

# Corporate Governance Statement

2017 has been a year of transformation which saw trading in the shares of NCB Financial Group Limited (NCBFG) commence in March 2017, replacing the listing of shares in National Commercial Bank Jamaica Limited.

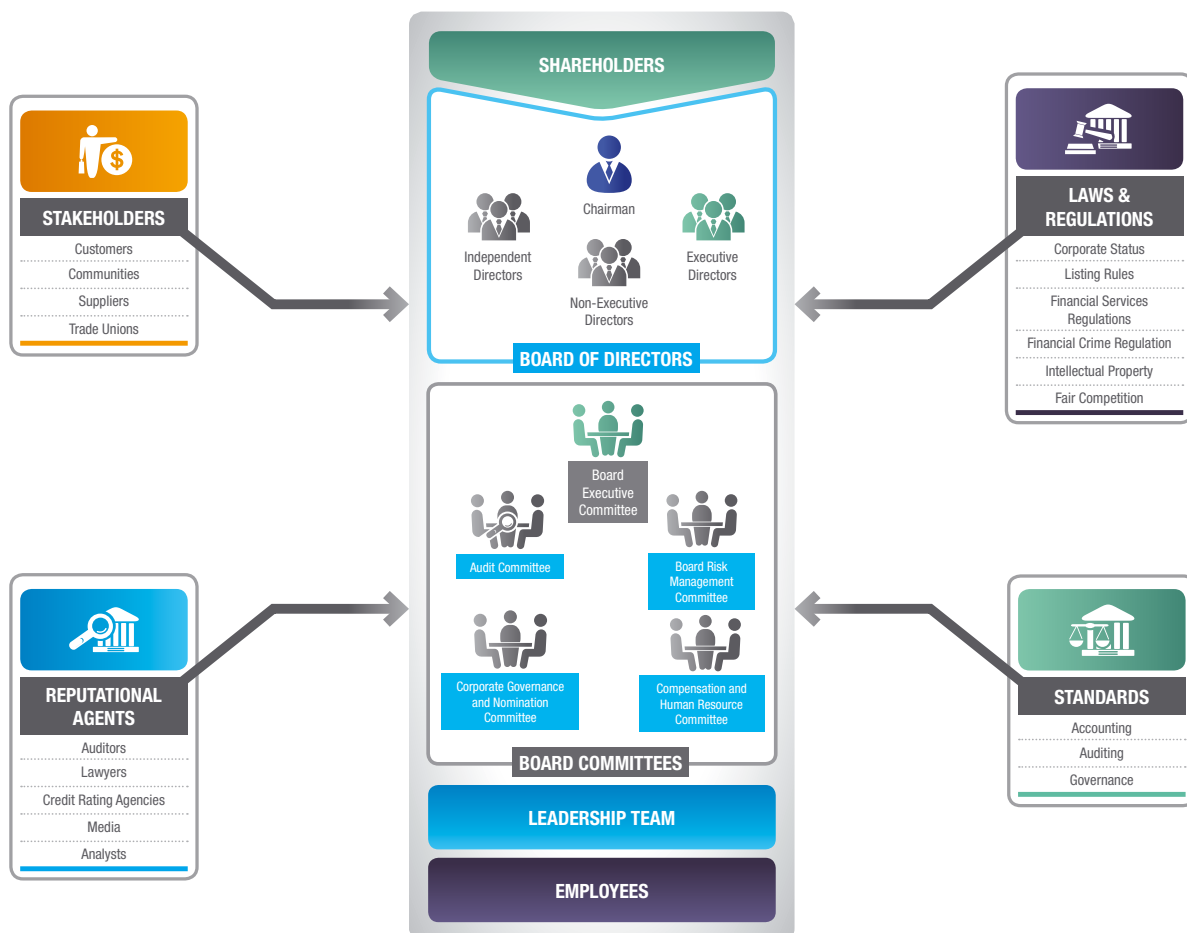
Developing and effectively using this new corporate structure is the focus of NCBFG's Board of Directors (the Board) which now provides corporate governance oversight to the boards of each member company in the Group to ensure the achievement of the Group's strategic goals.

This statement includes some of the activities carried out by the Board and Board Committees of NCBJ as the parent company of the NCB Group, which it was up to March 16, 2017 when the Scheme of Arrangement became effective and NCBFG became the Group's parent.

