

Corporate Governance Statement

NCB Financial Group Limited (NCBFG) and its subsidiaries (together “the Group”) are subject to an extensive regulatory framework as a licensed financial holding company with subsidiaries in multiple jurisdictions and with shares listed on stock exchanges in Jamaica and Trinidad and Tobago.

Its internal governance structure incorporates guidelines and standards provided by regulators, the Company’s Articles of Incorporation, as well as policies and charters adopted by the Board of Directors. These guidelines are updated from time to time in keeping with a commitment to maintain and promote high standards of corporate governance to maintain the trust of all stakeholders.

In 2019, we set out to achieve the aspiration of becoming a world-class Caribbean financial ecosystem by 2024. Effective corporate governance is a critical element in realising this aspiration while ensuring the long-term sustainability of the Group.

During this past financial year, we continued our focus on group

and subsidiary governance, in keeping with our objective to align governance practices across the Group. We adopted an efficient approach to governing entities with appropriate flows of information and oversight while recognising the distinct responsibilities of each board, committee, director and officer across the Group.

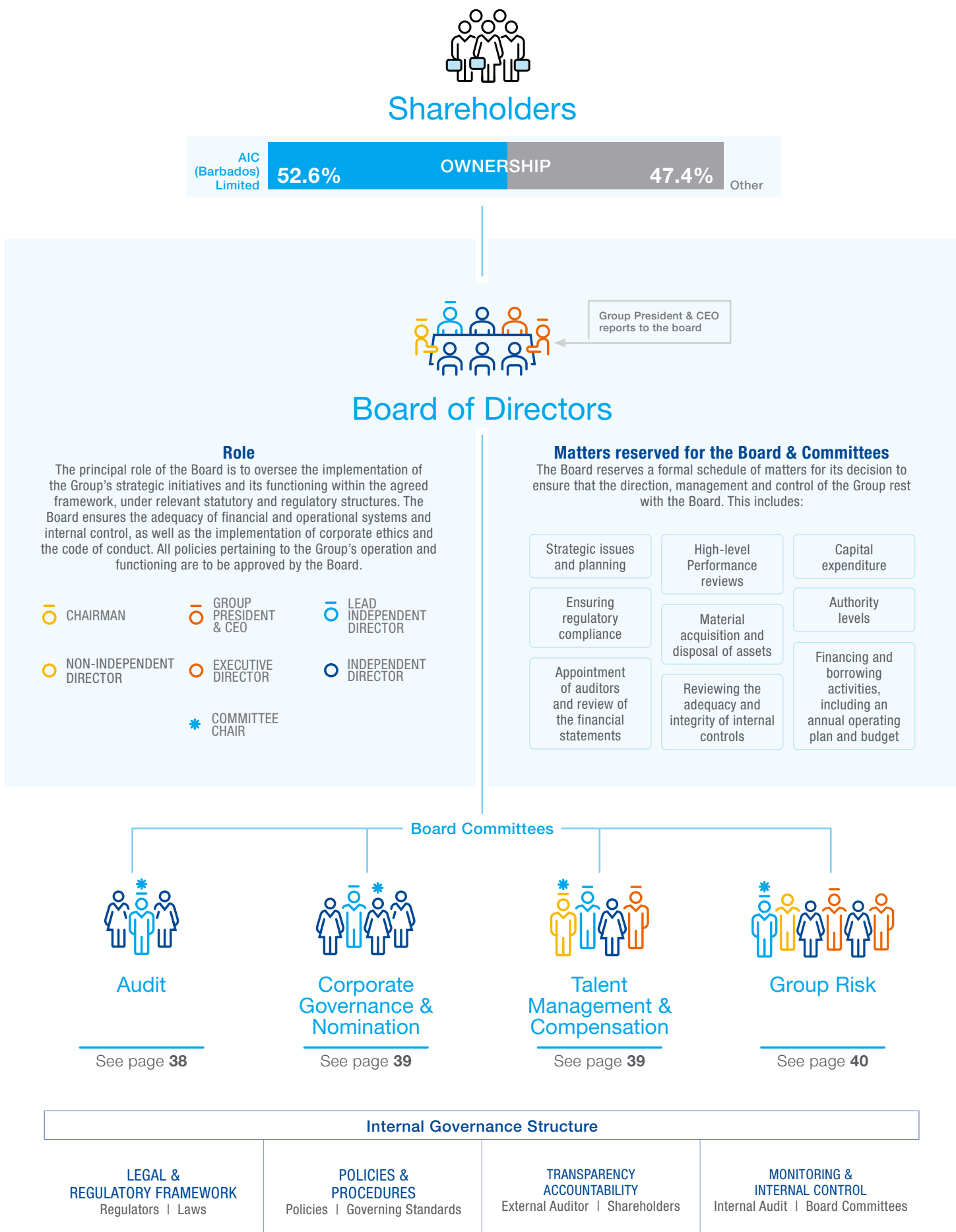
Under the Group governance framework, there are three sub-groups based on holding companies – holding companies and ultimate holding company have been designated as follows:

- ▶ Clarien Bank Limited (although 100% owned by Clarien Group Limited) is considered as the Holding Company for Clarien Bank and its subsidiaries (“the Clarien Group”).

