



Republic Bank (Ghana) PLC

POLICY AND PROCEDURES
FOR THE
APPOINTMENT
OF
NON-EXECUTIVE
DIRECTORS

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1.0 APPOINTMENT PROCESS FOR NON-EXECUTIVE DIRECTORS

PURPOSE

The purpose of this document is to set out a framework to guide the Board of Directors of Republic Bank (Ghana) PLC (the “Board”) in the appointment of Non-Executive Directors of Republic Bank (Ghana) PLC (“the Bank”) in a professional manner.

The document shall be used in conjunction with the following: -

- 1) The Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)
- 2) Companies Act, 2019 (Act 992)
- 3) Bank of Ghana Act, 2002 (Act 612)
- 4) Ghana Investment Promotion Centre Act, 2013 (Act 865)
- 5) Immigration Act, 2000 (Act 573)
- 6) Corporate Governance Directive – Transitional Provisions
- 7) Corporate Governance Directive 2018
- 8) Fit & Proper Persons Directive, 2019
- 9) Securities Industry (Conduct of Business) Guidelines 2020
- 10) Constitution of Republic Bank (Ghana) PLC
- 11) Board Charter of Republic Bank (Ghana) PLC.

1.1. INTRODUCTION

The Policy of the Bank is to ensure that the Board consists of members with the range of skills, attributes, expertise and diversity to meet the Board’s primary responsibility of promoting the success of the Bank in a way that ensures that the interests of all stakeholders are promoted and protected.

The paramount objective of the Board in the selection of Directors is to secure, through strategic deliberation, the highest standards of competence, efficiency and integrity. These principles form the basis of selection decisions about the “best” nominee for a position to the Board.

Directors are to ensure that the Company is properly managed to protect and enhance shareholder value and to meet the Company’s obligations to shareholders, the industry and the law. In carrying out this duty, the Board should always be mindful of the need for maintaining a Board that enhances the efficient and effective running of the Company.

1.2. POLICY REQUIREMENT

Selection, nomination and appointment to the Board is based on the principles of merit, suitability, experience and skills. The Remuneration & Nominations Committee of the Board (the “Committee”) is responsible for the nomination of Directors to the Board. In selecting the best nominees for the Board, the following must be considered:

- Selection should be made impartially under processes that will neither discriminate nor unduly favour nominees.

- In the attraction of nominees who are suitably qualified and experienced for open vacancies, the Remuneration & Nominations Committee should ensure that a variety of effective measures are employed to target such nominees. This may include the use of external consultants and / or referrals from other Board members.
- It is imperative that members of the Remuneration & Nominations Committee familiarize themselves with the Bank of Ghana’s “Fit and Proper Persons Directive” issued in July 2019 and any amendments to the Directive that will be made from time to time.

1.3 NOMINATION CRITERIA

1.3.1 An appropriate mix of skill and experience is essential for the Board to be an effective decision-making body. The range of skills and attributes acquired through a diversity of experiences and backgrounds can contribute to a cohesive and effective board. The needs of the Bank at every point in time should determine the skills required to ensure Board balance.

1.3.2 The following provisions guide the composition of the Board: -

1.3.2.1 The Constitution of the Bank provides that a shareholder is entitled to appoint and maintain one Director for each block of twelve and half per cent fully paid up issued ordinary shares of the Company. In the event of the resignation, retirement or vacation of office of a director appointed pursuant to this provision, the relevant shareholder shall, so long as it maintains the prescribed share qualifications be entitled to appoint another person as a Director.

1.3.2.2 The Bank of Ghana Corporate Governance Guidelines provides that Independent Directors shall constitute at least 30 per cent of the Board.

1.3.2.3 The Securities Industry (Conduct of Business) Guidelines provides that the Board shall comprise a balance of executive directors, non-executive directors and independent non-executive directors of which at least one third shall be independent non-executive directors.

1.3.3 The Remuneration & Nominations Committee shall perform the duties of nominating, considering and recommending Directors to the Board for approval.