## 01 COMMITMENT TO SHAREHOLDERS

The NCB Financial Group (the Group) values our shareholders. To provide transparency in our business operations, performance, social impact and governance framework, we are committed to a robust communication programme to facilitate the timely dissemination of information which builds trust in the organisation, and to solicit feedback. Communication is effected through our Annual General Meetings, the Annual Report, financial results

### THE GROUP'S CORPORATE GOVERNANCE FRAMEWORK





To support each Board member in the execution of his or her fiduciary duties, the Group provides support through a number of introductory and on-going training sessions.”

### The role of the Board

During the 2016/2017 financial year, the Board was responsible for:

- ▶ Overseeing the implementation of the Group’s Strategic Initiatives,
- ▶ Delegating responsibility for the overall management of the Group to the President and Group CEO,
- ▶ Overseeing a formal schedule of matters for its decision in the areas of Group’s direction, management and control,
- ▶ Ensuring approval of all policies pertaining to the Group’s operation and functioning and
- ▶ Securing the equitable treatment of minority shareholders.

### The responsibility of the Board

Over the course of the financial year, the Board oversaw the implementation of the Group’s strategic initiatives and its functioning within an agreed framework in accordance with relevant statutory and regulatory structures. Specific responsibilities include:

#### Governance

- ◆ Approving the Group’s corporate governance framework to ensure it conforms to best practices as well as regulatory and statutory requirements.
- ◆ Approving the organisational/ management structure and responsibilities.
- ◆ Providing effective oversight over Management’s activities.

announcements and market /investor briefings, the Group’s website, print media and social media. This multi-platform communication outreach ensures that our shareholders have current information on which to base ongoing dialogue, thereby facilitating informed decision making. This Corporate Governance Statement details the responsibilities and activities your Board has taken during the financial year to prudently manage the affairs of the organisation for the long-term sustained value of shareholder investments.

regulators ensure that both legal and statutory requirements are met. The Group’s stock is listed on the Jamaica Stock Exchange (JSE) and the Trinidad and Tobago Stock Exchange (TTSE) and we are guided by the recommendations of best practices in the JSE’s Corporate Governance Index Manual. Further, as a member of The Private Sector Organisation of Jamaica (PSOJ), the Group is also guided by the PSOJ’s Corporate Governance Code.

## 02 COMPLIANCE WITH CORPORATE GOVERNANCE CODES

Member organisations in the Group hold operating licences from the Bank of Jamaica (BOJ) and the Financial Services Commission (FSC) which as

## 03 BOARD ROLES AND RESPONSIBILITIES

From the combined insight of our regulators, the JSE, PSOJ, and our 180 years of corporate experience, the Group has formulated and regularly updates the Board Charter which sets out the role, composition and responsibility of the Board and its committees and is updated biennially.

# Corporate Governance Statement

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## Strategic

- ◆ Providing direction to Management concerning the articulation of the vision and strategy for the Group.
- ◆ Approving the vision and strategy proposed by Management.
- ◆ Approving Management's long-term corporate strategy and performance objectives and ensuring appropriate resources are available.
- ◆ Reviewing the Group's annual business plans to determine the inherent level of risk in these plans.
- ◆ Assessing the adequacy of capital to support the operations of the Group within acceptable risk parameters.
- ◆ Reviewing performance against the approved four year strategy and how the annual business plan will contribute to achieving targets in the four-year strategic plan.

## Performance Measurement Systems

- ◆ Approving performance objectives and performance measurement systems.
- ◆ Reviewing the performance of the Board, Board Committees, the President and Group CEO, Group CFO and Deputy CEO.

## Business Decisions

- ◆ Approving and monitoring the progress of material financial restructurings, including mergers, acquisitions, divestments and acquisitions, annual budgets

and dividends, which affect our Statement of Financial Position.

- ◆ Approving financing and changes in authorised capital.
- ◆ Approving, entering into, or withdrawing from, businesses or service lines.

## Human Resources

- ◆ Retaining the authority to appoint and remove the President and Group CEO and the Group CFO and Deputy CEO as well executives including those who report directly to the President and Group CEO and the Group CFO and Deputy CEO.
- ◆ Agreeing on President and CEO's goals and objectives and reviewing his performance at least annually.
- ◆ Ensuring that succession planning for the positions of President and Group CEO and Group CFO and Deputy CEO is in place, and monitoring management's succession planning for other executive positions.

## Financial Performance

- ◆ Approving the annual budget and targets, annual financial statements and interim results, and monitoring financial performance.
- ◆ Ensuring that financial results are reported fairly and in accordance with IFRS and other relevant standards.
- ◆ Recommending to shareholders the Annual Report / financial statements released by

Management and ensuring that any reports issued by the Group, including the financial statements, present a 'true and fair' view of the Group's position and performance.