- ▶ Guardian Holdings Limited is the Holding Company for the Guardian Group.
- ▶ NCB Financial Group Limited is the Holding Company for the NCBFG wholly-owned subsidiaries and the Ultimate Holding Company (being the company under which the other companies are held). TFOB (2021) Limited, NCB Global Holdings Limited as well as National Commercial Bank Jamaica Limited and its wholly-owned subsidiaries fall under the NCB sub-group.

The NCBFG Corporate Governance and Nomination Committee gives ongoing consideration to the governance framework itself.

FIGURE 1: Corporate Governance Framework



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Board Composition

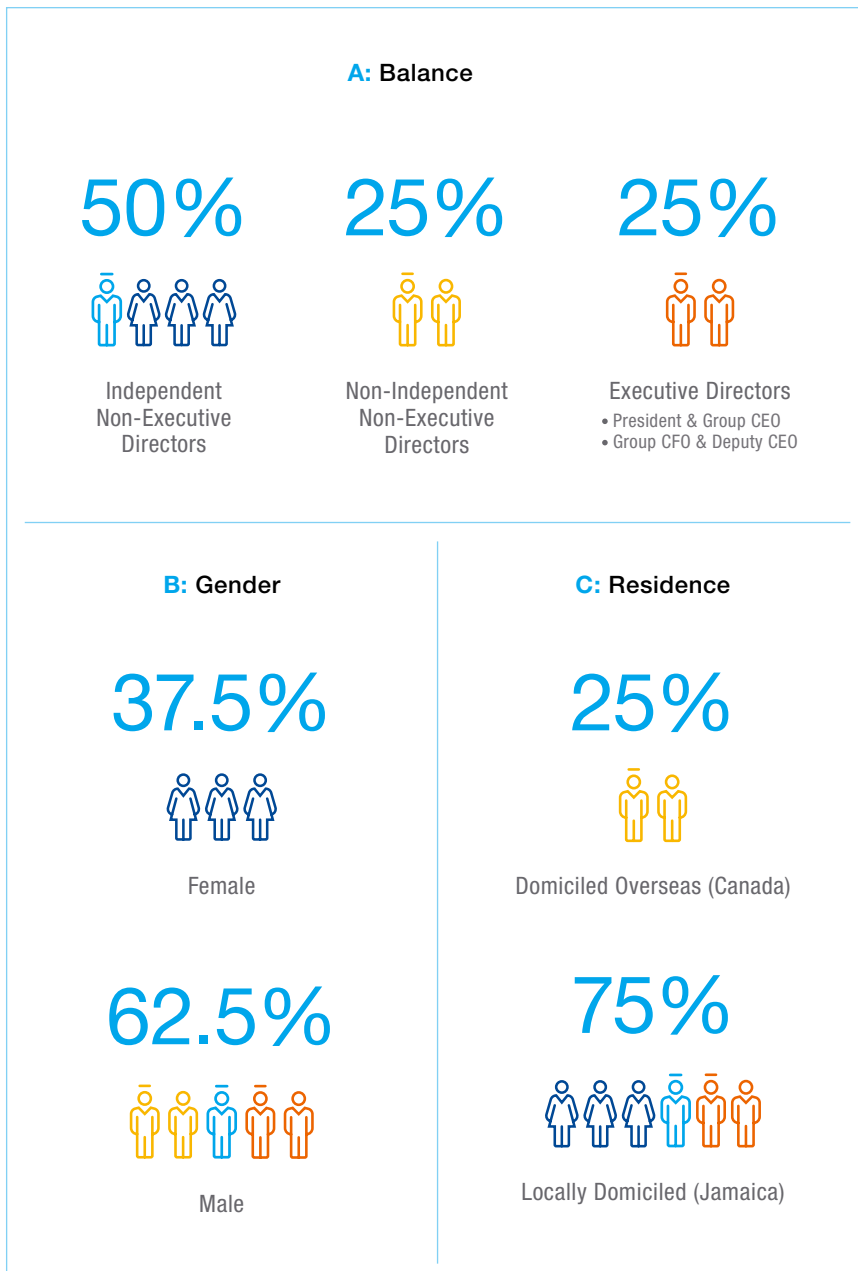
The Board is composed of suitably qualified Directors, who collectively possess the knowledge, independence, diversity, skills and expertise required to provide oversight for the management and affairs of the Group's operations.

Our Articles require that the number of Directors be no less than five and no more than 16. As at September 30, 2022, the Board complement was eight Directors. There are six Non-Executive Directors, four of whom are deemed independent, and two Executive Directors – the President and Group Chief Executive Officer (CEO); and the Group Chief Financial Officer (CFO) and Deputy CEO.

Profiles of our Directors are available on our website at www.myncb.com/Leadership-1/Overview/Board-Of-Directors and on pages 25-28.

The definitions of 'Executive Directors', 'Non-Executive Directors' and 'Independent Directors' set out below are as stated in the Board Charter and are generally consistent with those outlined in the Jamaica Corporate Governance Code 2021:














- ▶ **Executive Director**
Employed to the company and is normally responsible for aspects of the entity's day-to-day operations.



