



# **CORPORATE GOVERNANCE POLICY**

## Contents

1. THE JMMB GROUP'S CORPORATE GOVERNANCE APPROACH.....	5
1. THE FIVE PILLARS OF THE CORPORATE GOVERNANCE FRAMEWORK.....	6
3. APPLICATION OF THE GROUP CORPORATE GOVERNANCE POLICY .....	7
3.1 Adoption of the Group Corporate Governance Policy .....	7
3.2 Approach to Subsidiary Governance.....	7
4. JMMBGL CORPORATE GOVERNANCE STRUCTURE.....	8
5. THE BOARD OF DIRECTORS.....	9
5.1 Responsibilities and Accountabilities of the Board of Directors .....	9
5.2 Board Interrelationships .....	10
5.3 Structure and Composition of the Board of Directors.....	11
5.4 Standard Authorities of the Board of Directors .....	12
5.5 The Officers' Code of Conduct and Ethics.....	12
5.6 Transparency and Communication .....	13
5.7 Diversity, Equity and Inclusion ( DEI) .....	13
5.8 Corporate Social Responsibility .....	14
5.9 Environmental, Social and Governance Matters .....	14
6. BOARD COMMITTEES. ....	15
6.1 Establishment of Board Committees.....	15
6.2 Board Committees' Terms of Reference (High Level).....	16
6.2.1 JMMB FHL Audit and Compliance Committee.....	16
6.2.2 JMMBGL Finance Committee .....	17
6.2.4 JMMBGL Nominations and Corporate Governance .....	19
6.2.5 JMMBFHL Culture and Human Development.....	19
6.2.6 Information Systems.....	19
6.2.7 Credit Committee .....	20
6.3 Operation of Board Committees.....	20
6.3.1 Charters .....	20
6.3.2 Reporting by the Committee Chairs .....	21
7. DUTIES, DISCLOSURES AND BOARDROOM CONDUCT.....	21
7.1 Director Duties .....	21
7.2 Board Chairperson and Deputy Board Chairperson.....	22
7.3 Independent Directors.....	23
7.4 Executive Directors .....	24
7.5 Company Secretary .....	24
7.6 Directors' Disclosures (General).....	25
8. BOARD OPERATION AND EFFECTIVENESS.....	26
8.1 Meeting Protocols (High Level).....	26

8.2	Boardroom Conduct.....	26
8.3	Board Performance and Evaluation.....	26
8.3.1	<i>Board and Committee Evaluation.....</i>	26
9.	SELECTION AND INDUCTION OF DIRECTORS.....	27
9.1	Determining Skill Sets required.....	27
9.2	Role of the Nominations and Corporate Governance Committee.....	28
9.3	Addressing Conflicts of Interest (Actual/Potential/Perceived).....	28
9.4	The Selection Interview .....	28
9.5	Role of the Subsidiary Board .....	29
9.6	Invitation to join the Board of Directors .....	29
9.7	Director Orientation.....	30
10.	ANCILLARY MATTERS RELATED TO DIRECTORS.....	31
10.1	Resignation/Retirement of Directors .....	31
10.1.1	<i>Resignation of Directors.....</i>	31
10.1.2	<i>Retirement of Directors.....</i>	32
10.2	Ongoing Director Development .....	32
10.3	Rotation and Succession Planning .....	33
10.4	Director Remuneration .....	33
10.5	Directors Insurance .....	33
10.6	Political Contributions and Activities.....	33
11.	MANAGEMENT/LEADERSHIP TEAM .....	34
11.1	Duties and Responsibilities.....	34
11.2	Management Committees.....	35
12.	SPECIFIC REQUIREMENTS FOR JMMBGL AS A LISTED ENTITY.....	36
12.1	JMMBGL Annual General and Extraordinary General Meetings.....	36
12.2	Lock Out Periods.....	36
12.3	JMMBGL Disclosures.....	38
12.4	Communication and Accessibility.....	38
13.	ANCILLARY MATTERS.....	39
13.1	Risk and Compliance.....	39
13.2	Audit and Assurance .....	39
14.	REVIEW OF THE CORPORATE GOVERNANCE POLICY .....	39
	APPENDIX A: DEFINITIONS APPLICABLE TO JMMBGL AND FINANCIAL ENTITIES IN JAMAICA .....	39
	APPENDIX B: JURISDICTIONAL REQUIREMENTS – TRINIDAD AND TOBAGO.....	41
B.1	JMMB Companies in Trinidad and Tobago.....	41
B.2	Definitions (Trinidad and Tobago).....	41
B.3	Recruitment and Assessment of Directors and Officers .....	42
	<b><i>Fit and Proper Requirements .....</i></b>	<b>42</b>

	<b>Assessing Probity, honesty, integrity and reputation</b> .....	44
	<b>Assessing Competency, Capability and Soundness of Judgment</b> .....	45
	<b>Assessment Stages</b> .....	45
	<b>Assessing Financial Integrity and Soundness</b> .....	47
B.4	Conflicts of Interest and Time Commitment.....	47
B.5	Collective Suitability of the BOD.....	50
B.6	BOD Responsibilities with respect to fitness and propriety.....	50
B.7	Direct Escalation of Fit and Proper concerns.....	50
B.8	Management of Director, Officer, and Connected Party Listings.....	51
B.9	Approval of Credit Facilities for Directors, Officers and Connected Parties.....	51
B.10	Directors' Fees.....	52
	<b>Calculation and Approval of Meeting Fees</b> .....	52
	<b>Payment of Directors' Retainer and Meeting Fees</b> .....	52
B.11	Regulatory Requirements and Approvals.....	52
	<b>For Entities licensed under the FIA</b> .....	52
	<b>For Entities licensed under the SA</b> .....	53
B12.	Meeting Dates/Scheduling.....	53
APPENDIX C: JURISDICTIONAL REQUIREMENTS – DOMINICAN REPUBLIC.....		53
C.1	Standard Protocols for JMMB Companies in the Dominican Republic.....	53
C.2	AFP JMMB BDI S.A. ....	54
	<b>Definitions</b> .....	54
	<b>Required BOD Committees</b> .....	54
	<b>Board Meetings</b> .....	54
	<b>Board Performance</b> .....	54
C.3	JMMB Bank S.A.....	55
	<b>Definitions</b> .....	55
	<b>Executive Directors</b> .....	55
	<b>Required Board Committees</b> .....	55
	<b>Meetings</b> .....	55
	<b>Board Performance and Training</b> .....	56
	<b>Required Management Committees</b> .....	56
C.4	JMMB Puesto de Bolsa S.A., JMMB Sociedad Administradora de Fondos de Inversión, S.A. ....	56
	<b>Definitions</b> .....	56
	<b>Required Board Committees</b> .....	56
D.6	Board Committees.....	62
	<b>Audit and Compliance Committee</b> .....	62
	<b>Risk Committee</b> .....	62
	<b>Nominations and Corporate Governance Committee (Group level)</b> .....	62