## Compliance

- ◆ Ensuring that the Group operates at all times within applicable laws and regulations, including an effective Code of Conduct, Anti-Money Laundering and Counter Financing of Terrorism policies.
- ◆ Ensuring that the Group's policies and procedures manuals comply with all regulatory requirements for all operations.

## Communications

- ◆ Ensuring that there is an agreed communications strategy and procedure with respect to appropriate channels and spokespersons.
- ◆ Ensuring the development and implementation of an investor relations programme or shareholder communications process for the Group.

## Risk Management

- ◆ Approving risk parameters and policies as well as the Group's risk appetite.
- ◆ Ensuring that principal risks are identified and Management has implemented appropriate systems to manage these risks.

- ◆ Ensuring that the systems and controls framework, including the Board structure and organisational structure of the Group are appropriate for the Group’s business and associated risks.

### Internal Controls

- ◆ Assessing the adequacy of the systems of risk management, internal controls, control environment and regulatory compliance.

## 04 BOARD COMPOSITION AND RENEWAL

The Articles of Incorporation provide guidance on the composition of the Group’s Board, stating that directors shall be no fewer than five and no more than sixteen. We also require that independent directors be no fewer than one-third of Board membership. The Board recognises the need for its composition to reflect a fair mix of diversity, independence, skills and expertise, to facilitate objectivity in decision making, with high levels of professional skills and appropriate personal qualities being prerequisites for directorships. Further, appointment of Directors throughout the NCB Group is subject to prior approval by our regulators, where required.

The Board comprises of 11 Directors: nine Non-Executive Directors (six of whom are independent) and two Executive Directors, being the President and Group CEO and the Group CFO and Deputy CEO. Profiles of directors and their length of service are provided in this Report along with their board meeting attendance record.

Each year, Board members assess the performance of each director using a 360-degree evaluation process. The outcome of the evaluation is used to inform the Board’s decision whether

to recommend at the AGM voting for the re-election of director(s) or the election of new director(s). Further, the Corporate Governance and Nomination Committee undertakes an annual review of the Board’s composition using a skills matrix to determine competencies and skills required for the governance and oversight of the Group. The results of this review are incorporated into Board succession planning and selection of directors.

Candidates for the Board are considered by the Corporate Governance and Nomination Committee, and are recommended to the Board, in accordance with the qualifications acceptable to the Board, taking into consideration the overall composition and diversity of the Board as well as areas of expertise which new directors could offer.

### Chairman

The Chairman, Hon. Michael Lee-Chin OJ is a Non-Executive Director. He leads the Board and sets its tone, and is responsible for the effective organisation and conduct of the Board’s affairs. He has the requisite skills and experience in a broad portfolio of industries and organisations, including financial services, hospitality, real estate, and health care. The Chairman also represents the Group to shareholders and the wider community. Although as the controlling shareholder of NCBFG he is not an independent director, the Board believes that neither his significant interest in the Group nor his positions held outside NCBFG impairs his ability to fulfil his duties to the Board and the Group.

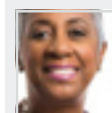
### Director Independence

A director meets the criteria for independence when he or she:

1. does not represent a substantial shareholding;
2. is not a close relative of a significant shareholder; and

3. does not have an employment relationship with the Group or its parent company.

The purpose of having independent directors on the Board is to bring independent views and judgments to the deliberations and decisions of the Board. During the 2016/2017 financial year, the directors who met the independent criteria were:



Sandra Glasgow



Sanya Goffe



Hon. Noel Hylton, OJ



Thalia Lyn, OD



Oliver Mitchell Jr.