- ▶ **Non-Executive Director**
A Director who is not an Executive Director.
- ▶ **Independent Director**
A Director who:
 - a. is free of any interest, position, association or

relationship that might influence or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the NCB

FIGURE 2:
Board skills
and expertise
matrix

	 Strategy	 Financial Expertise	 Global Perspective	 Financial Literacy	 Legal skills & Expertise	 Listed Company Experience	 Human Resources & Compensation	 Information Technology/Cybersecurity	 Stakeholder Engagement	 Corporate Governance	 Leadership	 Risk Management	 Financial Services Industry
Robert Almeida	●	●	●	●	○	●	●	○	●	●	●	●	●
Dennis Cohen	●	●	●	●	○	●	●	●	●	●	●	●	●
Sandra Glasgow	●	○	○	●	○	●	●	○	●	●	●	●	●
Patrick Hylton	●	●	●	●	○	●	●	●	●	●	●	●	●
Michael Lee-Chin	●	●	●	●	○	●	●	○	●	●	●	●	●
Sanya Goffe	●	○	○	●	●	●	●	○	●	●	●	●	●
Thalia Lyn	●	○	○	●	○	●	●	○	●	●	●	●	●
Prof. the Hon. Alvin Wint	●	●	●	●	○	●	●	○	●	●	●	●	●
TOTAL	8	5	5	8	1	8	8	2	8	8	8	8	8
%GE	100%	63%	63%	100%	13%	100%	100%	25%	100%	100%	100%	100%	100%

// Strategy: Demonstrated experience in developing, implementing and delivering strategic objectives. **// Financial Expertise:** Experience in financial accounting and reporting, capital management and/or actuarial expertise. **// Global Perspective:** Having a global perspective through exposure or responsibility for international operations. **// Financial literacy:** Ability to analyse and interpret financial statements. **// Legal Skills & Expertise:** Proven ability and understanding in the application of legal principles. **// Listed Company Experience:** Minimum of 1 year’s experience as a Non-Executive Director with a listed company. **// Human Resources & Compensation:** Knowledge and understanding of human resource management, talent development and compensation issues and models. **// Information Technology/Cybersecurity:** Experience in IT Governance/technology strategies and innovation and/or cybersecurity. **// Stakeholder Engagement:** Demonstrated ability to build and maintain key relationships with industry, government and regulators. **// Corporate Governance:** Knowledge and understanding of governance structures and the application of the principles of corporate governance. **// Leadership:** C-level experience (with large organisation). **// Risk Management:** Proven ability in identifying, assessing and managing macro, strategic, operational and financial risks. **// Financial Services Industry:** Exposure to and understanding of the banking, insurance and/or securities industries.

Financial Group Limited and its shareholders generally;

- b. does not represent a substantial shareholding of NCB Financial Group Limited;
- c. is not a close relative of a significant shareholder of NCB Financial Group Limited; and
- d. does not have an employment relationship with NCB Financial Group Limited or its parent companies.

The criteria for assessing independence under the Trinidad & Tobago Corporate Governance Code are primarily captured above, save and except for tenure and cross-directorships. This was considered by the Corporate Governance and Nomination Committee during the financial year; and it was determined

that these factors would not significantly impact the outcome of assessments and as such, the existing definition of Independent Director should remain.



The Board Charter is available on the NCBFG website under www.myncb.com/corporategovernance

Board Leadership

The role of the Chairman and that of the President and Group CEO are clearly defined and the Board supports the separation of the two roles.

Role of the Chairman

As Chairman, Hon. Michael Lee-Chin, O.J. facilitates good Board leadership and governance. He has the requisite skills and experience in a broad portfolio of industries

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and organisations, including financial services, hospitality, real estate, and health care to lead this expanding Group. The Chairman also represents the Group to shareholders and the wider community and although, as the controlling shareholder of the Group, he is not an Independent Director, the Board believes that neither his significant interest in the Group nor his positions held outside NCB Financial Group impair his ability to fulfil his duties to the Board and Group.

Role of the President and Group Chief Executive Officer

The President and Group CEO, Hon. Patrick Hylton, O.J., C.D., is responsible for the overall management of the Group and leads the executive team. Mr Hylton also chairs the Boards of National Commercial Bank Jamaica Limited, NCB Capital Markets Limited, Guardian Holdings Limited and Clarien Bank Limited.

Role of the Lead Independent Director

The Jamaica Corporate Governance Code 2021 and the Trinidad and Tobago Corporate Governance Code 2013 recommend that where a Chairman is not an Independent Non-Executive Director, the Board should appoint a lead Independent Director.

The responsibilities of Professor the Honourable Alvin Wint, O.J., C.D., as Lead Independent Director, include providing a sounding board for the Chairman and chairing meetings of the Board where the Board Chairman is absent; chairing meetings of the Independent Directors, guided by the framework set out in the Board Charter and

being available, as needed, for consultation with shareholders and other stakeholders.

Role of the Corporate Secretary

The appointment and removal of a Corporate Secretary is subject to the approval of the Board. The Board has appointed Mr Dave Garcia as the Corporate Secretary. He is suitably qualified and capable of performing the duties of the position. The Corporate Secretary ensures that appropriate and timely information is provided to the Board and its committees and is responsible for advising and supporting the Chairman and Board on all governance matters. All Directors have access to the Corporate Secretary.