## 1. THE JMMB GROUP'S CORPORATE GOVERNANCE APPROACH

The JMMB Group of companies which includes JMMB Group Limited, its subsidiaries JMMB Real Estate Holdings Limited, CCSPV Limited and JMMB Financial Holdings Limited and its subsidiaries (hereinafter called “the Group/JMMB”) has made its mark as a strong regional group of companies providing a wide range of financial services and products across different jurisdictions. The Board of Directors (hereinafter termed “BOD”) of JMMB Group Limited (hereinafter called “JMMBGL”) is committed to maintaining and promoting high standards of Corporate Governance, which align with its strategic objectives and overarching risk appetite, while ensuring that the Group meets all of its Compliance Obligations<sup>1</sup>.

The purpose of this Corporate Governance Policy (hereinafter called “this Policy”) is to establish minimum Corporate Governance standards and promote the effective functioning of the boards of director, their committees within the Group.

As part of its Corporate Governance approach, JMMB Group ensures that there are independent BODs in place, across the Group, which will:

- i. Actively engage with all stakeholders;
- ii. Understand the Group’s long-term objectives and those of the Subsidiary under its charge;
- iii. Understand, and ensure the appropriate oversight of the related principal business risks;
- iv. Challenge and hold the Management/Leadership Team to account where appropriate;
- v. Support the Group to ensure that there is in place robust Corporate Social Responsibility (CSR) and Environment Social and Governance (ESG) programs which support our clients and the communities in which we operate;
- vi. Ensure that there are checks and balances in place so that business objectives are determined in a manner which is both ethical and sustainable, and therefore contribute directly to long-term value creation for shareholders and clients.

Given that Corporate Governance standards are continually evolving as the business landscape changes, the Corporate Governance Framework is subject to ongoing review, assessment and improvement.

The financial Group operates in a highly regulated environment, and further, because JMMBGL’s shares are listed on the Jamaica Stock Exchange and the Trinidad and Tobago Stock Exchange, the Group seeks to have supporting procedures in place under the Corporate Governance Framework to ensure it meets or exceeds all related rules, disclosures and regulatory compliance obligations.

As such, the Corporate Governance Framework comprises:

---

<sup>1</sup> Comprises all applicable laws, rules, regulations, guidance notes, licence conditions, group policies and procedures, and key voluntary codes of practice to which the Group subscribes. This definition excludes obligations arising out of contractual arrangements

- i. The Articles of Incorporation, Association and other constituent documents of each company in the Group (the constituent documents);
- ii. BOD approved Charters and Decision Matrices; and
- iii. The following policies, and any procedures mandated thereunder:
  - a. This Policy;
  - b. The JMMB Group’s Board Handbook;
  - c. The JMMB Group’s Code of Business Conduct and Ethics;
  - d. The JMMB Group’s Insider Trading Policy;
  - e. The JMMB Group’s Related Party Policy
  - f. Any internal policies which set guidelines to govern decisions in certain key areas of its performance (in terms of treasury management, investments, financing, conflicts of interest, risk monitoring and management, corporate social responsibility. etc.);
  - g. Any internal policies establishing the bases for relations with shareholders (such as the Communications Policies and the Dividends Policy, etc.);
  - h. Any escalation procedures implemented across the Group to deal with reports of fraud or impropriety in business dealings.

## 1. THE FIVE PILLARS OF THE CORPORATE GOVERNANCE FRAMEWORK

<b>Ethical Culture and Conduct</b>	<b>Strategic Oversight</b>	<b>Risk Oversight</b>	<b>Independence and Accountability</b>	<b>Continuous Improvement</b>
<p>The BOD sets the Tone from the Top, and champions the Core Values of Love, Integrity, Openness and Care, all of which the Vision of Love embodies. These values are well entrenched across the Group and are the bedrock upon which the reputation and success of the Group is built.</p>	<p>The BOD is committed to ethical and sustainable performance, strategies, and business objectives, taking into account emerging opportunities and approved risk appetite. The BOD also monitors the achievement of strategies and business objectives.</p>	<p>The BOD guides implementation and provides oversight of robust risk management frameworks and actively monitors and assesses the strength of same, ensuring that there is an appropriate balance of return for the risks assumed.</p>	<p>The BOD ensures it remains independent from management as this is fundamental to the BOD’s effective oversight. The BOD is also committed to ensuring disclosures to shareholders, stakeholders, regulators and the public are made in a timely, truthful and accurate manner.</p>	<p>The BOD is committed to continuously improving its Corporate Governance Framework. To ensure that the Group meets or exceeds evolving best practices and regulatory expectations, the Corporate Governance Framework is subject to ongoing review.</p>

### 3. APPLICATION OF THE GROUP CORPORATE GOVERNANCE POLICY

#### 3.1 [Adoption of the Group Corporate Governance Policy](#)

This Policy is a critical component of JMMB Group's Corporate Governance Framework, and each BOD in the Group of companies is required to adopt this Policy, and proactively ensure it is appropriately implemented and embedded in the Subsidiary under its charge.

When a Subsidiary adopts this Policy, references in this Policy to the "BOD" and the "Management/Leadership Team", will be read as being applicable to the BOD and Management/Leadership Team of that Subsidiary. References to the Regulator cover all supervisory and regulatory authorities that oversee the Group's activities.

The standards set out herein are the minimum standards for Corporate Governance in the JMMB Group of companies .

Subsidiaries within Jamaica must adhere strictly to this Policy, and where in other jurisdictions, local or sector regulatory requirements differ from this Policy, the stricter of the two standards must be followed. Each JMMB Company may also append to this Policy, requirements specific to their jurisdiction.