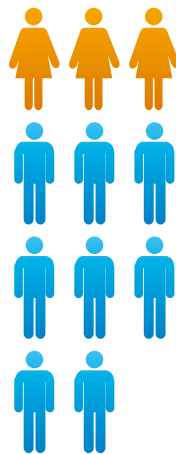
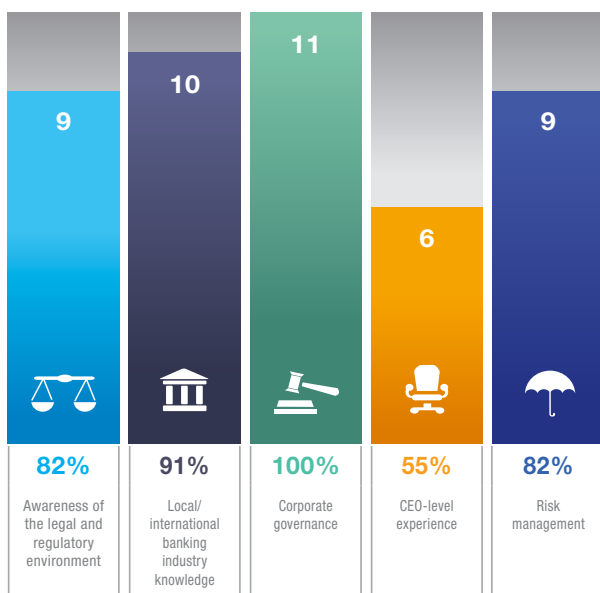
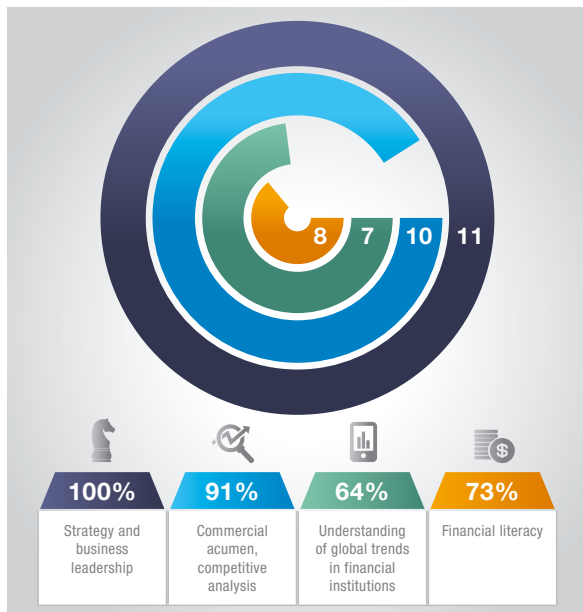
Professor Alvin Wint, CD  
(Lead Independent Director)

During the year, the Board approved a recommendation from the independent directors to appoint Professor Alvin Wint, CD as the Lead Independent Director. In this role, Professor Wint will preside at meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors.

# Corporate Governance Statement

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## Board Skills and Experience

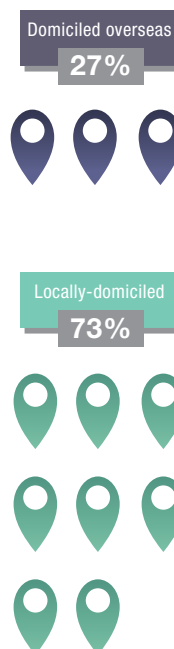


## Board members term in office

Pursuant to the Articles of Incorporation of the Group, all non-executive directors must retire at least once every three years; but shall be eligible for re-election. The company recognises the importance of balancing the contribution of long-standing independent directors who have intimate knowledge of the organisation with the need to infuse fresh ideas and thinking into the oversight of the Group; thus the need for carefully considered succession planning. The selection of Board members is a rigorous exercise to ensure that candidates are of the highest integrity and have the necessary competence and time to execute their duties in a diligent manner.

## Appointment of the Board Secretary

The appointment and removal of the Corporate Secretary is subject to the approval of the Board. The Board requires that the Corporate Secretary is suitably qualified and capable of performing the duties of the position, including advising on meeting Board regulatory requirements, preparing agendas, distributing meeting records, circulating a timetable for meetings and ensuring good governance is practised throughout the organisation.



## 05 BOARD COMMITTEES

The Board of NCBFG has determined the need to establish committees to delegate assignments to working groups of directors drawn from the full board, to focus on complex and specialised issues facing the Group.

Each Committee operates under a charter setting out its responsibilities and deliverables. They make recommendations for consideration by the Board which retains collective responsibility for decision making at the Group level. The insight gained by directors sitting on the committees allows them to deepen their knowledge of the organisation and focus on issues needing resolution.

Four substantive Board Committees of NCBFG were established during the financial year:

▶	<b>Corporate Governance and Nomination Committee</b>
▶	<b>Group Risk Management Committee</b>
▶	<b>Group Compensation &amp; HR Committee</b>
▶	<b>Audit Committee</b>

The Board and Board Committees have full access to the management of the organisation through the Chairman, President and Group CEO, Group CFO and Deputy CEO and the Corporate Secretary at any time. This facilitates access to information on a timely basis to address matters needing Board deliberation.