Independence

Clause 2.4.1 of our Board Charter requires that the number of Independent Directors be no less than one-third of the Board membership.

One of the Board's responsibilities is to identify, on an annual basis, which Directors meet the criteria for independence. The activities concerning the annual review of independence have been delegated to the Corporate Governance and Nomination Committee. Independent Directors are expected to avoid serving on the Boards of competing companies.

To assess whether a Director may continue to be considered independent, each Director is required to submit an annual declaration of his or her interests and potential areas of conflict, which may adversely affect the Director's ability to effectively carry out his or her role and fulfil his or her duties to the company. Every quarter, each Director confirms his or her connected parties. Additionally, Directors are required to notify the Board of any status changes which would affect their independence and, once so notified, the Board will consider how this may affect its functioning.

As at September 30, 2022, 50% of the Directors were deemed to be independent:

- ▶ Professor the Honourable Alvin Wint, O.J. C.D. (Lead Independent Director)
- ▶ Sandra A. C. Glasgow
- ▶ Thalia Lyn, OD, JP
- ▶ Sanya Goffe

Meetings of Independent Directors

To facilitate free and open communication amongst Independent Directors, meetings are held at which only Independent Directors are present, except as may otherwise be determined by the

Independent Directors themselves. These meetings are chaired by the lead Independent Director or, in his absence, another Independent Director elected by the others present.

The objectives of these meetings are:

- ▶ To assess the extent to which Directors are able to provide an independent perspective on Board deliberations.
- ▶ To assess the extent of their independence from the controlling shareholder and from management.
- ▶ To assess the quality, quantity and timeliness of the flow of information between the company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- ▶ To carry out such other purposes as may from time to time be agreed.

The Corporate Secretary (as a member of management) does not attend the meeting, nor does any other employee of the company. The Lead Independent Director reports on the outcome of each meeting at the next regular Board meeting, orally or in writing, to the extent the Independent Directors consider reporting necessary. If an oral report is given, any material feedback is captured in the minutes. Action items are identified and carried out accordingly.

Access to Independent Professional Assistance

Directors are entitled to obtain independent professional advice relating to the affairs of the Group or their responsibilities as Directors, subject to approval of the fee by the Board if the Group is to pay it.

Access to Information and Management

The Board has unrestricted access to all company-related information. Managers and representatives who can provide additional insight into the items being discussed are invited to Board meetings.

Board Appointment and Renewal Process

The Board recognises that it derives its strength from the diversity, independence, skills and expertise of its members. It has delegated the development of a Board succession plan, as well as the screening and selection of candidates, to the Corporate Governance and Nomination Committee, which consists exclusively of Independent Directors.

The development of a candidate profile precedes the screening process, which includes confirming the interest and suitability of potential candidates, arranging interviews and conducting background checks. The Corporate Governance and Nomination Committee reviews the outcome of the screening process and prepares a report for consideration by the Board. The report takes into account the candidate's résumé background check findings and results of the interview process, as well as any other factors. The Board will then consider and, if thought fit, approve the appointment subject to any regulatory approvals and non-objections.

Under the Articles of Incorporation of NCBFG, any Director appointed either to fill a casual vacancy or as an addition to the existing Board will hold office only until the next annual general meeting, where he/she will be eligible for re-election. The Articles also require that all Non-Executive Directors retire at least once every three years. They are, however, eligible for re-election if recommended by the Board, for a further three-year period. During the financial year, ongoing discussions took place regarding

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the identification of additional Directors. The nomination procedure is contained in the appendix of the Corporate Governance and Nomination Committee Charter, which is available on the NCB Financial Group website – www.myncb.com.

Director Induction and Continuing Development

Induction

There were no board appointments during this financial year; however, our process is such that newly appointed Directors are required to participate in a comprehensive induction programme. This involves

meetings with other members of the Board, Committee Chairs, executive management, heads of various divisions, heads of major subsidiaries as well as the Group's internal auditors. The programme is tailored based on the experience and background of the individual. During the induction, new directors are encouraged to identify areas for which they would like additional information, further meetings or training, which are then arranged by the Corporate Secretary.

On completion of the induction programme, all new directors are expected to have sufficient knowledge and understanding of the business to enable them to effectively contribute to strategic discussions and oversight of the Group.

Continuing Development

The Board is required to be up to date with current business, industry, regulatory and legislative developments, as well as trends

that will affect the Group's business operations. Consequently, the Group has a continuing development programme in place for its Directors, which involves distribution of publications; payment for professional memberships; workshops; presentations at Board meetings; and attendance at conferences encompassing topics on (inter alia) directorship, corporate governance, business, industry or regulatory developments. Additionally, the Corporate Governance & Nomination Committee is charged with ensuring that Board members are developed through training or mentorship, where deemed necessary.

The annual continuing development calendar includes training in at least three specific areas for NCB Financial Group Directors as well as other Directors serving on boards within the Group.