***See Appendices A, B, C and D for specific definitions and jurisdictional requirements pertaining to Corporate Governance, which differ from what is contained in this Policy.***

#### 3.2 [Approach to Subsidiary Governance](#)

JMMB Group has adopted an enterprise-wide approach to subsidiary governance. The JMMBGL BOD and its Committees oversee Corporate Governance on an enterprise-wide level. This oversight is supported by defined decision matrices to guide the escalation and approval process, including formal and informal decision touchpoints between the JMMBGL BOD and its Management/Leadership Team, and the BOD and Management/Leadership Team of each Subsidiary, enterprise reporting and Group-level approval of key enterprise-wide frameworks.

The Corporate Governance structures of all Subsidiaries are independent of JMMBGL. Adherence as far as possible to the Policy is supported and overseen through representation by JMMBGL's Directors and Officers either on the Country BOD (where one is in place) or on the BOD and BOD committees of these entities, either as members or standing invitees.

In addition, the Group and Regional Governance functions facilitate consistency and transparency, enabling JMMB to be responsive to evolving strategies and business requirements, and regulatory requirements and expectations.

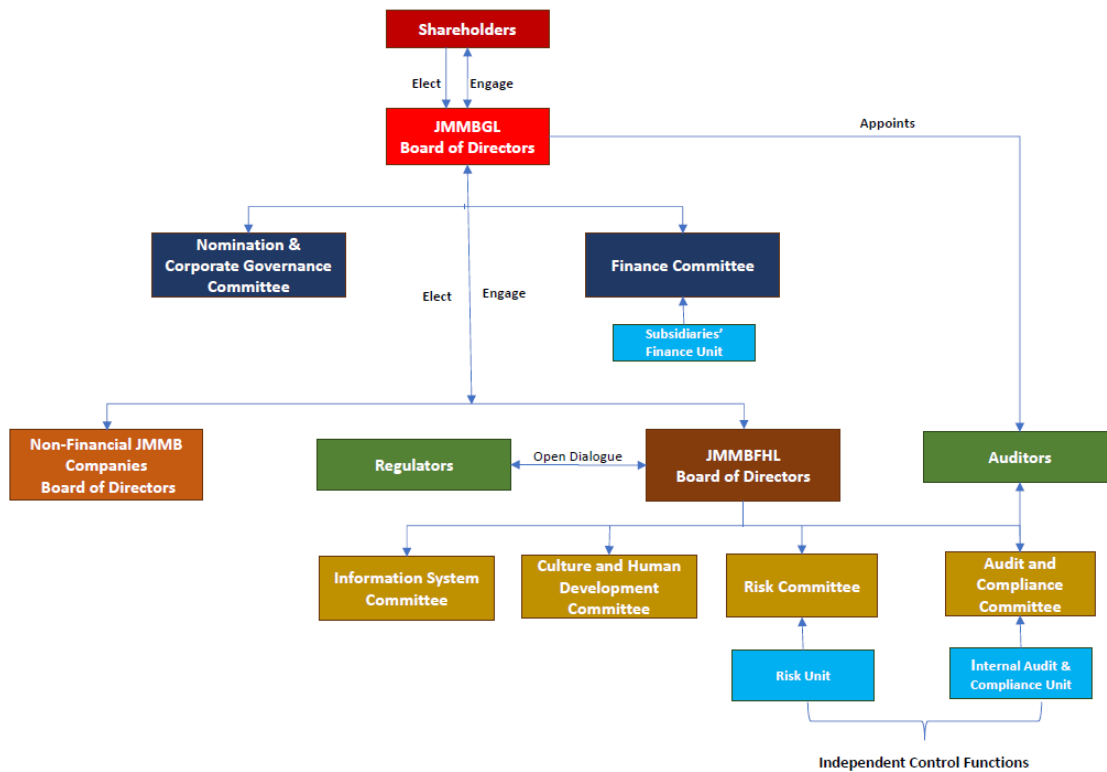
#### 4. JMMBGL CORPORATE GOVERNANCE STRUCTURE

Corporate Governance involves the defining of relationships between the BOD and its Committees, the Management/Leadership Team and Shareholders and other Stakeholders (including Regulators). Corporate Governance also provides the structure through which the business objectives of the Group and the entity are set and the means of attaining those business objectives and monitoring performance are determined.

The fundamental goals of Corporate Governance in financial groups and entities are to ensure effective and proper strategic guidance, to establish a balance of power between governing and controlling bodies and to ensure that the financial group or company is operating in a safe and sound manner. As such, the quality of oversight, direction and communication among the BOD and its Committees, the Management/Leadership Team, Shareholders and other Stakeholders, and the relationships among these groups are of paramount importance.

Figure 1 below sets out the model Group Corporate Governance Structure for JMMBGL.

**Figure 1: Group Corporate Governance Structure (Model)**





## 5. THE BOARD OF DIRECTORS

### 5.1 [Responsibilities and Accountabilities of the Board of Directors](#)

**Note:** Details of the fulsome responsibilities and accountabilities of the JMMBGL BOD and Subsidiary BODs are contained in their BOD approved Charters and Decision Matrices. This Policy sets out high-level accountabilities and oversight functions in the context of the Corporate Governance Framework.

The JMMBGL BOD is responsible for the overall stewardship of the Group, and the BOD of each Subsidiary is responsible for the overall stewardship of the Subsidiary under its charge. Each BOD fulfils this responsibility by executing on two critical roles, namely decision-making and oversight. The BOD exercises its decision-making function through the formulation of fundamental policies and strategic goals and the approval of certain significant actions as proposed by the Management/Leadership Team. The oversight function involves the review of management decisions, the adequacy of risk management, compliance and internal controls, and development and implementation of agreed policies. The BOD may delegate any decisions and authorities not specifically noted as being non-delegable, to a BOD Committee or the Management/Leadership Team, provided this delegation is in accordance with the Group's Corporate Governance Framework.

The specific responsibilities, accountabilities and decision authority of each BOD are more particularly described in the BOD approved Charters and Decision Matrices; however, each BOD has certain overarching accountabilities, including:

- i. Establishing the strategic direction of the Group/Company and ensuring that strategic objectives align with the Group's long-term business objectives, while demonstrating a commitment to ethical and sustainable performance;
- ii. Providing effective leadership and oversight, and being collectively accountable to the Shareholders and other Stakeholders, including clients, team members, suppliers, and the communities in which JMMB operates;
- iii. Assuming oversight of the Management/Leadership Team's implementation of strategic objectives, and ensuring that the performance of the Management/Leadership Team is appropriately measured against targets set in strategic plans. The BOD should, as necessary, challenge the Management/Leadership Team and hold it to account;
- iv. Ensuring appropriate succession plans are in place for critical roles to ensure the continuity of business operations;
- v. Assuming oversight of the implementation of the governance, risk management and compliance frameworks, including the integrity of the accounting and financial reporting systems, financial and operational controls and the corporate culture of the entity under its charge, ensuring alignment with Group principles and standards, while taking into account local risks, requirements and realities;
- vi. Understanding its reporting and Compliance Obligations, and generally overseeing the process of disclosures to regulators and stakeholders.