### Corporate Governance and Nomination Committee

This Committee has responsibility for the corporate governance of NCBFG. Its purpose is to assist the Board in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements, to strive to achieve corporate governance best practices standards and to facilitate the Board and Management's objective of increasing the long-term value






of the Group. The Committee is also responsible for identifying and recommending suitable persons to become directors of the Group's Board.

The Committee's role, responsibilities, composition and membership requirements are documented in the Corporate Governance and Nomination Committee Charter approved by the Board, which is available on the Group's website: [www.mynjcb.com](http://www.mynjcb.com).

The Committee met twice during the financial year and its major activities were:

- ▶ To carry forward from the NCBJ Corporate Governance & Nomination Committee the review of the Jamaica Stock Exchange Corporate Governance Index and NCB's rating.
- ▶ To carry forward from the NCBJ Corporate Governance & Nomination Committee the review of the Corporate Disclosure Policy, Social Media Policy and Complaints Management Standard Operating Guidelines making recommendations for their revision.
- ▶ Reviewing and proposing the governance structures for NCBFG.
- ▶ Reviewing the policy and procedural framework of NCBFG and its major subsidiaries.
- ▶ Reviewing and recommending the Board Charter and the Securities Trading Policy for NCBFG.
- ▶ Recommending to the Board the appointment of a Lead Independent Director for NCBFG.

### Committee Meeting Attendance Report

MEMBER	ATTENDANCE	Meeting Total: <b>2</b>
 <b>Sandra Glasgow (Chair)</b>	▶ ▶	
 <b>Sanya Goffe</b>	▶ ▶	
 <b>Thalia Lyn</b>	▶ ▶	
 <b>Professor Alvin Wint</b>	▶ ▶	
 <b>Oliver Mitchell Jr</b>	▶ ▶	

### Group Risk Committee

Established in May 2017 subsequent to the Scheme of Arrangement, the Committee assumed responsibility for assisting the Board of Directors in fulfilling its responsibility with respect to oversight of the Group's risk management framework including:

- ▶ Determining its risk appetite, the policies and major procedures related to managing credit, market, liquidity, capital, operational and certain other risks as determined from time to time.
- ▶ Playing a role in the decision-making process around significant risks which could be undertaken by the Group

The Committee received and discussed:

- ▶ Approval of the Committee Charter.
- ▶ The Group's information assessment framework and the top risks associated with the Group's information assets.

# Corporate Governance Statement





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- ▶ Status of information security in the Group.
- ▶ Operational risk assessments with respect to initiatives/processes implemented and the controls implemented to minimise the Group's risk exposure.
- ▶ Approval of major sovereign exposures.

For the period October 2016 to October 2017, the NCBJ Board Risk Management Committee carried out the oversight on behalf of the NCBJ Board. In pursuit of its oversight activities, the Board Risk Management Committee received and deliberated on the following risk issues:

- ▶ Amendments to the Group Credit Risk policy and recommendations to the Board for approval.
- ▶ Major credits and sovereign exposures.
- ▶ External presentations on cybersecurity.
- ▶ Top emerging risks and their potential impact on the Group.
- ▶ Operational loss trends.

## Committee Meeting Attendance Report

MEMBER	ATTENDANCE	Meeting Total: <b>2</b>
 <b>Robert Almeida</b>	▶	
 <b>Dennis Cohen</b>	▶▶	
 <b>Sandra Glasgow</b>	▶▶	
 <b>Patrick Hylton</b>	▶▶	

MEMBER	ATTENDANCE	Meeting Total: <b>2</b>
 <b>Noel Hylton</b>	▶	
 <b>Sanya Goffe</b>	▶▶	
 <b>Professor Alvin Wint (Chair)</b>	▶▶	

## Training

To support each Board member in the execution of his or her fiduciary duties, the Group provides support through a number of introductory and on-going training sessions.

Immediately after their appointment to the Board, directors are provided with a formal induction, as needed. Meetings are also arranged with Executive Management, Heads of Divisions and the Group's auditors. This is intended to foster a better understanding of the business environment and the markets in which the Group operates. The induction programme also includes meetings with the Chairman and, if necessary, legal counsel or compliance officer to review the Board's role and duties, particularly covering legal and regulatory requirements. As all the Group's directors had previously been directors of NCBJ, no induction programme was considered necessary. The continuing awareness programme for each Board member is essential and may take different forms, through distribution of publications, workshops, presentations at Board meetings and attendance at conferences encompassing topics on directorship, corporate governance, business, industry or regulatory developments.

