

## **NCB FINANCIAL GROUP LIMITED CORPORATE GOVERNANCE AND NOMINATION COMMITTEE CHARTER**

### **Purpose**

The Committee has responsibility for the Corporate Governance of NCB Financial Group Limited and its subsidiaries (“The Group”). Its purpose is to assist the Board of NCB Financial Group Limited (“NCBFG”) 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 and management’s objective of increasing the long-term value of The Group.

### **Membership**

The membership of the Committee shall comprise at least three Board members, including the Lead Independent Director. The majority of the members must be independent directors as defined in the Board’s Charter, chosen for their competence and understanding of issues related to corporate governance. The Chair of the Committee shall be appointed by the Board from independent members. Members of the Committee appointed by the Board shall serve until their resignation or removal. .

### **Authority and Responsibilities**

In order to fulfil its purpose, the Committee shall have the following authorities and responsibilities:

The Committee shall, in respect of the structure, composition and functioning of the Board and its Committees:

- ◆ Develop for the Board’s approval and annually review the Board’s Charter.
- ◆ Review the Charters of the Board and its Committees and other governance documents, and recommend to the Board amendments as deemed necessary or advisable;
- ◆ Oversee the development of appropriate procedures in connection with Board and/or committee governance oversight of key subsidiaries of The Group;
- ◆ Consider possible conflicts of interests of directors and make relevant proposals to the Board in accordance with the Board’s Charter;
- ◆ Review any change in status (including fulfilment of independence requirements) and professional affiliation of current directors and make relevant proposals to the Board in accordance with the Board’s Charter;
- ◆ Oversee the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed;
- ◆ Establish and facilitate an effective process for the annual evaluation of the Board, its committees, Committee Chairs and the Chairman of the Board, which takes into account their respective mandates; and the ongoing assessment of the contribution of individual directors. The Committee shall report to the Board the results of the annual evaluation process for NCBFG (unless the process is carried out by an external party) and, based on those results, recommend any action plans that the Committee considers appropriate;
- ◆ Recommend to the Board the allocation of Board members to each of the Board committees, and where a vacancy occurs at any time in the membership of any committee, recommend to the Board a member to fill such vacancy;
- ◆ Ensure that an appropriate board succession plan is in place and periodically reviewed;

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- ◆ Recommend to the Board the appointment of committee Chairs considering attributes such as independence, competence, dedication and leadership;
- ◆ Ensure the development, and periodic review, of the ongoing due diligence procedures to ensure that substantial shareholders, directors and officers of NCBFG remain fit and proper;
- ◆ Investigate concerns/reports concerning suspected/alleged violations of the Code of Conduct for Directors and recommending appropriate action to the Board.
- ◆ Keep abreast of the latest regulatory requirements, trends and guidance in corporate governance and update the Board on corporate governance issues as necessary.

The Committee shall, in respect of the nomination, removal and resignation of directors of the Board:

- ◆ Assess, at least annually, the size and composition of the Board, the competencies and skills that members of the Board and its committees should possess in light of the opportunities and risks facing The Group, other succession planning considerations and other needs of the Board and its committees and recommend to the Board criteria for the selection of new directors based on these assessments;
- ◆ Assess the competencies and skills of potential candidates for membership on the Board, reviewing their qualifications and considering, among other things, whether each candidate can devote sufficient time and resources to his or her duties as a Board member;
- ◆ Subject to Board approval, engage independent consultants, where appropriate, to help identify candidates who meet the qualifications being sought;
- ◆ Recommend candidates to fill vacancies on the Board that occur between the Annual General Meetings of shareholders;
- ◆ Ensure that Board members are developed through training or mentorship, where considered necessary;
- ◆ Ensure that the Board and its committees are in compliance with all regulatory composition requirements, including director independence;
- ◆ Recommend the removal of a director in extraordinary circumstances in accordance with the Articles of Incorporation, the Board Charter and Code of Conduct for Directors.
- ◆ Be guided by the Procedure for Nomination of Directors of NCB Financial Group Limited attached as an Appendix.

