

**BOARD OF DIRECTORS**

**CODE OF CONDUCT**

**&**

**CORPORATE GOVERNANCE**

## **CODE OF CONDUCT & CORPORATE GOVERNANCE**

### **1.0 PURPOSE**

- 1.1 Republic Bank (Ghana) PLC (the "Bank") is a universal bank incorporated in Ghana, licensed by the Bank of Ghana and listed on the Ghana Stock Exchange.
- 1.2 Accordingly, the Companies Act, 2019 (Act 992), the various Banking Acts, the Corporate Governance Directives of the Bank of Ghana and the Securities & Exchange Commission (the "Statutory and Regulatory Requirements") form an integral part of the Code of Conduct & Corporate Governance (the "Code") and must be seen and treated as such.
- 1.3 The Bank maintains a Constitution which governs the business and operation of the Bank in accordance with Statutory and Regulatory requirements.
- 1.4 The Bank also maintains a Board Charter that sets out the framework governing the workings of the Board of Directors.
- 1.5 This Board of Directors' Code of Conduct & Corporate Governance offers guidance for professional conduct and outlines the principles and policies that govern the activities of the Board and to which Directors and other persons who work with Directors must adhere.

### **2.0 CORPORATE GOVERNANCE**

- 2.1 The Bank recognises that Shareholders are the owners of the business and the relationship between Management and Shareholders is considered crucial. Investors and Shareholders must understand and appreciate the manner in which they can oversee the performance of Management and have a voice in key decision making.
- 2.2 Corporate Governance in the Bank provides a framework beyond the Statutory and Regulatory Requirements, by which Management is supervised by the Board of Directors, which in turn is accountable to Shareholders and other Stakeholders on the Bank's state of affairs and results achieved.
- 2.3 The Republic Group has ten principles of Corporate Governance that underpin the objectives of the Board and provide a framework for the manner in which the Board functions and discharges its responsibilities. The principles, as hereinafter enumerated, are more particularly spelt out in the Group's "Guide to Good Corporate Governance" which, insofar as are not inconsistent with Ghanaian statutory or regulatory provisions, form part of the Corporate Governance Framework of the Bank. The principles are:-
  - ❖ Principle 1 - Lay solid foundation for Management and oversight
  - ❖ Principle 2 - Structure the Board to add value
  - ❖ Principle 3 - Promote ethical and responsible decision making
  - ❖ Principle 4 - Safeguard integrity in financial reporting

- ❖ Principle 5 - Make timely and balanced disclosure
- ❖ Principle 6 - Respect the rights of the Shareholder
- ❖ Principle 7 - Recognise and manage risk
- ❖ Principle 8 - Encourage enhanced performance
- ❖ Principle 9 - Remunerate fairly and responsibly
- ❖ Principle 10 - Recognise the legitimate interests of the Shareholder.

### 3.0 VISION, MISSION AND CORE VALUES

3.1 At Republic Bank (Ghana) PLC, our **MISSION** is to provide personalised, efficient and competitively-priced financial services and implement sound policies which will benefit our Customers, Staff, Shareholders and the Communities we serve.

3.2 The Bank's goals are accomplished by the commitment of every Board Member, Management and Staff to the high ethical standards of behavior and speech expected of every named Stakeholder.

3.3 The **CORE VALUES** which underpin the Bank's activities are:-

- ❖ Integrity
- ❖ Customer Focus
- ❖ Respect for the Individual
- ❖ Professionalism and
- ❖ Results Orientation.

3.4 These values require that we:

- ❖ Treat each Director/Employee with respect and give an opportunity for input on how to continually improve service delivery and operational goals.
- ❖ Treat each Director/Employee fairly and with mutual respect. The Bank does not tolerate discrimination of any kind and encourages all Managers and Supervisors to involve Employees in problem solving and the creativity process. When challenges arise, facts should be analysed to determine ways to avoid similar issues in the future.
- ❖ Provide the most effective and efficient corrective measures to resolve Customer service issues to ensure Customers' satisfaction.
- ❖ Foster an open door policy which encourages interaction and discussion of ideas to improve the work environment.
- ❖ Deliver competitive, impeccable and innovative financial services to our customers, and where required, partner with all Stakeholders who share our mission and vision.

3.5 By making **"Do It Right The First Time"** our commitment as a team and our only way of doing business, we are assured of continued growth and prosperity to meet our **VISION** to be:

"The Ghanaian Financial Institution of Choice for our Staff, Customers and Shareholders. We set the Standard of Excellence in Customer Satisfaction, Employee Engagement, Social Responsibility and Shareholder Value while Building Successful Societies."

#### **4.0 EQUAL OPPORTUNITY AND COURTESY**

- 4.1 Republic Bank (Ghana) PLC is an Equal Opportunities Employer. This means that we will extend equal opportunities to all individuals without regard to race, religion, ethnic group, colour or sex. This policy affirms the Bank's commitment to the principles of fair employment. We encourage all Employees to take advantage of opportunities for development and promotion as they occur.
- 4.2 The Bank places a strong emphasis on the use of common courtesy, professionalism and respect in dealing with those with whom we come into contact in our work, in order to be shown the same courtesy in return. We believe such policies will benefit our business, our Employees and our entire Community.
- 4.3 Consistent with our belief in common courtesy, all Stakeholders are expected to take personal responsibility to try to get along with others who may have different beliefs, backgrounds and or divergent views.