During the year, training was conducted involving the Board and management in the areas of (i) digital

resilience and (ii) opportunities and risks related to providing financial services to marijuana related businesses.

Board members also participated in the training sessions below:

- ▶ **Risk Management**  
Selected Board Members completed risk management training during the first quarter of the financial year, focusing on enterprise risk management.
- ▶ **Professional Development**  
The annual Audit Committee members' training was held in June 2017 and invitations were also extended to NCBFG's Board as well as the Audit Committee members of the subsidiaries within the Group. The training topic was "Risk Management at the Speed of Digital Business". The training gave Directors insights into risk management strategies as the organisation pursues digital transformation.
- ▶ One of our directors participated in the National Association of Corporate Directors (NACD) Technology Symposium.

## Group Compensation and HR Committee

The Compensation and Human Resource Committee of the Board:











1. reviews and recommends to the Group total compensation and benefit programmes;
2. ensures the competitiveness of these programmes; and
3. advises the Board on human resource issues and the development of succession planning for senior management.

The purpose of the committee is:

- ▶ To support Board oversight of the Group's compensation principles and practices.
- ▶ To review risk, risk management, and compensation in the light of the Group's objectives, including safe and sound practices as well as avoiding practices which could encourage excessive or unnecessary risk-taking.
- ▶ To undertake succession management for the senior officers in the Group and general human resource issues.
- ▶ To recruit and retain talent.

The primary goals of the Committee over the past financial year were the review of the Committee Charter and the discussion of items contained in the Committee's Calendar of Events; namely, succession, evaluation and compensation.

### Committee Meeting Attendance Report

MEMBER	ATTENDANCE	Meeting Total: <b>1</b>
		
		
		
		
		

### Audit Committee

The Audit Committee was established to assist the Board of Directors in fulfilling its oversight responsibilities for the financial and operational reporting

processes, risk management, the system of internal control, the audit process, and the organisation's process for monitoring compliance with laws, regulations and the code of conduct.

The Committee was established in March 2017, at which point it assumed the responsibilities previously carried out by the NCBJ Audit Committee, that were not retained by that Committee (broadly, the NCBJ Audit Committee retained responsibility for matters related to our Jamaican banking operations).







Audit Committee meetings are regularly attended by the Group Chief Financial Officer and Deputy Chief Executive Officer, Group Chief Internal Auditor, Group General Counsel and Corporate Secretary and the External Auditor.

The Committee executed the following responsibilities:

- ▶ Reviewed quarterly unaudited Financial Statements and Stock Exchange Releases with the Group CFO and Deputy CEO, the Group Chief Internal Auditor and the External Auditor before filing their release, giving due consideration to whether they were complete and consistent with the information known to Committee members.
- ▶ Reviewed recent changes in International Financial Reporting Standards in order to develop a full understanding of their likely impact on the financial statements.
- ▶ Reviewed the External Auditor's proposed audit strategy, scope and fees for the audit of the year-end financial statements.
- ▶ Reviewed reports from the Group Internal Audit Division on the organisation's risk management and internal control environment, noting significant audit findings and management's action plans for resolution.

- ▶ Reviewed reports from the Group Compliance Unit on regulatory compliance, breaches and remediation.
- ▶ Reviewed all relevant related party transactions to ensure they are in compliance with the policy on Related Party Transactions.
- ▶ Subsequent to each meeting, reporting to the Board about the activities of the Committee via the Committee minutes and a report from the Audit Committee Chair.

### Committee Meeting Attendance Report

MEMBER	ATTENDANCE	Meeting Total: <b>2</b>
		
		
		

## 06 PERFORMANCE EVALUATION

In the interest of shareholders, the Board conducts an annual assessment of its performance on an individual basis and as a group. This extends to an evaluation by the Chairman of the President and Group CEO, who is a member of the Board.

Each Board member is also required to sign a Code of Conduct annually which binds directors to the highest standards of professionalism and due diligence in discharging their duties.

This financial year, the NCBJ Board benefitted from an external review conducted by McKinsey &



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Company in November 2016. Their observations provided the Board with an opportunity to:

- ▶ Strengthen its contribution to addressing the Group's potential high-risk areas
- ▶ Streamline the board agenda to focus on key strategic deliverables
- ▶ Ensure that independent directors deliver maximum value to the organisation
- ▶ Bolster oversight of capital expenditures.