For the financial year 2022, the following interactive training sessions were held:

Training Session	Topic	Presenter(s)
Anti-Money Laundering / Counter-Financing of Terrorism/ Proliferation Financing	Digital Assets: Anti-Money Laundering and Sanctions Compliance Implications	Representatives from McKinsey & Company
Information Technology/ Cyber Security	Ransomware & General Security Awareness Best Practices	Brad Curtis, Mandiant Consulting
Corporate Governance/ Environmental, Social and Governance (ESG)	ESG: Playing Offense – Opportunities in Climate and the Evolving Role of the Board	Dan Stephens, Senior Partner, McKinsey & Company
Environmental, Social and Governance (ESG)	ESG	Carolyn Bell-Wisdom, Partner, PricewaterhouseCoopers (PwC) Jamaica & Janice Noronha, PwC Canada

In addition to the above training sessions, the Directors of NCB Financial Group were provided with a variety of thought leadership articles during the financial year. Those Directors serving on Audit Committees within the Group were exposed to training on the topic 'The

Audit Committee's Role in Digital Transformation', facilitated by The Institute of Internal Auditors and conducted by Mark Edmead, Senior Instructor.

NCB Financial Group also holds corporate membership in the

National Association of Corporate Directors (NACD), which is extended to all Directors with an interest. Through membership, Directors have access to director certification programmes, conferences, online resources and educational programmes.

The Focus of the Board

During the year, the Board of NCB Financial Group Limited continued its focus on group and subsidiary governance. Some of the key activities undertaken included:

Area of Focus	Matters considered/Activities undertaken
Subsidiary Governance	<ul style="list-style-type: none"> ▶ Proposal for business undertakings by subsidiaries. ▶ Hosting meetings of Committee Chairs by the Chairs of the respective Group Committees, with the primary objective of sharing best practices to ensure consistency in the application of charter responsibilities across the Group. ▶ Activities of subsidiaries through reports and escalation of minutes.
Strategic issues and planning	<ul style="list-style-type: none"> ▶ Receiving management updates on NCBFG's transformation programme, Accelerate, as well as holding discussions and/or deliberations regarding other business transformation initiatives.
Financial performance:	<ul style="list-style-type: none"> ▶ Review and approval of financial statements and stock exchange releases, draft audited financial statements, annual budget, and borrowing activities of the Group. ▶ Review of financial statements, financing and borrowing activities.
Board effectiveness	<ul style="list-style-type: none"> ▶ Recruitment of new Directors. ▶ Participation in and review of results of externally facilitated Board effectiveness survey and peer evaluations, as well as review of action plans to improve results or address areas of opportunity, where applicable.
Risk	<ul style="list-style-type: none"> ▶ Review of risk appetite and principal risks. ▶ Development of an ESG framework across the Group. ▶ Consideration of proposals involving intragroup exposure. ▶ Receiving presentations at Committee meetings from the heads of risk for NCBJ, GHL and Clarien, thereby allowing for interrogation. ▶ Approval of Automatic Information Exchange Policy and revisions to the Group Risk Appetite Statement and Group Risk Committee Charter.
Organisational Health/Culture	<ul style="list-style-type: none"> ▶ Review of plans for organisational health and results of related surveys. ▶ Approval of the NCB Financial Group succession management policy. ▶ COVID-19 updates, including vaccination status of Directors and evolving measures to mitigate the impact of COVID-19.

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Board Remuneration

The remuneration of the Group's Board members should be sufficient to attract, retain and motivate suitably qualified and experienced persons required to drive the business in achieving its strategic objectives without detracting from their ability to exercise independent judgment.

Executive Directors and Non-Independent Directors do not receive remuneration for Directorships held in NCBFG or its wholly-owned subsidiaries, while

aggregate remuneration for Non-Executive Directors is approved by shareholders at annual general meetings.

There is a Non-Executive Directors' Remuneration Committee, comprising those Directors who do not receive fees as Non-Executive Directors and chaired by the Board Chairman. Factors that are considered when determining remuneration for Non-Executive Directors include:

- ▶ Setting appropriate amounts that do not interfere with judgment and independence
- ▶ Size, risks and complexity of operations of the Group
- ▶ Time commitment required
- ▶ External market factors

There is no direct link between Non-Executive Directors' remuneration and the annual financial results of the Group and/or its subsidiaries; and there is no requirement for share qualification.

Remuneration includes a retainer for the year and a fee for each Board and Committee meeting attended. The fee structure payable during the financial year remained the same as in the prior year, consisting of the following:

- ▶ A retainer for the Chairman of \$2,666,667 per annum (not actually paid) and a retainer for other Board members of \$1,125,005 per annum.
- ▶ Directors who chair the Audit, Corporate Governance and Nomination and Risk Committees receive instead a retainer of \$1,968,760 per annum. The Lead Independent Director, however, receives a retainer of \$2,000,000 per annum.
- ▶ A fee payable to Directors of \$83,333 per Board meeting and \$66,667 for each Committee meeting attended.