The Committee shall, in respect of the matters relating to the Group Corporate Governance Framework:

- ◆ Review the composition of material subsidiary boards with non-executives so that an appropriate balance of skills, experience and diversity is maintained;
- ◆ Ensure the establishment, implementation and review of an operating framework to ensure board effectiveness, with:
  - Annual reviews of skills and experience of directors of public and regulated entities within the Group; and

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- Director succession strategies/planning for board positions of the holding companies and material subsidiaries, and overseeing the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed within the Group in the future;
- ◆ Ensure that all board approved policies and charters of the ultimate holding company (UHC), holding companies (HCs) and wholly-owned subsidiaries of NCBFG are kept current;
- ◆ Ensure that all HCs and regulated entities within the Group have an ongoing due diligence procedure to ensure that directors, officers and key employees remain fit and proper and to receive reports relating to concerns/issues relating to fit and proper status; and
- ◆ Provide general oversight of the Group Reporting Framework for Boards and Committees.

**Reporting tasks of the Committee**

- ◆ The Committee, through its Chair, shall report to the Board at the next Board meeting after each Committee Meeting, any material issues, decisions and discussions that should be brought to the attention of the Board along with any recommendations requiring Board approval and/or action. Material issues of concern should be escalated to the Chairman of NCBFG immediately;
- ◆ The Committee shall present to the Board an annual report of its own work. As part of the reporting process, the Committee shall:
  - Review annually the adequacy of this charter and recommend any changes that it deems appropriate to the Board for approval;
  - Review annually The Group's corporate governance framework and submit recommendations to the Board for amendments to NCBFG's Articles of Incorporation, Board Charter, committee charters, functioning of Board committees and the Bank's corporate governance practices, in general.
- ◆ The Committee shall be responsible for preparing the annual Corporate Governance Statement for inclusion in NCBFG's Annual Report to the shareholders.

**The Functioning of the Committee**

- ◆ The Committee shall meet at least twice a year or more frequently as circumstances dictate. Meetings shall be scheduled annually in advance where possible;
- ◆ Members may attend meetings in person or by electronic means;
- ◆ The quorum for the Committee is two members both of whom shall be independent non-executive directors;
- ◆ The Committee, through the Chair, shall meet annually with all Committee Chairs of key subsidiaries along with the relevant group executive representatives and corporate secretaries;
- ◆ The Committee shall keep minutes of its proceedings and report regularly to the Board. Each member of the Committee will receive a copy of the draft minutes before the next meeting of the Committee. Minutes will be signed by the Chair of the Committee, once approved;
- ◆ The Chair of the Committee will report to the Board after each meeting of the Committee on any key actions taken by it or recommendations being made to the Board

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with respect to its mandate. Board members shall have access to all records of the Committee.

- ◆ In carrying out its activities, the Committee will be supported by a secretary, who may be the Corporate Secretary or a competent person appointed by him or her;
- ◆ The Corporate Secretary, or his/her designee, at the request of the Chair, shall summon meetings of the Committee. Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member at least five working days in advance of the meeting.

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**APPENDIX**

**PROCEDURE FOR NOMINATION OF DIRECTORS OF NCB FINANCIAL GROUP LIMITED**

To ensure the selection of appropriate candidates as directors of NCB Financial Group Limited (NCBFG/the Company), who should be able to provide valuable contributions to NCBFG, the Company will be guided by the following process:

1. An annual assessment of the size and composition (including the diversity) of the board will be used, along with the annual evaluation of the Board's effectiveness, to identify any gaps in skills and/or experience. Gaps may involve either areas missing altogether or where there is a deficiency in the number of persons with the desired skill/experience. Preferred candidates will be identified taking into account the following criteria:
  - a. Proven leadership
  - b. Previous board experience
  - c. Knowledge and experience
  - d. Diversity-including age, gender, ethnicity, race, disabilities, geography
  - e. Experience with large and complex organizations
  - f. Current or prior C-suite level (or equivalent) experience
  - g. Skillset - including finance, legal, auditing, government affairs, public relations, community experience, technology and organisational knowledge

In identifying preferred candidates, efforts will be made to maintain a balance between executive and non-executive directors, independent and non-independent directors, including consideration of shareholder representation.