As part of the performance evaluation of the Board, the member attendance record for Board meetings was kept. Each board member is required to achieve a 75% minimum attendance for each financial year and must not miss three consecutive board meetings. Should either or both occur, the board member may be terminated and/or a retainer fee may be charged. Neither situation occurred in the 2017 financial year (see attendance records and remuneration table, on pages 39 and 40 respectively).

## Independent advisers

Directors are entitled to obtain independent professional advice relating to the affairs of the Group or to their individual responsibilities as Directors. This is subject to approval by the Board if payment is to be made by NCBFG.

## Remuneration

The Board remuneration is set out in the table on page 40. Fees paid to Non-Executive Directors are determined on the basis of market rates and the level of responsibility and time commitment required of Board members. These fees are




paid in cash and are not related to the performance of the Group. The fees are set to attract high calibre members from public and business communities who have the required experience, skills and qualifications and who can uphold the core values of the Group.









The fee structure was last adjusted effective April 1, 2017 and comprises:

1. 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.
2. The Lead Independent Director receives a retainer of \$2,000,000 per annum.
3. Directors who chair the Audit, Corporate Governance and Nomination and the Group Risk Committees receive instead a retainer of \$1,968,760 per annum.
4. A fee payable to directors of \$83,333 per Board Meeting and \$66,667 for each Committee meeting attended.

Fees fall within the global sum approved by the shareholders at the last AGM in accordance with Article 79 of NCB's Articles of Incorporation.

## Board Meeting Attendance Report

MEMBER	ATTENDANCE	Meeting Total: 5
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MEMBER	ATTENDANCE	Meeting Total: 5
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## 07 AUDIT AND FINANCIAL GOVERNANCE

### External Auditors

Shareholders approve the appointment of external auditors recommended by the Audit Committee and Board. The external auditors are PricewaterhouseCoopers (PWC). As approved by shareholders, the Board agrees their remuneration. This is done on the recommendation of the Audit Committee.



During the period under review, the net fees, after the deduction of taxes, paid to the non-executive directors were as follows:

### Wayne Chen

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	734,375.75
<b>TOTAL</b>	<b>734,375.75</b>

### Sandra A. C. Glasgow

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	1,050,783.75
Audit	100,000.01
Compensation & HR	100,000.01
Corporate Governance	100,000.01
Group Risk	100,000.01
Executive Committee	NONE
<b>TOTAL</b>	<b>1,450,783.79</b>

### Sanya Goffe

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	734,375.75
Corporate Governance	100,000.01
Group Risk	100,000.01
<b>TOTAL</b>	<b>934,375.77</b>

### Hon. Noel Hylton, OJ

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	734,375.75
Audit	100,000.01
Compensation & HR	100,000.01
Group Risk	50,000.00
<b>TOTAL</b>	<b>984,375.77</b>

### Thalia Lyn, OD

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	734,375.75
Corporate Governance	100,000.01
<b>TOTAL</b>	<b>834,375.76</b>

### Oliver Mitchell Jr.\*

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	979,167.67
Corporate Governance	133,333.34
<b>TOTAL</b>	<b>1,112,501.01</b>

### Professor Alvin Wint, CD

COMMITTEE	TOTAL NET FEES FOR FINANCIAL YEAR ENDED SEPT 2017 (\$)
Board	1,050,783.75
Audit	100,000.01
Compensation & HR	100,000.01
Corporate Governance	100,000.01
Group Risk	100,000.01
Executive Committee	NONE
<b>TOTAL</b>	<b>1,450,783.79</b>

### GRAND TOTAL

**7,501,571.64**

\*Non-Jamaican-no taxes withheld

# Corporate Governance Statement

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Throughout the year, the Audit Committee of the Group worked closely with the external auditors. They reviewed the adequacy of the existing external audit arrangements, with emphasis on the effectiveness, performance and independence of the audit.

The external auditors confirmed to the Audit Committee that they (the external auditors) met applicable independence requirements in accordance with the rules of relevant professional accounting bodies and the Companies Act 2004.

Every engagement of PWC (other than to audit financial statements) in the Group requires prior approval of the Audit Committee. This is to ensure engagements are such that they would not affect PWC's independence.

Shareholders have the opportunity to hear from the external auditors on their audit opinion and to answer questions on the audited financials at the Annual General Meeting.

## Internal Auditor

The Group's risk management framework and internal control environment are assessed for their adequacy by the Group Internal Audit Division (GIAD) which offers an independent appraisal.

