



ACCESS BANK GROUP FIT AND PROPER PERSON POLICY

1. BACKGROUND

The Securities and Exchange Commission's Code of Corporate Governance for Public Companies in Nigeria ('the SEC Code') in Article 13 provides that companies should develop a comprehensive, clearly defined and transparent procedure for appointment to the Board of Directors. The SEC Code provides that the criteria for the election of Directors should be defined to reflect the existing Board's strengths, weaknesses, required skills and experience.

Access Bank Plc ('the Bank') is licensed by the Central Bank of Nigeria as a commercial bank and has its Head Office in Lagos, Nigeria. The Bank has subsidiaries and representative offices in major commercial cities and centers worldwide. The Bank and its subsidiaries are collectively referred to as the Group. The Bank recognizes that the achievement of this objective depends on the quality of individuals appointed to direct its affairs. This Fit and Proper Person Policy ('the Policy') has been prepared for adoption by the Boards of Directors of the Bank and each subsidiary company subject to the dictates of their peculiar regulatory environments.

2. POLICY STATEMENT

The purpose of the Policy is to ensure that the Bank and its subsidiary entities ('collectively called 'the Group') are managed and overseen by competent, capable and trustworthy individuals. This is achieved by ensuring that all persons who are appointed as Directors are fit and proper persons to discharge both their individual and collective responsibilities.

3. POLICY COVERAGE

This Policy will apply to all existing Directors of the Bank or any subsidiary company and to anyone who is to be appointed as a Director of the Bank or subsidiary company.

- i. before the appointment of the Director;
- ii. on a limited basis annually for all existing Directors (consisting only of their signature on the Fit and Proper Person Declaration);
- iii. at any point in time if there is an indication of potential Fit and Proper issues with any Director.

4.IDENTIFYING AND EVALUATING DIRECTOR NOMINEES

4.1 Responsible Committee. The Board Governance, Nomination and Remuneration Committee is responsible for identifying individuals qualified to become members of the Board and its Committees, and recommending candidates for the Board's selection as Director to fill a casual vacancy and/or for election at the next Annual General Meeting of the Bank.

4.2. Process for Consideration of Nominees.

a. Identification of Candidates. The Committee shall identify candidates for appointment as Director in consultation with the Chairman, the Group Managing Director and/or any other Director, or through the use of search firms or other advisers or through such other methods as the Committee deems to be helpful to identify candidates.

b. Evaluation Process. Once candidates have been identified, the Committee shall confirm that the candidates meet all of the minimum qualifications for Director nominees set forth in this policy. The Committee may gather information about the candidates through interviews, questionnaires, background checks, or any other means that the Committee deems helpful in the evaluation process. The Committee shall then meet as a group to discuss and evaluate the qualities and skills of each candidate, taking into account the overall composition and needs of the Board.

c. Recommendation of Nominees to the Board. Based on the results of the evaluation process, the Committee shall recommend candidates for the Board's selection as Director designate for election to the Board.

5.DIRECTOR QUALIFICATIONS AND SKILLS

The Bank seeks Directors who possess the qualifications and skills described in this policy. The Committee shall evaluate each individual candidate in the context of the overall composition and needs of the Board, with the objective of recommending a candidate who can best contribute to the business and affairs of the Bank and represent share holders interests using his/her diversity of experience. The Committee will consider these and other qualifications, skills and attributes when recommending candidates for the Board's selection as nominees for the Board.

5. 1. Board Qualifications.

a. Minimum Qualifications. The Bank requires its Directors to possess certain minimum qualifications, including the following:

i. **Commitment to the Bank's Long term Success:** Each Board candidate must be committed to the Bank's long term business success consistent with the highest standard of responsibility and ethics and must represent the best interest of the Bank's shareholders and not any particular constituency.

II. **Adequate Experience.** A Director must have substantial or significant business or professional experience or an understanding of banking, commerce , law, finance, marketing, financial reporting, risk management, international business or other disciplines relevant to the business of the Bank .

b. Other Qualities and Skills. The Committee will also consider the following qualities and skills, amongst others, in its selection of Directors:

- i. Leadership or substantial achievement in their particular fields;
- iii. Demonstrated ability to exercise sound business judgment;
- iv. Integrity and high moral and ethical character;
- v. Potential to contribute to the diversity of viewpoints, backgrounds, or experiences of the Board as a whole;
- vi. Capacity and desire to represent the balanced, best interests of the Bank as a whole and not primarily a special interest group or constituency;
- vii. Ability to work well with others;
- viii. High degree of interest in the business of the Bank;
- ix. Dedication to the success of the Bank; and
- x. Commitment to responsibilities of a Director.