The JMMBGL BOD has overarching accountability and oversight for Corporate Governance and Corporate Culture across the Group. The JMMBGL BOD must exercise adequate oversight over the subsidiaries in the Group, while at the same time respecting the independent legal and governance responsibilities that might apply to regulated subsidiaries.

The JMMBGL BOD should ensure that enough resources are available for each Subsidiary to meet Group standards and local governance standards.

To this end, the JMMBGL BOD must:

- i. Ensure that the differences in the operating environments in which the Group has a presence, including the legal and regulatory regime for each jurisdiction, are properly understood and reflected in the Group structure;
- ii. Ensure that the Corporate Governance Framework covers and clearly defines:
  - a. The Group's Vision and Corporate Culture;
  - b. Risk management, compliance and internal audit frameworks;
  - c. Oversight of key internal controls, including the integrity of the accounting and financial reporting systems and financial and operational controls;
  - d. The Group's Code of Ethics and Business Conduct, and escalation of breaches thereof, as well as the treatment of material issues such as potential intragroup conflicts of interest, insider trading and other similar areas;
  - e. Reporting lines, as well as the roles and responsibilities for the oversight and implementation of group-wide policies;
  - f. Decision matrices, which clearly set out the approval/decision rights of each BOD in the Group (including financial limits, policy adoption, approval of mergers and acquisitions, the creation of new structures and legal entities, and other material decisions);
  - g. Processes and systems to facilitate the exchange of information among the entities in the Group, to manage the risks of the separate subsidiaries or group entities, as well as the group as a whole, and to ensure effective supervision of the group;
- iii. Ensure there are sufficient resources and structures to monitor the compliance of JMMBGL, JMMLFHL and their Subsidiaries with all applicable legal, regulatory and governance requirements, and maintain an effective relationship with the regulators.

## 5.2 [Board Interrelationships](#)

While the JMMBGL BOD is responsible for setting the general strategy and policies, and for determining the governance structure that would best contribute to an effective chain of oversight of the Group as a whole, the BOD of each Subsidiary is responsible for leading their respective company while ensuring that they are guided by the Group's values, policies and overall strategy.

While the JMMBGL BOD must exercise oversight of the Group, the BOD of each Subsidiary retains its overall corporate governance responsibilities for the legal entity in its charge. As such each BOD of a Subsidiary should:

- i. Apply methods and procedures that support the effectiveness of risk management at a group level;
- ii. Understand the reporting obligations that it has to the JMMBGL BOD;
- iii. Assess the compatibility of Group policies with local legal, regulatory and prudential requirements and where appropriate, include a jurisdictional appendix to cover differences in requirements;
- iv. Have appropriate input into Group policies and standards by ensuring their local or regional risks are considered when said policies are being adopted.

### 5.3 Structure and Composition of the Board of Directors

The structure and composition of each JMMB BOD should be consistent with local statutory and regulatory requirements and the Company's own constituent documents, and should take into account the size and complexity of the Company. That said, at a minimum, the Group requires that:

- i. The BOD should be composed of a minimum of five (5) and a maximum of fifteen (15) members (subject to the entity's constituent documents);
- ii. The BOD should have a mix of Independent<sup>2</sup>, Non-Executive, and Executive Directors. For this purpose:
  - a. "Executive Director" refers to a director who is a member of the management team of JMMBGL or any of its subsidiaries.
  - b. "Independent Directors" are Directors who do not have management responsibilities within the Group, and who meet the regulatory definition of Independent Director in the jurisdiction in which a JMMB Company operates.
  - c. "Non-Executive Director" refers to a director who is not a member of the management team of JMMBGL or any of its subsidiaries, but who for some other reason, does not satisfy the regulatory definition of "Independent Director" in the relevant jurisdiction.

To ensure that the BOD is capable of exercising its governance role, and unbiased and independent judgment and decision-making, the majority of the members of the BOD should be Independent Directors;

- iii. The BOD Chairperson and CEO, or equivalent, shall be separate individuals;
- iv. The BOD should collectively possess a combination of knowledge, competence and experience (commensurate with the size and complexity of, and the risk profile of the company) to be able to fully understand the company's material activities and associated risks, thereby enabling the BOD to carry out its functions effectively;
- v. The BOD should collectively have a reasonable understanding of local, regional and global

---

<sup>2</sup> "Independence" will be defined in accordance with local legislation in the jurisdiction where the Company is located

economic and market forces and of the legal and regulatory environment in which the company operates;

- vi. All members of the BOD should be individuals of integrity who share the Core Values of the Group.
- vii. A Director's term will be in accordance with the company's constituent documents.
- viii. The BOD shall establish appropriate Committees to provide strategic guidance, advice and support, assuming responsibility for matters that require more detailed and frequent review, thereby contributing to the BOD's independent oversight function. ***Please refer to Section 6.1 for details.***

#### 5.4 [Standard Authorities of the Board of Directors](#)

Every BOD is authorized to:

- i. Have unrestricted access to all information and records of the Subsidiary/ies under its charge;
- ii. Seek any information which it requires from its Committees and members of the Management/Leadership Team (all of whom are directed to cooperate with the BOD's request);
- iii. Obtain independent external professional advice (legal, financial, governance or other professional advice) at the company's / subsidiary's expense where they judge it necessary to discharge their responsibilities as Directors. In this regard, the BOD has the authority to approve the fees payable to such advisors and any other terms of retention;
- iv. Request the attendance of any member of the Management/Leadership Team or other team members at any BOD or other meeting where appropriate. Any meeting or contact that a Director wishes to initiate with the Management/Leadership Team should be arranged through the CEO or Company Secretary. Directors should use their judgment to ensure that any such contact is not disruptive to the operations of the Subsidiary.
- v. Delegate responsibility to a Committee as it deems necessary or appropriate;
- vi. Conduct or authorize the conduct of an investigation as it deems necessary;
- vii. Access the advice, services and support of the Company Secretary wherever needed.