#### **5.0 CONFLICT OF INTEREST**

- 5.1 Conflict of interest may occur if an endeavor or activity influences or appears to influence the professional ability of a Director to exercise objectivity or impairs the Director's ability to perform his responsibilities in the best interest of the Bank.
- 5.2 A conflict of interest is considered to automatically arise when a Director or an Employee who makes decisions for the Bank has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties towards the Bank.
- 5.3 Directors and Employees have an obligation to monitor their conduct and personal associations in order to avoid actual or potential conflict of interest.
- 5.4 Directors and Employees are not to engage in any transaction or activity during or outside their official duties, which would be likely to involve them in conducts likely to bring the Bank into disrepute, or lead to them taking improper or undue advantage of their positions with the Bank.
- 5.5 No Director or Employee may accept anything of monetary value in exchange for steering business to a particular vendor or customer (or as an inducement or reward for having done so).
- 5.6 Where a Director or Employee becomes aware of an actual or potential conflict of interest, the Director/Employee is obliged to immediately disclose this fact.

## **6.0 USING BANK INFORMATION FOR PRIVATE ADVANTAGE**

- 6.1 On no account should any Director/Employee use information acquired by virtue of their relationship or employment to enrich him/herself or the family.
- 6.2 Outside employment which constitutes a conflict of interest is prohibited to Employees. Employees normally are not allowed to hold outside jobs with companies whilst still in the employment of the Bank. They may not perform work for other companies, or for their own personal business ventures, in the Bank's time.
- 6.3 Likewise, Directors and Employees may not use, sell or convey confidential business knowledge acquired whilst at the Bank to any third parties (regardless of whether still employed by the Bank or working elsewhere at the time such information is conveyed).

## **7.0 SHARE TRADING**

- 7.1 Directors, Employees and persons associated with them (family, trust companies, nominees and persons over whom they have investment control or influence) ('Associates') who wish to deal in the Bank's shares must adhere to the following prior requirements:
- ❖ Directors must notify the Chairman by email (with a copy to the Company Secretary).
  - ❖ The Chairman must notify the Chairman of the Audit Committee by email (with a copy to the Company Secretary).
  - ❖ Employees must notify the Managing Director.
  - ❖ Associates' proposed dealings must be notified by their principals.
- 7.2 The notification must state that the proposed dealing is not as a result of access to insider information and specify the number or amount of shares involved and the proposed time frame (which should be within ten business days of the date of notification).
- 7.3 Directors and Employees must notify the Company Secretary in writing immediately upon acquiring or disposing of the Bank's shares. Acknowledgment of notification is intended as a compliance monitoring function only and is not an endorsement of the proposed dealing.
- 7.4 Directors, Employees and Associates who have inside price sensitive information relating to the Bank which is not generally available to the market are however prohibited from:-
- ❖ dealing in the Bank's shares
  - ❖ procuring, encouraging or advising another person to deal in the Bank's shares
  - ❖ directly or indirectly communicating that information to another person if they reasonably ought to know that the person would likely use the information to engage in the said activities.
- 7.5 Directors and Employees of the Bank are prohibited from engaging in short term (less than three months) or speculative dealings in the Bank's shares. The following types of dealings are however permissible; rights issues, share purchase plans, dividend reinvestment plans, bonus issues and employee incentive schemes.

## **8.0 PROFESSIONALISM**

- 8.1 Republic Bank (Ghana) PLC's policy is to maintain utmost transparency and conform to the ethical demands of the profession when transacting business with all Customers.
- 8.2 Relatives or spouses of Directors/Employees of Republic Bank (Ghana) Limited may be employed by the Bank, however:-
- ❖ Relatives or spouses of interviewees shall not be part of the selection team.
  - ❖ Relatives or spouses shall not work in the same Department.

## **9.0 RESPONSIBILITIES & ACCOUNTABILITIES OF THE BOARD OF DIRECTORS**

- 9.1 The primary responsibility for ensuring that good Corporate Governance prevails lies with the Board of Directors of the Bank.
- 9.2 Board discussions and decisions are confidential and must not be disclosed to outsiders. Members of the Board are required to sign an Oath of Secrecy.
- 9.3 The Board is accountable to Shareholders and is responsible for:-
- ❖ Setting and keeping under review the strategic direction and goals of the Bank.
  - ❖ Monitoring the financial performance and financial health of the business
  - ❖ Reviewing, evaluating and approving the Bank's budget and forecasts, approving and monitoring the progress of major capital expenditure, capital investments and management of major transactions i.e. acquisitions and divestitures.
  - ❖ Monitoring the effectiveness of corporate governance practices and setting and reviewing organizational rules and policies in step with industry changes.
  - ❖ Appointing, overseeing and providing effective leadership and collaboration with the Executive Management team.
  