1.3.4 The Committee shall:

1.3.4.1 Consider the performance, skills, knowledge, competencies and personal attributes of current or existing Directors in order to identify competency gaps of the Board.

1.3.4.2 Develop specific criteria for the positions to be filled; this will include qualities needed and weights attached to these specifications. The criteria against which nominees will be assessed must include the following: -

A. Experience

Nominees should ideally have practical experience and theoretical knowledge relevant to the business of Banking.

The Committee must, in addition, consider the demonstrated competency of the nominee in any previous position held by the nominee. By this, the Committee must take into account the length of service, the size of the entity, responsibilities held and number of subordinates, the nature of activities accrued, and the actual relevance and experience gained amongst other things.

It can be presumed that a Director has adequate experience if the following criteria is met:

Role	Minimum level of experience
Executive Director	Seven (7) years of relevant practical experience in areas related to banking or financial services in senior level managerial positions.
Non-Executive Director	Seven (7) years of relevant practical experience at senior level managerial positions (including theoretical knowledge in banking).

B. Reputation

Selected nominees must be of good repute. The Committee must ascertain if there are any pending or concluded criminal and/or administrative proceedings against the nominee. To achieve this, the following minimum set of information will be required of the nominee and may form part of his/her background check:

- i. Whether the person has knowledge of any criminal or disciplinary proceedings against him/her.
- ii. Whether the person has caused financial loss through dishonesty, incompetence or malpractice.
- iii. Whether the person, or any business in which he/she has a controlling interest or exercises significant influence, has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately.
- iv. Whether the person has been discredited on his/her professional conduct.
- v. Whether the person has lost his/her employment because of questions bordering on honesty and integrity.
- vi. Whether the person has been associated with any institutions, the license of which have been revoked.
- vii. Whether the person has been directly concerned in the management of any company which has wound up or has been found incompetent to operate within or outside Ghana.
- viii. Whether the person has held a position of responsibility in the management of a business that has gone into receivership, insolvency or involuntary liquidation while the person was connected with that business.
- ix. Whether the person has a professional and personal reputation that is consistent with the Bank's values.

C. Conflict of Interest and Independence of Mind

Nominees must demonstrate that they have no interest that adversely affects the interests of the Bank. This criterion should be taken into account in the assessment if there is information to suggest that the nominee has not acted with independence of mind in previous or current functions in the past.

D. Time Commitment

Nominees should be evaluated to ensure that they would be able to dedicate adequate time for their duties as Director. To achieve this, the Committee must:

- i. Specify the time commitments required for the role.
- ii. Provide mandates requiring time commitment from the nominee and
- iii. Receive a self-declaration by the nominee that he/she has sufficient time to dedicate to all provided mandates.

E. Nominees must also have: -

- i. A high level of personal and professional integrity.
- ii. A commitment to promoting the long term interests of the Bank and its stakeholders.
- iii. Broad general business acumen which may include experience across a broad range of industries.

2.0 SELECTION

The following procedure is followed in selecting and appointing a new Director to the Board of the Bank:

- 2.1 The Remuneration and Nominations Committee identifies the need for a new Director or may be tasked in advance to develop a shortlist of potential nominees to be used for future vacancies. At least four months before a retirement or upon a sudden change (resulting in a vacancy), the Remuneration & Nominations Committee will commence the process to identify replacement Director(s). This should be based on determining whether there are the appropriate skills and number of Directors to allow for effective decision-making.
- 2.2 Additionally, the Bank's Constitution provides for nominations from key shareholders (section 1.3.2.1 refers).
- 2.3 The Remuneration & Nominations Committee may engage the services of external consultants/ resource persons and / or may consider recommendations from other Directors of the Bank to identify potential nominees who fit the criteria.
- 2.4 The following shall be sent to / or required from the nominees: -
 - a. Updated signed Curriculum Vitae with names of references
 - b. Completed Bank of Ghana Personality Form.
 - c. Detailed Profile to satisfy requirements of the Bank of Ghana's Fit and Proper Persons Directive 2019.
 - d. Completed Bank of Ghana Declaration of Interest of Enhanced Due Diligence Questionnaire for the proposed Directors and Key Management Personnel of Banks and Specialized Deposit Taking Institution.
 - e. Completed Declaration of Interests Form
 - f. BOG Fit and Proper Persons Directive 2019
 - g. Tax Identification Number/ Copy of Ghana Card (where applicable).
- 2.5 A consultant may be commissioned to conduct initial interviews/ assessments and perform the initial selection on behalf of the Committee.
- 2.6 Once a shortlist is agreed: -