Fees paid for the Financial Year 2022 are set out below:

Director	Q/E December 2021 (JMD)	Q/E March 2022 (JMD)	Q/E June 2022 (JMD)	Q/E September 2022 (JMD)	TOTAL (JMD)
Sandra Glasgow	\$1,058,858.02	\$842,189.68	\$992,191.33	\$858,556.00	\$3,751,795.03
Sanya Goffe	\$714,584.00	\$564,584.34	\$714,584.01	\$647,917.02	\$2,641,669.37
Thalia Lyn, O.D., J.P.	\$514,584.00	\$431,251.00	\$514,584.00	\$514,584.00	\$1,975,003.00
Prof. the Hon. Alvin Wint, O.J., C.D.	\$1,066,666.00	\$849,999.68	\$999,999.35	\$866,666.01	\$3,783,331.04

Board Committees

To assist in exercising its responsibilities, the Board has established four standing Committees, three of which are chaired by Independent Non-Executive Directors:

- ▶ Audit Committee (chaired by Professor the Honourable A. Wint, O.J., C.D., Lead Independent Director)
- ▶ Corporate Governance and Nomination Committee (chaired by Mrs Sandra Glasgow)
- ▶ Group Risk Committee (chaired by Professor the Honourable A. Wint, O.J. C.D., Lead Independent Director)
- ▶ Talent Management & Compensation Committee (chaired by Hon. Michael Lee-Chin, O.J., Board Chairman)

Each Committee is guided by a board-approved charter, which may be viewed at



www.myncb.com/corporategovernance



AUDIT COMMITTEE

The Audit Committee solely comprises Independent Directors.

Prof. the Hon. Alvin Wint, O.J., C.D.

CHAIR

Sandra Glasgow

Sanya Goffe

Its purpose is to assist the Board of Directors in fulfilling oversight responsibilities for the financial and operational reporting processes; the system of internal control; the audit process; and the organisation's process for monitoring compliance with laws and regulations and the code of conduct.

Under the Audit Committee Charter, meetings are required to be held at least four times a year, with the possibility of more if circumstances require. Representatives of the external auditors, PricewaterhouseCoopers, are invitees for all Audit Committee meetings within the Group.

The Audit Committee executed its responsibilities under its charter during the year. Some of the activities included:

- ▶ Review of the External Auditor's proposed audit strategy, scope and fees for the audit of the year-end financial statements.
 - ▶ Review of related party transactions to ensure compliance with the policy on related party transactions.
 - ▶ Submission of a quarterly report to the Board, in writing, from the Audit Committee Chairman on matters reviewed and discussed by the Committee.
 - ▶ Evaluation of the services provided by the External Auditor.
 - ▶ Separate private sessions held with the External Auditor and the Group Chief Audit Executive.
 - ▶ The review of statements of confirmation of execution of charter responsibilities to be issued to subsidiary Audit Committees
 - ▶ The review of the Audit Committee Charter and Internal Audit Charter
 - ▶ The review of reports received under the Whistleblower Policy
 - ▶ The pre-approval of non-audit service engagements by the Company's External Auditors.
- The annual meeting of Audit Committee Chairs took place once again this year, chaired by Prof. Wint and involved the Group Chief Audit Executive along with the Audit Committee Chairs of Guardian Holdings Limited and Clarien Bank Limited, as well as the respective heads of Internal Audit and Corporate Secretaries. The meetings continue to be fruitful.
- ▶ Review of quarterly unaudited financial statements and stock exchange releases, with the external auditor present, and recommending approval of their release by the Board, giving due consideration to whether they were complete and consistent with the information known to Committee members.

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The Committee members along with those serving as Audit Committee members within the Group were exposed to training in 'The Audit Committee's Role in Digital Transformation' during the financial year.



CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

The Corporate Governance and Nomination Committee is solely comprised of Independent Directors:

Sandra Glasgow

CHAIR

Sanya Goffe

Thalia Lyn, O.D., J.P.

Prof. the Hon. Alvin Wint, O.J., C.D.

The purpose of the Corporate Governance and Nomination Committee is to assist the NCBFG's Board of Directors in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements; to strive to achieve global corporate governance best practice standards; and to facilitate the Board's and management's objective of increasing the long-term value of the Group. The Committee is required to meet at least twice a year.

During the financial year, the Committee held three meetings and undertook the following activities:

- ▶ Reviewed the policy framework of the Group to ensure that policies remain up-to-date.
- ▶ Reviewed and recommended updates of key corporate governance policies and charters for Board approval - Corporate Governance & Nomination Committee Charter, Board Charter and Securities Trading Policy.
- ▶ Reviewed the results of the externally facilitated Board Effectiveness Survey, determining possible actions to be taken to address areas of opportunity and track those actions.
- ▶ Reviewed the independence status of existing Directors.
- ▶ Reviewed the Jamaica Stock Exchange Corporate Governance Index Gap Analysis and a proposed action plan to address gaps.
- ▶ Reviewed the Board's skills matrix and identified gaps to be filled.
- ▶ Reviewed the Board succession plan.
- ▶ Reviewed the proposed modification of Board and Committee evaluation templates for subsidiaries.

The meeting of the Corporate Governance Chairs was hosted by Mrs Sandra Glasgow, Committee Chair, with invitations extended to the Corporate Governance Chairs and Corporate Secretaries of Guardian Holdings Limited and Clarien Bank Limited.



THE TALENT MANAGEMENT & COMPENSATION COMMITTEE

The purpose of the Talent Management and Compensation Committee is to support Board oversight of:

- ▶ The Group's compensation principles and practices.
- ▶ The review of the relationship between risk, risk management, and compensation in light of the Group's objectives, including safety and soundness and the avoidance of practices that would encourage excessive or unnecessary risk-taking.
- ▶ Succession management for the senior officers in the Group and general human resource issues.
- ▶ Recruitment and retention of talent.