A candidate profile will accordingly be developed.

These activities will be led by the Corporate Governance and Nomination Committee which will then engage the full board.

2. Screening Process: The Committee will recruit to the candidate profile, determining where the priorities lie (e.g., skills over diversity; at what point independence becomes overarching: ensuring that at least one third of the Board are independent directors, as required by the Banking Services Act). Directors may be asked to submit candidates, and third parties may also be engaged in the process. Resumes from potential candidates will be obtained at this stage.
3. A list of potential candidates will be developed and initial contact made with potential candidates to confirm their interest and suitability and to reach a final slate of candidates for review.

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4. The Committee will review the final slate of candidates, prioritize the choices and refer to the Board for discussion after consultation on the prioritized list with the Board Chair and the President and Group Chief Executive Officer.
5. Contact will be made with the preferred candidate(s) to confirm his/her/their willingness, and to outline to him/her/them the remaining process (in particular, regulatory approval process in and outside Jamaica), and to arrange an interview. The interview panel will be chaired by the Committee Chair or his/her designate, with all members of the Committee being eligible to be on the interview panel. If the candidate(s) turns out not to be suitable or interested, the Committee will move on to next acceptable candidate(s) until the list of acceptable candidates is exhausted.
6. Interviews shall also be arranged involving the Board Chair, the President and Group Chief Executive Officer and the person(s) identified as preferred candidate(s). The outcome of these interviews shall be communicated to the Committee Chair.
7. Background checks will be conducted on the identified candidate, including reviews of the person's credit history and screening for sanctions and negative news. Law enforcement clearance reports will be obtained at this stage. In the case of reports from Jamaica, one addressed to the Company and one addressed to the Bank of Jamaica (BOJ) will be obtained, both at the Company's expense. Any concerns arising from the background checks must be fully addressed if the nomination process is to continue in respect of the identified candidate.
8. The Chair of the interview panel will present a draft report to the Committee for discussion and modification, before it is presented to the Board. The draft report should take into account the resume, background check findings and results of the interview process, as well as any other factors.
9. The Board will consider and, if thought fit, approve appointment subject to regulatory approval/non-objection.
10. The candidate will be supplied a copy of the Banking Services Act and BOJ's Standard of Sound Practice on Fit and Proper Assessments (paragraph 27, table 1 of the Standard being particularly relevant in relation to this stage of the process). He/She will be asked to fully and accurately complete and submit to NCBFG the documentation required by the BOJ (excluding any documentation already provided).
11. If BOJ objects to the candidate, the Company may engage BOJ on the objection OR resume the nomination process at step 5 above (or any other point appropriate at the time) with another candidate. If BOJ conveys approval/non-objection, an engagement letter will be shared with the candidate. Engagement will be effected through the candidate signing the engagement letter, and the effective date of appointment will be

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the date the Corporate Secretary receives the engagement letter signed by the candidate or such later date as may be agreed.

12. A similar procedure to that outlined in paragraphs 10-11 above is to be followed with respect to the Central Bank of Trinidad & Tobago (CBTT).
13. All required and desired announcements and notifications will then be done, using the indicated appointment date.

The above process contemplates appointment to fill a casual vacancy, so the director must be elected at next Annual General Meeting, at which time the Chair of the meeting, or Committee Chair, will be expected to speak to the selection process and reasons for appointment. If, however, a candidate is elected from the floor at a general meeting, the Corporate Secretary or other appropriate person should explain to the candidate and members the process required by the applicable legislation and supervisory guidance and that, accordingly, steps in the nomination process must nevertheless be followed. A resolution to appoint should, therefore, be subject to regulatory requirements being satisfied and BOJ's and CBTT's approval/non-objection. Thereafter, the process would commence at step 5 above, with any necessary steps earlier than that to be filled in as and when appropriate.