5. 2. Committee Qualifications.

a. Audit Committee. All members of the Audit Committee shall meet the independence and Audit Committee requirements promulgated by the Regulatory Bodies in effect from time to time. All members shall be financially literate and at least one member of the Audit Committee shall qualify as an accounting professional.

b. Members of other Committees shall meet such requirements as set forth by the Regulatory Bodies or the Board of Directors.

6. THE ROLE OF THE BOARD OF DIRECTORS

To effectively, discharge its responsibilities, the Board of Directors of the Bank or any of the subsidiaries shall ensure:

- (a) that nominations of persons for election to the Board of Directors shall meet the test of fit and proper person set out in the policy before such nominations are placed before the shareholder's meeting;
- (b) processes are implemented to keep under constant review the continuing capacity of Directors to meet the fit and proper person test

7. RESPONSIBILITY OF PERSONS SUBJECT TO FIT AND PROPER PERSON TEST

In the first instance, the onus is on the Director or a nominee for directorship to demonstrate that he is a fit and proper person. The individual must accordingly complete the Fit and Proper Person Questionnaire outlined in the annexure to this policy and provide any additional information that the Board of Directors may require to complete its investigation. The individual is obliged to notify the Board forthwith of any event or circumstances that have occurred subsequent to his initial assessment of fit and proper person that might change the assessment or at least have a material bearing on it. The Board shall investigate the information, on priority basis and decide on the individuals' fit and proper person status.

Even when a person subject to fit and proper person test fails to observe the above notification responsibility, the Board shall remain vigilant about all information that may be otherwise publicly available and which might shed light on his fit and proper person status and take action as appropriate. It remains the Board's responsibility to keep under constant review the fitness and propriety of all persons covered by this Policy.

8. ASSESSING FITNESS AND PROPRIETY

The criteria for assessing fitness and propriety of a person are outlined under three captions:

- (a) Honesty, integrity, diligence, fairness and reputation
- (b) Competence and Capability

(c) Financial Soundness

It is the cumulative effect of the application of these criteria that will determine the fitness and propriety of a person.

8.1 Honesty, Integrity, Diligence and Fairness and Reputation

These are qualities that are demonstrated overtime. These attributes demand a disciplined and on-going commitment to high standards of behaviour and honesty.

In determining a person's honesty, integrity, fairness and reputation, the Board of Directors shall consider all appropriate factors, including but not limited to:

- i. whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigation, which might lead to such proceedings;
- ii. whether the person, or any business in which he has controlling interest or exercises significant influence, has been investigated, disciplined, suspended or criticised by a regulatory or professional body, a court or tribunal, whether publicly or privately;
- iii. whether the person has been associated, in ownership or management capacity, with a company, partnership or other business association that has been refused registration, authorisation, membership or a licence to conduct trade, business or profession, or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated;
- iv. whether, as a result of the removal of the licence, registration or other authority mentioned in criterion 3 above, the person has been refused the right to carry on a trade, business or profession requiring a licence, registration or other authorisation;
- v. whether the person has been the subject of any justified complaint relating to regulated activities;
- vi. whether the person has been charged or convicted of any criminal offence, particularly an offence relating to dishonesty, fraud, financial crime or other criminal acts or been involved in any acts of misfeasance or serious misconduct;
- vii. whether the person has been the subject of ,or interviewed in the course of any existing or previous investigation or disciplinary proceedings by the Central Bank of Nigeria or any other regulatory authority (including previous

regulator) clearing houses and exchanges , professional bodies or agencies;

- vii. whether the person has been a Director, partner or concerned in the management of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organization or within one year of that connection;
- viii. whether the person has been dismissed or asked to resign and resigned from employment or from a position of trust or fiduciary appointment;
- ix. whether the person has ever been disqualified from acting as a Director or disqualified from acting in any managerial capacity; and
- x. Whether, in the past the person has been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.