The members of the Committee are as follows:

Hon. Michael Lee-Chin, O.J.

CHAIR

Hon. Patrick Hylton, O.J., C.D.

Prof. the Hon. Alvin Wint, O.J., C.D.

Sandra Glasgow

During the financial year, the Committee held four meetings primarily focused on succession planning. The activities undertaken included:

- ▶ Review of succession planning strategies for executive leadership within the Group and its major subsidiaries, as well as the review and recommendation of an NCB Financial Group Succession Management Policy for Board approval.
- ▶ Review of proposals for compensation of executives, senior management and executive assistants.

The Chair hosted the meeting of the talent management Chairs, which also included the heads of human resources of the NCB Sub-Group, GHL and Clarien along with the Corporate Secretaries of each entity.



GROUP RISK COMMITTEE

The Group Risk Committee comprises:

Prof. the Hon. Alvin Wint, O.J., C.D.

CHAIR

Robert Almeida

Dennis Cohen

Hon Patrick Hylton, O.J., C.D.

Sandra Glasgow

Sanya Goffe

The purpose of the Group Risk Committee is to assist the Board in fulfilling its responsibility for oversight of the Group’s risk management framework including the risk appetite, and the policies and major

procedures related to managing credit, market & liquidity, capital, operations, regulatory compliance, anti-money laundering and counter-financing of terrorism, as well as certain other risks as determined from time to time. The Committee is responsible for evaluating the adequacy of the risk management function and also plays a role in the decision-making process around significant risks to be undertaken by the Group.

Four meetings were held during the financial year at which the heads of risk for each of three major sub-groups – NCB, Clarien and Guardian – presented reports to the Group Risk Committee which allowed for direct interrogation. Areas of focus included regulatory & financial crimes compliance, insurance, credit, operations, market & liquidity, capital, litigation, cross-border and emerging risks. Managers with responsibility for areas such as regulatory and financial crimes compliance, fraud prevention and information technology were also invited to join the meetings to provide Committee members with additional insight. The Committee also considered proposed revisions to the Group Risk Appetite Statement and Group Risk Committee Charter, recommending them for Board approval.

Additionally, the Committee has included in its ongoing monitoring the steps being taken to ensure NCB’s compliance with data protection legislation relevant to NCB’s operations. In keeping with the requirements under the group reporting framework, the Group Risk Committee Chair hosted the annual meeting of Risk Committee Chairs. This meeting was attended by the Risk Committee Chairs of GHL and Clarien as well as the heads of Risk and Corporate Secretaries.

Exposure to Environmental, Social and Governance (ESG) Risks

NCB is committed to conducting business in an environmentally and socially responsible manner.

This is consistent with the NCB Financial Group’s good corporate governance and good citizenship principles aimed at assisting in the achievement of prosperous economies in the countries in which the Group operates. Accordingly, when consideration is given within the NCB Sub-Group to financing development projects from a risk perspective, evidence of approval/non-objection from the relevant environmental agency is a pre-requisite. In addition, emerging risks are considered at Group Risk Committee meetings. During the year, discussions took place around defining the Group’s ESG framework.

Meetings and Attendance at Board and Committee Meetings

Meetings and training sessions have continued to be held virtually with Directors receiving their meeting packs through an online Board portal, which facilitates the secure and convenient sharing and utilisation of Board and Board Committee documentation.

The frequencies of meetings and activities were in accordance with the respective Charters.

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The attendance record of the NCB Financial Group Directors is reflected below:

Director	Board	Audit Committee	Corporate Governance & Nomination Committee	Talent Management & Compensation Committee	Group Risk Committee
Robert Almeida	7/7	N/A	N/A	N/A	4/4
Dennis Cohen	7/7	N/A	N/A	N/A	4/4
Sandra Glasgow	7/7	6/6	3/3	4/4	4/4
Hon. Patrick Hylton, OJ, CD	7/7	N/A	N/A	4/4	4/4
Hon. Michael Lee-Chin, OJ	7/7	N/A	N/A	3/4	N/A
Sanya Goffe	7/7	6/6	3/3	N/A	4/4
Thalia Lyn, OD, JP	7/7	N/A	3/3	N/A	N/A
Prof. the Hon. Alvin Wint, OJ, CD	7/7	6/6	3/3	3/4	4/4

Board Performance

One of the principal responsibilities of the Board is to review its performance.

Board and Committee Evaluation

The Board evaluation process comprises two major activities:

- ▶ Director self/peer evaluations in which Directors evaluate themselves and each other.
- ▶ Board effectiveness surveys administered by external parties.

For Director self/peer evaluations, each Director is provided with a report on the feedback received on him/her, all Directors receive comments on overall observations, and the Chairman receives details

of each Director's evaluation so he may determine whether any further steps – in particular, conversations with specific Directors – would be warranted or helpful.

The Board Effectiveness Survey was again facilitated by McKinsey & Company, a leading global consulting firm. This year the survey was again complemented by interviews with all Directors.

The results of the Board Effectiveness Survey were presented by representatives from McKinsey at a meeting of the Board of Directors held in February 2022 and generally reflected that Board members remained very satisfied with the Board's effectiveness.