#### 5.5 [The Officers' Code of Conduct and Ethics](#)

Each BOD shall ensure that the Subsidiary under its charge maintains high ethical standards and effective policies designed to be consistent with the Group's vision and values, and protect the Subsidiary's and Group's reputation, assets and businesses. In order to do so, the Group has put in place a formalized Officers' Code of Conduct and Ethics (the Officers' Code) to guide all JMMB Officers including Directors.

The BOD shall ensure that it sets the appropriate "tone at the top" and that it adheres to the Officers' Code.

The Officers' Code or a summarized version of the same should be made available to the public, by publication on the JMMBGL's and on each Subsidiary's website. Among other points, the Officers' Code covers:

- i. The Group's standards pertaining to business conduct and integrity in business dealings;
- ii. The Group's approach to dealing with conflicts of interest;
- iii. Escalation Procedures and a "speak up" programme to encourage individuals to disclose concerns using the appropriate channels;
- iv. Procedures which allow the BOD to monitor compliance with the Officers' Code, and to ensure that infractions that could result in a material regulatory breach or could have a material effect on the Subsidiary or the Group are reported to the JMMBGL BOD;

The JMMBGL Board Audit and Compliance Committee ( BACC) along with the subsidiary BACC shall monitor compliance with the Officers' Code by ensuring that all directors certify annually their agreement and compliance with the Officers' Code.

## 5.6 [Transparency and Communication](#)

Each BOD should formally develop strategies for achieving transparency, in stakeholder engagement.

To that end, the BOD must ensure:

- i. That relevant communication with Stakeholders is effective. They must monitor relations with relevant stakeholders by assessing the appropriateness of the information conveyed.
- ii. That the BOD promptly communicates to Shareholders any Material Information, as well as developments that may impact Shareholder value such as:
  - a. Changes in the operations and financial condition of the Subsidiary or the Group;
  - b. Proposals for which Directors should obtain shareholder approval, such as stock options for Directors and changes in voting rights for classes of shares;
  - c. Proposed changes in Governance structures and policies;
  - d. Material changes to, or material breaches of statutory, regulatory and tax requirements;
  - e. Changes which impact the BOD, such as the remuneration policy for Directors.

The Company Secretary may sort or summarize incoming communications as appropriate. Commercial solicitations, incoherent or obscene communication will not be forwarded to the BOD, its Chairperson, or any Director or Committee of the BOD.

## 5.7 [Diversity, Equity and Inclusion \( DEI\)](#)

JMMB Group is an equal opportunity employer and principles of equity, diversity and recruitment and promotion, based on merit, are at the heart of everything that the Group does. JMMB Group

firmly believes that a balanced and diverse board leads to rich and sustainable BOD oversight. As such, JMMB is committed to ensuring that its BODs reflect the diversity of its clients, team members, shareholders and communities.

Further, the Group supports the contribution from people with differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, experience and education. As such, these and other aspects of diversity are always important factors in our recruitment, particularly in our BODs and Management/Leadership Teams.

The Nominations and Corporate Governance Committee of the JMMBGL BOD considers the diversity, including in particular, the level of representation of women, in identifying and nominating candidates for Board positions. As such, the JMMBGL BOD has set an initial gender diversity target of 33% (either men or women) for its BODs and Management/Leadership Teams.

The Group does not discriminate against anyone based on race, colour, religion, sex, national origin, sexual orientation, citizenship status, marital status, parental status, political affiliation or disability. The Group does not tolerate any form of illegal harassment, including sexual harassment.

#### 5.8 [Corporate Social Responsibility](#)

JMMB Group is committed to adhering to the principles of Corporate Social Responsibility (CSR) as part of the Group's Core Values and its Vision of Love. These CSR principles include:

- i. Minimizing the impact and maximizing the benefits that its operations have on the environment and the communities in which it operates;
- ii. Integrating CSR considerations into business decisions;
- iii. Complying with, and exceeding where practicable, the requirements of all applicable legislation, regulations and codes of practice.

JMMB Group executes its CSR strategies through the JMMB/Joan Duncan Foundation and through the decentralized programmes in place at those Subsidiaries that operate outside of Jamaica. The Group is committed to the review and periodic reporting of CSR performance to encourage continuous improvement in this area.

#### 5.9 [Environmental, Social and Governance Matters](#)

The BOD, in carrying out its responsibilities, understands that it has a role to play in Environmental, Society and Governance ("ESG") matters. As such, the Group is actively concerned with the well-being of its clients, the communities in which it operates, and the sustenance of the environment. ESG is therefore included in JMMB Group's business strategies, and in its CSR strategies.

The JMMBGL BOD as well as JMMB Financial Holdings Limited has oversight of the programmes and any reporting related to their subsidiaries.

## 6. BOARD COMMITTEES.

### 6.1 Establishment of Board Committees

Each BOD may establish BOD Committees to improve the efficiency and effectiveness of the execution of its duties and responsibilities. Each BOD Committee has its own BOD-approved Charter which sets out the responsibilities and qualifications for membership, taking into account regulatory guidance and industry best practices.

BOD Committees handle matters requiring more detailed and frequent reviews or in-depth analysis, and are delegated authority by the BOD to either make decisions on behalf of the BOD or submit recommendations for the BOD's consideration, depending on their Charter. Each BOD Committee reports to the BOD for which it was constituted.

BOD Committee members and chairpersons are appointed by the Company BOD on the recommendation of the Nominations and Corporate Governance Committee. BOD Committee chairpersons and members are also rotated, as needed, on the recommendation of the Nominations and Corporate Governance Committee.

BOD Committee chairpersons should be Independent or Non-Executive Directors, and should possess similar competencies in terms of leadership, tact, and diplomacy as the BOD Chairperson.

