

EXPLANATORY NOTES TO SPECIAL RESOLUTIONS

These notes provide an explanation to the proposed Special Resolution set out in the Notice and Agenda for the 30th Annual General Meeting of the Company. For the Resolution to be passed, 75% of the votes of members present are required. The Resolution is proposed to enable the Company to be compliant with statutory and regulatory requirements.

SPECIAL RESOLUTION REVOCATION OF EXISTING REGULATIONS & ADOPTION OF NEW CONSTITUTION FOR THE COMPANY

I INTRODUCTION

The current Regulations of the Bank follow the pattern of the Companies Act, 1963 (Act 179) (the "Companies Code") and its subsequent amendments. The Companies Code was repealed with the passing into law of the new Companies Act, 2019 (Act 992) (the "Companies Act") providing a new company law framework.

The Companies Act directs new formats to be adopted for companies' Constitutions. In order for the Bank to be compliant under the new Companies Act, Republic Bank (Ghana) Plc, being a public company limited by shares, is required to adopt the format in the Third Schedule to the Companies Act.

It is proposed that the following Special Resolution be approved and adopted by Shareholders, to facilitate the revocation of the existing Regulations and to adopt a new Constitution, subject to regulatory approval, namely:-

- (i) That the existing Regulations of the Company which is in conformity with the repealed Companies Act, 1963 (Act 179) be revoked.
- (ii) That the new Constitution be received and adopted as the Constitution of the Company and
- (iii) That the Company be authorized to effect registration of the Constitution with the Registrar in accordance with the Companies Act, 2019 (Act 992).

II RATIONALE

Before the repeal of the Companies Code, the Bank's Regulations were compliant with the Companies Code. To enable easy assimilation and in the interests of simplicity, the new document has merely sought to ensure conformity with the existing laws of Ghana. The proposed Constitution is therefore an adoption of the form and substance of the Third Schedule to the new Companies Act, with modifications mainly in the following manner:-

1. Insertion (carry over) of all amendments in the existing Regulations that have been adopted by Shareholders over the years (ie from 1994 to 2020).

2. Insertion of the names of the first directors of the Bank (paragraph 4) to comply with Section 26(1)(b) of the companies act which provides that, "... the registered constitution of the company shall state the names of the first directors of the company".
3. Amendment of the requirement for "two" Independent Non-Executive Directors as exists in regulation 64 of the Bank's Regulations; to "at least 30%" to be in conformity with the BOG Corporate Governance Directives 2018 (section 27).
4. Updating of references in the Regulations to (sections of repealed laws (including statutory re-enactments or modifications) to refer in the Constitution instead to the relevant new laws (and respective sections where applicable). Therefore in place of:-
 - the repealed Companies Act, 1963 (Act 179) (the "Companies Code"), the Constitution refers to the Companies Act, 2019 (Act 992)(the "Companies Act")
 - the repealed Banking Act 2004 (Act 673) and the Banking (Amendment) Act, 2007 (Act 738) (together referred to as the "Banking Acts"), the Constitution refers to the Banks and Specialised Deposit -Taking Institutions Act, 2016 (Act 930)
 - the repealed Bodies Corporate (Official Liquidations) Act, 1963 (Act 180), the Constitution refers to the Corporate Restructuring and Insolvency Act, 2020 (Act 1015).

The adoption of a new compliant Constitution is critical to enable the Company's governing document to be aligned with the new Companies Act and thus be compliant with current legislation.

III REQUIRED APPROVALS

The Company would be required to, pursuant to section 27 of the Banks & Specialised Deposit-Taking Institutions Act, 2016 (Act 930), apply and seek the approval of the Bank of Ghana before it can make any amendments or revocations of its Regulations.

The Company would also be required to, pursuant to regulation 95 of the Company's Regulations, apply and seek the approval of Ghana Stock Exchange before it can have its Regulations revoked and adopt a new Constitution.

IV FINANCIAL IMPLICATION

Any financial outlay to effect the adoption and registration of the new Constitution with the Regulators and the Registrar General will be nominal.

V CONCLUSION

The rationale behind the revocation of the Company's Regulations and the adoption of a new Constitution is to ensure that the Company is compliant with current legislation, in particular the Companies Act, 2019 (Act 992).

VI DIRECTORS' RECOMMENDATION

In view of the foregoing, the Board of Directors recommends that Shareholders vote in favour of the resolution for the revocation of the entire existing Regulations of the Company and the adoption of a new Constitution for the Company which is in compliance with the new Companies Act, 2019 (Act 992), subject to regulatory approvals.