- 2.6.1.1 where the nominee is proposed by a shareholder holding 12.5% or more of the Bank's shares the recommendation shall be referred to the Remuneration & Nominations Committee.
- 2.6.1.2 where the nominee is not proposed by a shareholder holding 12.5% or more of the Bank's shares, a recommendation shall be forwarded to Republic Financial Holdings Ltd (RFHL) for a favourable opinion. The minimum set of requirements for a favourable opinion are: -
- (a) Background
 - (b) Curriculum Vitae
 - (c) Reasons for recommendation
 - (d) Extent to which the gaps on the Board will be met (as well as the diversity criterion).
- RFHL may also choose to have a conversation with the nominee.

A successful recommendation with a favourable opinion shall then be referred to the Remuneration & Nominations Committee

- 2.7 The Committee may either proceed to meet the nominee(s) or may constitute a sub-committee to meet the nominee(s). This session is an opportunity to probe the nominee's practical experience and test whether the nominee is well informed about the industry.
- 2.8 As part of the process the (sub-) Committee shall undertake the following: -
- 2.8.1 A fit and proper interview/ assessment taking into account the qualification criteria in section 1.3.
 - 2.8.2 Where there are more than three nominees for a position, the Committee shall vet and reduce the number to three.
 - 2.8.3 Where there is a choice to be made between well qualified nominees, the (sub-) Committee has a responsibility to enable a fair and professional comparative assessment of the nominees' skills and experience in light of identified Board needs.
 - 2.8.4 A comprehensive fit and proper report/recommendation (to the Remuneration & Nominations Committee, where applicable, for consideration, and if adopted then forwarded), to the Board stating the nominee's proposed contribution to the collective suitability needs of the Bank and the gap to be filled by the nominee. The report will additionally consider the nominee's financial integrity and disclosures with regard to potential conflicts of interest.
- 2.9 If the Board does not accept the nomination, then the decision will be referred to the Committee to start afresh.
- 2.10 If the Board accepts the nomination, then the following appointments procedure will be followed.
- 2.11 Upon a nominee accepting nomination for appointment, the Company Secretary is responsible for ensuring that all the nomination and appointment procedures of the proposed nominee comply with the Constitution of the Bank, this Policy and all applicable statutory and regulatory provisions.

3.0 APPOINTMENT

3.1 Prior written approvals shall be required from the Bank of Ghana before a formal offer is made to the proposed Director. Documents to be submitted include: -

- Board Resolution
- *1Completed Bank of Ghana’s Personality Notes Forms (in duplicate) (from BOG website)
- Updated signed Curriculum Vitae) (with months and years of appointment and names of references
- *Certificate of good character or conduct from the Ghana Police Service or from the relevant authority of the relevant jurisdiction in the case of foreign Directors.
- Consent Letter accepting to be a Director to the Bank
- *Bank of Ghana Declaration of Interests form (EDD Forms from BOG website)
- Passport pictures (4)
- Copies of all Educational and Professional Certificates
- Letter of Consent for all Schools attended together with Student ID Numbers and Specific addresses
- Personal Identification Numbers or Registration Numbers for all Professional Qualifications
- Specific Addresses and correct phone numbers for all previous employers
- Personal Financial Statement of Affairs certified by practicing Auditor.
- Tax Clearance Certificate
- *Fit and Proper Report
- *Completed Bank of Ghana Enhanced Due Diligence Forms
- Self-Declaration of Commitment
- Copy of Passport
- Copy of Ghana Card (where applicable)
- Immigration Clearance (for non-Ghanaians)
- Any other document requested by the Regulatory Authorities.