To assist in exercising its responsibilities and oversight obligations, the JMMBGL BOD has established the following Board Committees:

- i. Finance (Audit of financials)
- ii. Nominations and Corporate Governance
- iii. Environmental and Social Governance (ESG) (to be established)

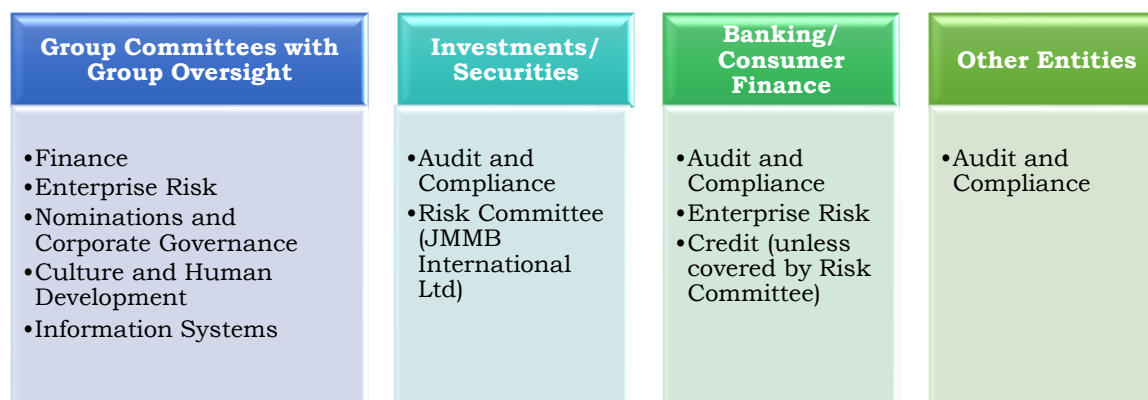
While the JMMB Financial Holdings Limited as established the following Committees, who will have oversight of the regulated financial entities ;

- Audit and Compliance Board Committee
- Risk Committee
- Information Systems
- Culture and Human Development

The BOD may also establish ad-hoc committees as necessary.

Figure 2 below indicates the Board Committees recommended for each line of business, noting that structures may differ based on the size and complexity of the particular company and local regulation.

**Figure 2: JMMB Board Committees by Business Lines**



## 6.2 [Board Committees' Terms of Reference \(High Level\)](#)

### 6.2.1 *JMMB FHL Audit and Compliance Committee*

The Board Audit and Compliance Committee (BACC) provides independent oversight of the governance, risk management, compliance and internal control practices. The BACC also assists the Board and Management by providing assessments, advice and guidance on the quality, adequacy and effectiveness of management's practices and potential improvements of:

- i. Internal and External Audit activity and processes;
- ii. Risk management processes and controls;
- iii. Management of Compliance Risks, including Regulatory Risk;
- iv. Effectiveness of Internal controls;
- v. Fraud Prevention;

In the case of Companies where there is no Finance Committee established, the BACC shall also ensure that the annual financial statements and other returns are accurate and consistent with policy and established accounting standards, and that financial transactions are consistent with the policies and directives of the BOD.

The members of the BACC should collectively possess sufficient knowledge of audit, finance, the specific industry law, governance, risk and internal control to effectively execute on the mandate of the BACC.

The head of the Internal Audit function and the Compliance Officer shall report directly to the BACC through the BACC's Chairperson. The BACC shall approve the appointment, performance evaluation, and termination of the head of the Internal Audit function and the Compliance Officer in consultation with the Culture and Human Development Team, the CEO and the Group leads in each functional area.



Where the BACC approves financial statements, one of its members must be a Certified Public Accountant or Chartered Accountant, and at least one other member of the Committee must have the requisite finance and accounting skills and competence. .

The BACC shall ensure the independence of the Internal Audit and Compliance functions, and approve any designated limits of authority necessary to execute on those functions, and at a Subsidiary level, shall assume all functions of JMMB GL 's Finance Committee with respect to its oversight of financial reporting.

The BACC should include in its work-plan the following Governance obligations:

- i. At least once per year meet with the Internal Auditor, and Compliance Officer (in separate sessions), to obtain their independent views on the efficacy of the Subsidiary's control environment, **without the presence of management.**
- ii. Approve the Terms of Reference or other similar document where applicable for Internal Audit and Compliance functions.

#### 6.2.2 *JMMBGL Finance Committee*

The Finance Committee assists the BOD in the oversight of financial reporting. To this end, the Finance Committee is responsible for ensuring that that the annual audited as well as quarterly unaudited financial statements are accurate and consistent with policy and established accounting standards, This Committee is also charged with ensuring the quality, integrity and accuracy of financial statements.

The Finance Committee of the JMMBGL BOD also has the authority to recommend the acquisition of companies as well as divestment of subsidiaries and affiliates across the Group.

The Chairperson and one or more members of the Finance Committee must be Certified Public Accountants, Chartered Accountants or have the requisite finance and accounting skills and competence to carry out their duties. The Finance Committee should meet at least once per year with the External Auditor to obtain their independent views on the efficacy of the control environment, with particular focus on its financial controls, **without the presence of management.**

6.2.3 *Risk/Enterprise Risk Management Committee* JMMBFHL BOD has Group-wide oversight responsibility. Notwithstanding this, the BOD of a subsidiary may establish a Risk/Enterprise Risk Management Committee to support it in its risk oversight functions. Where appointed, this Committee is expected to assist the BOD of the subsidiary in fulfilling its oversight responsibilities with regard to the:

- i. Enterprise governance and risk management framework;
- ii. Liquidity and funding risk management framework;
- iii. Risk appetite statement, including risk limits and tolerances ("Risk Appetite Statement");
- iv. Credit risk management framework (where applicable);

- v. Operational risk and compliance framework and governance structure which supports the same; and
- vi. Performance of the enterprise risk function.

This Committee also supports the BOD in promoting a strong risk and compliance culture, and providing oversight of Senior Management's activities in managing risk exposures and strategies in relation to capital management and the following risks:

- i. In the case of JMMB Companies where no Credit Committee is established, Credit (inclusive of reviews of the performance of the credit business lines, and the approval of strategies for meeting the risk/return objectives);
- ii. Market (inclusive of interest rate, liquidity, counterparty, concentration, foreign currency exposure and equity risks);
- iii. Operational;
- iv. Compliance with policies, procedures and guidelines;
- v. Legal and Regulatory;
- vi. Reputational;
- vii. Information Security.

The Risk Committee is also assigned specific oversight of the risk associated with the acquisition of investments, evaluating the risk of the issuer and approving the level of exposure and risk rating, and approves the company's Risk Appetite Statement, including risk limits, subject to ratification by the BOD.

The Chairperson of the Risk Committee must have requisite finance and risk management skills and competence to carry out his/her duties.

The Chief Risk Officer (CRO) shall report directly to the Risk Committee through its Chairperson. The Risk Committee shall approve the appointment, performance evaluation, and termination of the CRO in conjunction with the Culture and Human Development Team, the CEO and the Group CRO.

The Risk Committee shall ensure the independence of the CRO and the risk management function, and approve the CRO's designated limits of authority for risk management.

