandated.
  - e. Directors keep confidential, information received in the course of the exercise of their duties and such information shall remain the property of the Bank. It shall be improper to disclose such information or allow such information to be disclosed unless the disclosure has been authorised by the person from whom the information is provided or is required by law.
  - f. The Directors shall not take improper advantage of their position or use their positions for personal gains or to compete with the Bank.
  - g. The Directors shall not take advantage of the Bank's property or use such property for personal gain or to compete with the Bank.
  - h. The Directors shall protect and ensure the efficient use of the Bank's assets for legitimate business purposes.
  - i. The Directors shall not allow personal interests, or the interest of any associated person to conflict with the interest of the Bank.
  - j. The Directors shall not engage in conduct likely to bring discredit upon the Bank and shall encourage fair dealing by all employees with the Bank's customers, suppliers, competitors and other employees.
  - k. The Directors shall encourage the reporting of unlawful/unethical behavior and protection for those who report violations in good faith.

## 18. Tenure and Re-election

- 18.1 Subject to satisfactory performance and regulatory provisions, all Directors shall be submitted for re-election at regular intervals of at least once every three years. In order to guide shareholders, decisions, names and sufficient biographical details of Directors nominated for re-election shall be accompanied by performance evaluation results and any other relevant information.
- 18.2 The Board shall ensure periodic appointment of new Directors to replace existing Non-Executive Directors.
- 18.3 A director who has served more than nine years may be re-elected but shall no longer be an independent director.

## 19. Investor Relations

- 19.1 The Board shall appoint a person with responsibility for relations with investors. This person shall have the resources necessary to fulfil his/her function. The Investor Relations officer may have other duties.
- 19.2 The Investor Relations officer shall be the first point of contact between investors and the Bank. He or she shall be responsible for:
  - a. providing financial and non-financial information to investors, financial analysts and their representatives in a timely and accurate way.
  - b. reporting investor concerns to the Board; and
  - c. ensuring that the statutory and regulatory provisions, regarding communications with investors and shareholders, are met.

## 20. Independent Advice

- 20.1 Members of the Board shall be free to seek independent professional advice from external parties/ experts on any matters referred to the Board for deliberation, at the expense of the Bank.
- 20.2 The approval of the Chairman of the Board and Country Managing Director (CMD) must be sought prior to obtaining independent professional advice and such advice must not be unreasonably withheld. However, in the event of disapproval of the request by the Chairman or Country Managing Director, the Director(s) may seek the approval of the Board which approval must not be unreasonably withheld.
- 20.3 Director(s) seeking independent professional advice should give prior notice in writing to the Company Secretary, Chairman and CMD and also act in accordance with the provisions of the policy on Directors' Access to Independent Professional Advice.

**21. Remuneration**

- 21.1 The aggregate remuneration of Non-Executive Directors shall be at a level that provides the Bank with the ability to attract and retain highly competent Non-Executive Directors.
- 21.2 Non-Executive Directors shall receive fees and allowances for their services plus the reimbursement of reasonable expenses. Non-Executive Directors' fee is approved by the shareholders in a General Meeting having regards to fees paid to Non-Executive Directors of comparable companies. In making recommendation to shareholders in this regard, the Board may where it considers it necessary retain an external consultant to conduct a market survey of Non-Executive Directors' remuneration practice by comparable companies.
- 21.3 The maximum aggregate of Non-Executive Directors' remuneration paid to Non-Executive Directors of the Bank shall not exceed the amount approved by shareholders.
- 21.4 Remuneration does not include travelling and accommodation expenses and allowances required to enable Directors perform their duties as Board Members such as Training, Board Committee Assignments, etc.
- 21.5 Non-Executive Directors shall not receive performance bonuses.
- 21.6 Directors' fees shall not be paid to any Executive Director of the Bank. Executive Directors shall be remunerated in accordance with the Bank's approved Remuneration Policy.

**22. Insider Related Exposure**

- 22.1 The Bank is not permitted to grant unsecured advances, loans or unsecured credit facilities to any of its directors (to any firm, partnership or private company in which any one or more of its directors is interested as director, partner, manager or agent or any individual firm, partnership or private company of which any of its director is a guarantor) whether such advances, loans or credit facilities are obtained by its directors jointly or severally. Thus, all loans or commitments to insiders must be secured and covered by collateral in line with Section 67 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
- 22.2 In the case of a proposed advance, loan or credit facility, the required declaration shall be made at the meeting of the Board of Directors of the bank at which the request for the advance, loan or credit facility is first taken into consideration. However, if the director was not present on the date of the meeting at which the matter was discussed, he shall state his interest in the proposed advance, loan or credit facility at the next meeting of the Board of Directors of the Bank held after he becomes so interested.
- 22.3 The required general notice given to the Board of Directors which specifies that he is a member of a company or firm seeking an advance, loan or credit facility from the bank shall be regarded as a declaration of his interest in the grant of the advance, loan or credit facility which may after the date of the

notice, be granted to that company or firm, and shall be deemed to be a sufficient declaration of interest in relation to any such advance, loan or credit facility so granted. Such notice shall not have effect unless it is given at a meeting of the Board of Directors, and he shall be required to do all things reasonably necessary to ensure that the declaration is brought up and read at the next meeting of the Board of Directors after it is so given.

- 22.4 A general notice given to the Board of Directors by the director shall be deemed to be a sufficient declaration of interest in relation to any advance, loan or credit facility, if:
- a. the notice specifies the nature and extent of his interest in the company or firm seeking the credit facility.
  - b. such interest is not different in nature to or greater in extent than the nature and extent specified in the notice at the time any advance, loan or credit facility is made; and
  - c. the notice is given at the meeting of the Board of Directors of the Bank, or the director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Board of Directors of the Bank after it is given.
- 22.5 Every director of the Bank who holds any office or possesses any property whereby, whether directly or indirectly, duties or interest might be created in conflict with his duties or interest as a director of the Bank shall declare at a meeting of the Board of Directors of the Bank, the fact and nature, character and extent of the interest.

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

The Board shall ensure the Bank maintains relevant policies and guidelines pertaining to Business Continuity and Contingency Planning in line with all relevant laws, regulatory directives and guidelines.

23.1 The Board shall review and adopt contingency plans for maintaining business continuity in the event of certain specified risks which includes technology failure; the loss of access to the company's offices; the loss of records or access to them; the default or failure of a counterparty; and the loss of key personnel.

23.2 The Board shall ensure that the contingency arrangements are tested from time to time and no less frequently than annually.

23.3 The Board 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 Board 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.