3.2 After the Bank of Ghana “approval”/ “no objection” letters are received, the appointment process may be finalised. The new Director shall be issued with the following: -

3.2.1 An appointment letter (in duplicate) setting out the key terms of the engagement in accordance with the provisions of Banks & Specialised Deposit Taking Institutions Act, 2016 (Act 930), the Bank of Ghana Banking Business-Corporate Governance Directive 2018, “Fit and Proper” Persons Directive 2019 and Securities Industry (Conduct of Business) Guidelines 2020.

In accepting an appointment to the Board, the nominee is signifying his/her intention to abide by all Policies and Procedures of the Board and to accept the responsibilities set out in the Charter of the Board.

¹ Specific to Bank of Ghana only

On acceptance of the terms of engagement a signed copy of the letter should be returned to the Company Secretary.

3.2.2 Other key documents to assist with familiarisation with the Bank and Directors' roles and responsibilities including as much as possible the following: -

- The Bank's Constitution
- The Bank's Board of Directors' Charter
- The Bank's Code of Conduct /Corporate Governance
- Directors' Handbook
- Directors and Personal Assistants contact details
- The Banks and Specialized Deposit Taking Institution Act, 2016 (Act 930)
- Bank of Ghana's Confidentiality Form
- Republic Financial Holdings Ltd's Insider Trading Policy
- Recent Annual Reports (last two years)
- Minutes of last two Board Meetings
- Organogram of the Ghana Group
- Account Opening Forms
- Scheduled Annual Meetings Calendar.

4.0 POST APPOINTMENT PROCEDURE

4.1 The Chairman of the Remuneration and Nominations Committee is responsible for ensuring that all appropriate documentation in relation to the appointment is finalised. This includes minutes and contract documentation.

4.2 A notification mail on formal approval and appointment of a new Director shall be sent to the existing Directors.

4.3 A notification shall also be sent to all Regulatory Bodies as required by law.

4.4 Registration of the new Director shall be effected at the Office of the Registrar of Companies.

5.0 INDUCTION

5.1 The Company Secretary is responsible for ensuring that a new Director has been provided with the necessary orientation in banking and given the opportunity to increase his/ her knowledge about the Bank to enable the Director effectively participate in Board deliberations.

5.2 The Company Secretary shall arrange induction in the form of face-to-face individual engagements with key management personnel which shall include presentations / discussions with the following: -

- a) Managing Director
- b) Chief Operating Officer
- c) Head/Finance
- d) Company Secretary

- e) Chief Risk Officer and or General Manager/Risk Management
- f) Internal Auditor
- g) Head/Compliance /Anti-Money Laundering Reporting Officer
- h) Head/ Technology and Business System Support
- i) Head/Human Resources
- j) General Manager/Commercial & Retail Banking.

5.3 The Company Secretary shall arrange a meeting with the Chairman of the Board, the Managing Director and a further phone call with the RFHL Chairman.

6.0 PROCEDURE FOR RE-APPOINTMENT OF DIRECTORS

6.1 Board renewal is critical to the performance of the Company. The Board is conscious of the duration of each Director's tenure in succession planning. Retiring Directors are not automatically re-appointed. Each Director shall retire from office at the end of their tenure.

6.2 A retiring Director who has served less than the allowable nine-year term shall be eligible for re-election.

6.3 The Remuneration and Nominations Committee considers the re-appointment of Non-Executive Directors and makes a recommendation to the Board.

6.4 If recommended for re-appointment, the retiring Director shall be presented for re-election at the General Meeting in accordance with the Constitution of the Bank and the Listing Rules, otherwise the new director selection process commences.