The Risk Committee should include in its work-plan the following Governance obligations:

- i. Approve the Terms of Reference for any Management Committees for which it has oversight, and consider recommendations made at the Management Committee level where required;
- ii. Recommend to the Board/s Delegated Authorities of any Management Committees for which it has oversight;
- iii. Recommend to the Board/s capital allocation across the Group and any changes in capital structure.

#### *6.2.4 JMMBGL Nominations and Corporate Governance*

The Nominations and Corporate Governance Committee of the JMMBGL BOD advises the BOD on the application of governance principles and has Group-wide oversight responsibility. This Committee is also responsible for assessing the appropriate mix of skills and characteristics required of BOD members in the context of the current composition of the BOD and the needs of the Company, director training and development and for recommending new Directors of any company in the Group, to the JMMBGL BOD for approval.

The Nominations and Corporate Governance Committee also plays a critical role in ensuring that practices and procedures relating to self-dealing, insider trading, and conflicts of interest are in place and being adhered to, as required by law. It also reviews and recommends the Code of Conduct for approval by the JMMBGL BOD and obtains assurances that the Group has processes in place to ensure adherence to the same.

The chairperson and at least one member of the JMMB Group Nominations and Corporate Governance Committee must have knowledge of corporate governance leading practices and legal and regulatory governance requirements. The Chairperson of the JMMBGL BOD shall be a member of the JMMB Group Nominations and Corporate Governance Committee.

#### *6.2.5 JMMBFHL Culture and Human Development*

The Culture and Human Development Committee has Group-wide oversight responsibility and advises the BODs on compensation and compensation risk management. It also provides oversight of key people policies and practices including employee engagement, diversity and inclusion. It assists the BODs to discharge its duties with regard to people, organization and culture, and to ensure that activities are consistent with policies.

This Committee formulates and reviews compensation programs for Directors and Officers. It ensures that compensation is consistent with the objectives and strategy for the Group. This Committee also reviews the framework for talent management and succession planning for key Leadership roles.

The Chairperson and at least one member of the Culture and Human Development Committee must have knowledge of executive compensation structures and people practices.

#### *6.2.6 Information Systems*

The Information Systems (IS) Committee has Group-wide oversight responsibility, and is appointed to assist the BODs in its oversight of technology strategy, investments made in support of the strategy, information security and cyber security matters as well as other technology-related risks. This Committee has specific responsibility for establishing structures, mechanisms and processes that ensure that information technology (IT) is controlled, monitored and delivers value to the business. This Committee is expected to:

- i. Ensure there is a framework in place for the management of the Group's information security risk;
- ii. Keep abreast of the latest technological innovations, developments and potential threats, and advise the Group on how these factors should influence its strategy;
- iii. Ensure full alignment of the Group's IT strategy and goals to the overall Group business strategies and goals;
- iv. Provide oversight of the development of a process framework, based on generally accepted practices that align, control and measure IT activities;
- v. Ensure there is consistent and relevant communication between the information systems department and the business on strategic and operational activities, issues and opportunities;
- vi. Provide oversight of the development and implementation of a performance measurement mechanism to monitor IT-related strategic and operational activities across the Group;
- vii. Provide oversight of the development of a robust IT risk management framework with clearly defined and articulated responsibilities across the Group.

The Chairperson and at least one member of the IS Committee must have requisite skills and competence in the areas of information technology and information security.

#### *6.2.7 Credit Committee*

Banking Subsidiaries may establish a Credit Committee to assist the BOD with oversight of credit management, including monitoring of the credit risk management framework, approval of credits in accordance with designated limits of authority, oversight of watch-listed accounts, and oversight of recovery matters.

The Chairperson and at least one member of the Credit Committee must have skill and competence in credit management.

### 6.3 Operation of Board Committees

#### *6.3.1 Charters*

Each Committee must have in place a BOD-approved Charter, which covers at a minimum the following areas:

- i. Purpose or Mission Statement;
- ii. Composition/Membership/Qualifications;
- iii. Scope of Duties (Chairperson/Company Secretary);
- iv. Quorum and frequency of meetings;
- v. Authorities/Responsibilities;
- vi. Governance and Governance Obligations;
- vii. General Authorities.

The form and contents of Committee Charters for JMMB Companies will be determined by the form and content of the Charters of the JMMBGL or JMMB FHL BOD, as well as local regulations where applicable.

Charters should be reviewed by each Committee and recommended to the BOD for approval at least every two years to ensure the Committee remains adaptive and responsive to changes in the operating environment.

### 6.3.2 Reporting by the Committee Chairs

Each BOD Committee Chair is expected to ensure that reports on the work of the Committee are made to the BOD at each meeting, or more frequently as may be required. At a minimum, this reporting should include:

- i. Any significant actions or decisions taken for ratification, and significant matters discussed, by the Committee;
- ii. Material issues identified in any control or governance frameworks;
- iii. Any specific issues which, based on materiality, warrant notification to the BOD.

## 7. DUTIES, DISCLOSURES AND BOARDROOM CONDUCT

**Note:** Details of the fulsome responsibilities and accountabilities of Directors are contained in the JMMB Group Board of Directors Handbook. The following sections set out high-level duties in the context of the Corporate Governance Framework.

### 7.1 [Director Duties](#)

All Directors in are expected to:

- i. Exercise care, diligence and skill, while acting honestly and in good faith in the best interest of the entity and for the protection of investors/depositors, team members and shareholders;
- ii. Demonstrate loyalty by acting in good faith in the interest of the entity. The duty of loyalty prevents individual board members from acting in their own interest, or the interest of another individual or group, at the expense of the entity and its shareholders. It also prevents individual board members from engaging in transactions that might involve an appearance of conflict of interest and requires them to deal with matters with transparency;
- iii. Exercise independent thinking and sound business judgment in what they reasonably believe to be the best interest of the entity. In so doing, Directors may rely on advice provided by management as well as external advisors and auditors;
- iv. Abstain from using or disclosing confidential information, and honour confidentiality in all aspects of Board deliberations and encourage dialogue and disagreement while working together to resolve issues in the best interests of all stakeholders;
- v. Promote the goodwill and support of relevant stakeholders;

- vi. Maintain a high level of integrity on an individual and collective basis;
- vii. Abide by the Officers' Code.