GIAD is assessed for its independence from Management by the Audit Committee which also determines the level of resourcing needed by the Group to perform its mandate. The Committee also reviews the performance of, and decides on the suitability of the Group Chief Internal Auditor for the position.

## Financial Controls

The External Auditors and GIAD have separate independent auditing and reporting functions. The Audit Committee provides oversight to the integrity of the Group's financial reporting and monitors the work of GIAD, the External Auditor, and audit committees of member companies within the Group. Key financial reporting controls are evaluated to ensure alignment with the corporate governance framework to ensure their operational effectiveness to meet the Group's reporting requirements.

- ▶ Maintaining privacy and confidentiality
- ▶ Ensuring a safe working environment

All significant transactions and contracts in which any director has a significant personal interest are disclosed.

## Securities Trading

The Group has an established Securities Trading Policy which seeks to ensure that key persons in the organisation will not abuse their positions by using insider information, not available to the market, to trade shares for their financial benefit. The Corporate Governance and Nomination Committee of the Board is entrusted with the compliance responsibility for this policy (which is accessible on [www.myncb.com](http://www.myncb.com)).

## Conflict of Interest

Under the Code signed by each director, they are expected to exercise restraint regarding any action, position or interest which conflicts with, or is perceived to conflict with, an interest of the Group. Directors are required to declare to the Board any personal interest, whether direct or indirect (of 'connected persons'), he or she may have in matters brought before the Board. This declaration is recorded in the minutes, and the interested director does not attend the deliberations in the area(s) of interest or vote on related resolutions.

## Whistle Blower Protection

The Group has a Whistle Blower Policy which provides a confidential channel for employees to report instances of fraud, corrupt conduct, bribery, adverse behaviour, legal or regulatory

## 08 ETHICAL AND RESPONSIBLE DECISION MAKING

### Code of Conduct

There are two Codes of Conduct; one for directors and one for employees. The Board has approved Codes of Conduct (the Codes) which binds Directors and employees of the Group to the highest standards of professionalism and due diligence in discharging their duties. The Codes outline areas of conflict of interest, confidentiality and responsibility of the signatories to the Group, the shareholders, and regulators, and includes guidance on:

- ▶ Acting with honesty and integrity
- ▶ Treating all with respect
- ▶ Report breaches of the Codes
- ▶ Declaring personal interest

noncompliance, questionable accounting and auditing.

The Policy has established procedures for actioning all disclosures.

Employees reporting issues can be confident that the Group will take all reasonable steps to protect their identity and shield them from reprisals.

## 09 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group supports an inclusive workplace reflective of the wide range of socio-economic-political backgrounds of our stakeholders and customers. Our focus is on achieving the right mix between economic growth, digital transformation and social well-being by practising good governance in all areas of our operations.

The Group's CSR activities seek to ensure:

- a) Our Mission is realised
- b) Our Core Values are reinforced
- c) The Group will enjoy long-term success while providing appropriate benefits for our key stakeholders: our employees, investors, consumers and our communities
- d) NCB performs competitively and profitably through responsible business practices
- e) We remain committed to the principles of sustainable development, which emphasise the integration of economic, social, environmental and ethical goals in our business activities

The executive management team is committed to fostering dialogue with stakeholders to help the Group understand their expectations, identify emerging issues and opportunities, assist with risk management, and improve Group performance.

Specific stakeholder group interests with which we align our CSR programmes are:

- ▶ **Our customers -** by continually winning their trust, so we will be their preferred institution to deliver financial services.
- ▶ **Our employees -** being an employer of choice, by investing in building their skills sets and competencies and balancing work-life responsibilities, so that the organisation can achieve high levels of staff productivity.
- ▶ **Our communities -** being a responsible citizen by investing in them, managing the Group's environmental impact and dependencies, and having a positive impact through the Group's supply chain.
- ▶ **Our shareholders -** ensuring that we are a top tier performer maximising shareholder returns over the long term.
- ▶ **Regulators and the Government -** practising excellence in corporate governance and business ethics.
- ▶ **Our competitors -** working with members of the financial services community to jointly address challenges facing the industry for the benefit of our shareholders and wider society.

- ▶ **The media -** being an information facilitator and change agent to make financial inclusion possible where persons have access to useful and affordable financial products and services which meet their needs.
- ▶ Details of our activities in relation to these stakeholders are provided throughout the Annual Report.



**Sandra A. C. Glasgow**

Chairperson  
Corporate Governance Committee