Stakeholder Engagement

Disclosure and Transparency

The Group is committed to promoting investor confidence in the markets in which it operates by complying with its disclosure obligations (at a minimum) in a way that provides investors with equal access to timely, balanced and effective disclosures. All market-sensitive information is released to the Jamaica Stock Exchange (JSE) and the Trinidad and Tobago Stock Exchange (TTSE) in compliance with our disclosure obligations under the exchanges' listing rules. Additionally, the Group facilitates quarterly investor briefings using digital platforms that allow shareholders, journalists and other stakeholders to participate.

The Group also posts information released to the JSE and TTSE on its website.



Making contact with the investor relations team and company registrar:

The investor relations team is accessible and responds to enquiries received via various channels. Contact information is available for the Head – Group Investor Relations and Financial Advisory Unit of NCB and JCSD (our Registrar) and is set out under the Investor Relations tab of the NCBFG website – www.myncb.com. Shareholders' queries are generally handled there or by the Corporate Secretary's office of NCB Financial Group Limited. Questions and comments may also be submitted via e-mail to ncbfginvestorqueries@jncb.com

We believe that stakeholder engagement is vital to building a sustainable business and we engage many stakeholders in a variety of ways:

Shareholders

The President & Group CEO and the Group CFO & Deputy CEO, supported by the Corporate Secretary, executives within the Group and the Head of Investor Relations, interact regularly with shareholders, investment analysts and the media – most notably, after the release of the unaudited financial results at quarterly investor briefings. Investor briefings continued to be held virtually during this financial year.

In February 2022, NCB Financial Group Limited held its Annual General Meeting in a hybrid format. Questions, comments and concerns were entertained via the meeting platform and a special e-mail box. These were in turn addressed by the Chairman, Lead Independent Director, Board Members, Corporate Secretary, Company Executives and/or a representative of our External Auditors.

During the financial year, we introduced a sign language interpreter at our investor briefings and Annual General Meetings.

Employees

The safety and well-being of our employees remained a priority. Our employees were kept up to date on the performance of the business. They also had the opportunity to interact with executives via frequently held webinars and virtual town hall meetings. The Board also carefully considered the results of the organisational health index surveys presented, which would reflect feedback received from employees, in addition to any action plans put forward by management.

Communities

The Board continues to be fully supportive of the important work being carried out by the three foundations and companies within the Group towards improving the lives of the people living in the local communities in which we operate. Additional information on activities relating to corporate social responsibility can be found on pages 129-138.

Customers

The Board regularly receives operational updates on the overall customer experience and organisational health. The focus on engaging customers through digital channels continued during this financial year.

Regulators and the Government

The Board, senior management and other key personnel continue to engage regulators and/or government on issues critical to good governance as well as any other issues that they deem important.

Suppliers & Business Partners

The Board recognises that our suppliers and business partners are critical to the success of our digital transformation journey and is supportive of collaboration to continue to improve operational performance through technology and various other means as well as for business continuity.

Corporate Governance Statement

CONTINUED

Articles of Incorporation

The Articles of Incorporation of NCB Financial Group Limited have not been amended since its incorporation in April 2016.

Other Key Governance Policies

In addition to the Board Charter, there are other key policies, which further illustrate our guiding philosophy as a business:

1. The Code of Conduct applicable to all Directors within NCB Group as well as the Code of Business Conduct applicable to employees.
2. The Enterprise Risk Management Policy
3. The Corporate Disclosure Policy
4. The Anti-Bribery and Corruption Policy
5. Securities Trading Policy

6. Whistleblower Policy
7. Regulatory and Financial Crime Compliance Policy
8. Board Succession Planning Policy

The above-mentioned policies are all available on the Company's website and the intranet. There is a requirement for an annual declaration by staff confirming that various policies (including some of these) have been read, understood and are being followed. In addition, annual refresher training may take place on matters concerning ethics and compliance. Directors must annually sign the Code of Conduct. Additional details may be found under Policies and Practices on pages 45-48.

Awards and Recognition

The details of several recent awards obtained by NCB are on page 44.

In May 2022, the Caribbean Corporate Governance Institute in association with Arthur Lok Jack School of Business launched the Trinidad and Tobago Corporate Governance Disclosure Ranking, which assesses the disclosure practices of companies with securities listed on the Trinidad

and Tobago Stock Exchange, as well as how those activities conform to international best practices and the National Corporate Governance Code. NCB Financial Group Limited ranked first in the evaluation using international corporate governance codes and second measured against the Trinidad and Tobago Corporate Governance Code.

In addition, the Jamaica Stock Exchange (JSE) assigned NCB Financial Group Limited the maximum rating of "AA" on its last published Corporate Governance Index (CGI) – for the last three years (2020, 2021 and 2022). The CGI provides a numerical basis for measuring the strength of a company's adherence to corporate governance standards and best practices. These standards and best practices are based on governance codes developed by The Private Sector Organisation of Jamaica. They also cover legal and regulatory requirements as embodied in the rules of the JSE, the Companies Act and the Securities Act. A rating of "AA" means "The Company's performance was excellent in terms of the various principles of corporate governance as documented in the JSE's Corporate Governance Index".



Sandra A. C. Glasgow
Chair

*Corporate Governance &
Nomination Committee*