  - ❖ Ensuring the Bank has the appropriate organisational structure and framework in place to achieve its objectives.
  - ❖ Establishing and articulating the Bank's values, vision and mission.
  - ❖ Ensuring the integrity of accounting, financial and non-financial reporting.
  - ❖ Presenting a balanced and understandable assessment of the Bank's progress and prospects to Shareholders.
  - ❖ Maintaining a sound system of internal controls, codes of conduct and compliance with applicable regulatory and statutory requirements.
  - ❖ Overseeing the Bank's risk strategy, assessing the management and effectiveness of its risk framework.
  - ❖ Setting, monitoring and reviewing the Bank's the risk appetite.
  
  - ❖ Reviewing the effectiveness of the Bank's Policies and Systems.
  - ❖ Monitoring the annual performance of the Managing Director against agreed performance indicators.

- ❖ Monitoring and setting compensation policy for Senior Executives, such as the Executive Directors and General Managers and those stipulated by Statutory and Regulatory Requirements and overseeing Succession Planning and Development.
- ❖ Keeping under review the Bank's Corporate Social Responsibility objectives.

## **10.0 SHAREHOLDERS' ASSEMBLY (GENERAL MEETING)**

10.1 The Shareholders' Assembly is the gathering of Shareholders of the Bank, or their representatives (proxy holders). The Assembly meets at least once annually to fulfill its statutory obligations.

10.2 Additional meetings may be required, normally referred to as 'Extraordinary General Meetings,' to deal with unusual or critical matters.

10.3 The role of the Shareholders' Assembly includes:

- ❖ Election of Directors of the Bank
- ❖ Approval of the External Auditor
- ❖ Approval of any changes to the Constitution of the Bank
- ❖ Approval of major decisions including a re-organisation or liquidation of the business and
- ❖ Approval for the payment of dividends.

## **11.0 SHAREHOLDERS' COMMUNICATIONS**

11.1 The Bank recognizes the importance of dialogue between present and potential investors and a long-term commitment to the market in which it operates.

- ❖ The Bank's communication policy is committed to ensuring enhanced information flows between Investors and the Bank through all forms of media, including electronic media.
- ❖ It is also committed to ensuring that there is regular, systematic contact and communication between the Bank and investors on its strategy, performance targets and actual performance against these targets.
- ❖ It is expected that the Annual Report should include information on non-financial affairs such as information on Corporate Social Responsibilities and matters of Stakeholder interest.

11.2 Other than ordinary Shareholders, the Bank has no other special class of Shareholders. Information about the identities of Shareholders is kept independently by the Bank's Registrars.

11.3 Minority Shareholders have their rights embodied in the Bank's Constitution and the Companies Act,, 2019 (Act 992) which protects them from involuntary dilution of their shareholding and other losses in value.

## **12.0 FINANCIAL GOVERNANCE**

12.1 The Board is responsible for ensuring the financial governance of the Bank including:-

- ❖ the maintenance of adequate records for safe guarding the assets of the Bank
- ❖ that statutory payments payable by the Bank are met in a timely manner
- ❖ that appropriate systems of internal control are in place for managing risk, adherence to financial governance measures and compliance with the law
- ❖ that the financial statements of the Bank are audited at such frequent intervals as specified by law, regulations or internal policies by competent and qualified auditors
- ❖ the accuracy of information contained in the Financial Statements and that the Financial Statements are presented in accordance with the prevailing Accounting Standards and the Companies Act, 2019 (Act 992)
- ❖ that Financial Statements are circulated to Shareholders and Regulators within the time frames specified by Statutory and Regulatory Requirements
- ❖ the dissemination of price sensitive information to the market and Shareholders in a timely manner.

12.2 Role of the External Auditor

- ❖ The External Auditor should express an independent, objective and effective opinion on the Financial Statements.
- ❖ The report should specify any deviation from the Accounting Standards.
- ❖ The audit must be performed in accordance with generally accepted auditing standards.
- ❖ An Auditor's removal, resignation should be accompanied by an explanation, which shall be circulated to Shareholders.

## **13.0 GENERAL**

13.1 The Directors shall ensure the Code of Conduct is circulated to Employees.

13.2 Directors and Employees shall confirm in writing, annually that they have read and understood the Code.

13.3 All Employees are required to review and abide by the Code.



- 13.4 The Audit Committee shall monitor and review the implementation of the Code regularly.
- 13.5 The Board shall appoint a person to whom disclosures may be made in good faith by employees and others who have concerns that any behavior or activities of the Bank, its Management or its employees or agents may be improper. The person may be an Independent Director, or the function may be outsourced to a third party reporting to the Audit Committee.

**DIRECTOR'S DECLARATION**

I confirm that I have received a copy of this Code of Conduct and understand the Code of Conduct and the sanctions for breaching the Code of Conduct.

Signed : .....

Name : .....

Date : .....