8.2 Competency and Capability

A person must demonstrate his competence and ability to understand the technical requirements of the business, risks inherent and management processes required to conduct the Bank's operations effectively with due regard to the interest of all stakeholders.

In determining a person's competency and capability, the Board will have regard to matters including but not limited to

- i. whether the person has demonstrated by qualification and experience the capacity to successfully undertake the cognate responsibilities of the position including establishing effective control regimes;
- ii. whether the person has ever been diagnosed as being mentally ill or unstable;
- iii. whether the person has ever been requested to resign from any position or office for negligence , incompetence or mismanagement ; and
- iv. whether the person has a sound knowledge of the business and responsibilities he would be called upon to shoulder.

8.3. Financial Soundness

In order to demonstrate his capacity to ensure safety and soundness of the Bank , including the balancing of risks and rewards, and protecting the interests of depositors and other stakeholders, a person must demonstrate, to the satisfaction of the Board of Directors, that he has managed his own financial affairs properly and prudently.

In determining a person's financial soundness, the Board of Directors must consider all relevant factors, including but not limited to:

- i. whether the person has been the subject of any adverse judgment or award in Nigeria or elsewhere, that remains outstanding or was not satisfied within a reasonable period;
- ii. whether, in Nigeria or elsewhere, the person has made any arrangements or composition with his creditors, filed for bankruptcy, been adjudged bankrupt, had assets sequestrated, or been involved in proceedings relating to any of these;
- iii. whether a person who has been a senior officer of a company or a shareholder in a position to exercise significant influence in the company that:
 - (a) has been the subject of any adverse judgment or award, in Nigeria or elsewhere, that remains outstanding or was not satisfied within a reasonable period; and
 - (b) has, in Nigeria or elsewhere, made any arrangements or composition with its creditors, filed for bankruptcy, been adjudged bankrupt, had assets sequestrated, or been involved in proceedings relating to any of the foregoing.

The fact that a person may be of limited financial means will not, in itself, affect his ability to satisfy the financial soundness criteria.

9. RELATED DOCUMENTS

This policy shall be read in conjunction with the following documents.

- Group Board Charter
- Board Committees' Charters

- Board Membership Guidelines for Subsidiaries
- Memorandum and Articles of Association
- The Securities and Exchange Commission Code
- The Code of Corporate Governance for Bank in Nigeria Post Consolidation
- Access Bank Staff Hand Book
- The Companies and Allied Matters Act of Nigeria
- Banks and Other Financial Institutions Act ;
- Other relevant legislation or regulation that may apply in Nigeria and other jurisdictions where the Bank operates.
- Policy on International Posting

10. POLICY OWNERSHIP AND RESPONSIBILITY

The Board of Directors of the Group shall own this policy and will therefore have the responsibility for determining its provisions and subsequent review to ensure that it continues to achieve the intended objectives. The Board has elected to discharge this responsibility via the Board Governance, Nomination and Remuneration Committee.

11. DEFINITION OF KEY TERMS

In this policy, the following words shall have the following meanings, unless the context clearly indicates otherwise.

‘fit and Proper Person’ means a person who when subjected to the criteria of this policy together with any other criteria prescribed by the Board of Directors or any relevant regulatory authority or statute present the likelihood of being in a position to discharge his responsibilities in a competent , honest and correct manner to the best interest of the Bank .

‘SEC’ refers to the Securities and Exchange Commission

‘the Group’ refers to Access Bank Plc and its subsidiaries.

‘the Board’ refers to the Board of Directors of Access Bank Plc, the parent company.

‘Governance, Nomination and Remuneration Committee’ refers to the **Governance, Nomination and Remuneration** Committee of Access Bank Plc.

12. POLICY REVIEW

The Board Governance, Nomination and Remuneration Committee shall review this policy every three years or such other period as the circumstances may warrant to ensure that it remains current and consistent with best practices and applicable laws. Any changes to the policy shall be recommended to the Board for approval.

13. POLICY GOVERNANCE

Date Approved: October 27, 2020

Recommended By: Board Governance, Nomination and Remuneration Committee

Approved By: The Board

Responsibility for Document Management: Group Company Secretariat