## 7.2 Board Chairperson and Deputy Board Chairperson

The BOD Chairperson must be an Independent Director, with proven leadership skills, good facilitation skills, and an excellent knowledge of financial matters and relevant experience which supports his/her ability to function as the BOD Chairperson. The BOD Chairperson is responsible for the effective functioning of the BOD. He/she plays a pivotal role in fostering the effectiveness of the Board and individual Directors, both inside and outside the boardroom. As such the BOD Chairperson should be able to act impartially and without bias, and should possess the ability to engage effectively and achieve consensus.

All BOD Chairpersons are expected to:

- i. Provide leadership to the BOD and ensure the effective overall functioning of the BOD, including maintaining a relationship of trust with BOD members;
- ii. Set the tone with respect to Corporate Governance for the BOD and the Company, and manage conflicts of interest;
- iii. Ensure that BOD decisions are taken on a reasoned and well-informed basis, and to that end, ensure that the Management/Leadership Team is making adequate reports and providing the information required to support these decisions;
- iv. Encourage discussion on key issues, and ensure that dissenting views can be freely expressed and discussed within the decision-making process;
- v. Preside over meetings, and ensure that the time is used productively and the agenda is appropriately directed to the matters of greatest importance to the entity;
- vi. Preside over Annual General/Extraordinary General and other Shareholder meetings (where applicable);
- vii. Ensure that good relations and effective lines of communication are maintained with the entity's Leadership Team, major shareholders and its strategic stakeholders;
- viii. Coordinate with the Group Nominations and Corporate Governance Committee and the Company Secretary, for the assessment of BOD Committees and Directors;
- ix. Have regular discussions with the CEO, assess his/her performance against agreed goals, provide coaching and align on a development plan where appropriate;
- x. Ensure that the views of Shareholders coming to his/her attention are communicated to the BOD and other relevant parties;
- xi. Formulate annual work plans in consultation with the BOD members and the Management/Leadership Team, which provide a forward-looking agenda and which focus the BOD on the most important aspects of its mandate with sufficient frequency;
- xii. Oversee succession planning for the BOD, CEO, and key members of the Leadership Team;
- xiii. Monitor how members of the BOD work together and how individual Directors perform and interact at meetings; and

- xiv. In the case of the Chairperson of the JMMBGL BOD, approve the trading of JMMBGL shares by Directors and senior management of JMMBGL and its Subsidiaries during a lock-out period in accordance with the Jamaica Stock Exchange Model Code.

To promote robust and open deliberations by the BOD on matters referred by BOD Committees, the BOD Chairperson must not chair any of the BOD's Committees.

Based on the size and complexity of the company, and in accordance with the Group's succession planning philosophy, a Deputy BOD Chairperson may be appointed on the recommendation of the Group Nominations and Corporate Governance Committee.

The Deputy BOD Chairperson is expected to:

- i. At the request of the Chairperson:
  - a. Preside over meetings in the absence of the BOD Chairperson;
  - b. Preside over discussions for which there is a conflict of interest involving the BOD Chairperson;
  - c. Support the BOD Chairperson by encouraging participation of Directors in board matters and mediating differences of opinion; and
  - d. Execute any corporate documentation in lieu of the BOD Chairperson.
- ii. Participate in the nomination of Directors to ensure that the BOD has the right mix of competencies, skills, objectivity and expertise;
- iii. Generally support the BOD Chairperson in carrying out his / her role.

### 7.3 Independent Directors

The presence of a majority of Independent Directors on the BOD is intended to provide adequate checks and balances to ensure that the entity operates in a safe and sound manner, and that the interests of the entity are protected. They have specific skills and experience to assist the BOD in advancing the strategic priorities of the Group and constructively challenging the Management/Leadership Team.

Independent Directors' duties include but are not limited to the following:

- i. Providing independent oversight to the Executive Directors as well as constructively challenging management in the implementation of strategy;
- ii. Enhancing BOD discussions through the provision of an independent view of the company that is removed from the day-to-day running of the same;
- iii. Helping to bring an independent judgment to bear on the BOD's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

The independence of a Director may likely be impaired under circumstances that include but are not limited to the following:

- i. Employment with the JMMB Group within the last five (5) years;
- ii. Material business relationship with the JMMB Group within the last three (3) years

Please reference the JMMB Group Board of Directors' Handbook for additional details.

#### 7.4 [Executive Directors](#)

The inclusion of Executive Directors on the BOD serves to eliminate disassociation of the Management/Leadership Team from BOD decisions and increases their level of diligence in advising the BOD and participating in decision-making. Regardless of their executive functions, Executive Directors must give priority to their fiduciary roles and responsibilities which requires that all decisions are being made in the best interest of the Company, while taking stakeholders interest into account.

Because Executive Directors are privy to the internal workings of JMMB, they are tasked with ensuring that any information passed from the Management/Leadership Team to the BOD is complete and accurate.

Executive Directors, particularly those who are CEOs, are expected to:

- i. Develop and direct organizational strategy;
- ii. Oversee day-to-day business activities;
- iii. Conduct performance reviews;
- iv. Prepare comprehensive budgets;
- v. Report on revenue and expenditure;
- vi. Engage with community groups;
- vii. Serve as the face of the Subsidiary and as its public spokesperson;
- viii. Manage company assets;
- ix. Optimize financial operations;
- x. Provide leadership to the team; and
- xi. Advise the BOD on organizational activities, including overseeing and streamlining daily operations.

#### 7.5 [Company Secretary](#)

The BOD appoints the Company Secretary to ensure the efficient administration of the entity/ies, particularly with regard to ensuring compliance with applicable laws and regulation, and ensuring that statutory registers are maintained and filings executed.

The responsibilities of the Company Secretary include:

- i. Assisting the Chairperson with the agenda, information gathering and other logistics as it relates to meetings of the BOD and its Committees;



- ii. Managing action items arising from BOD and Committee meetings on behalf of the Chairperson to ensure that items are addressed and resolved;
- iii. Ensuring the BOD's compliance with statutory and regulatory requirements;
- iv. Keeping minutes and records of BOD and Committee meetings and decisions;
- v. Ensuring the integrity of BOD documents;
- vi. Supporting the Chairperson in adjudicating declarations of conflict of interest;
- vii. Ensuring the BOD complies with corporate governance obligations and board-established procedures;
- viii. Facilitating Director induction and on-going training and development;
- ix. Facilitating information flow between the BOD and its Committees and between the Management/Leadership Team and Directors;
- x. Ensuring BOD decisions and directives are disseminated to the Management/Leadership Team;
- xi. Ensuring proper and accurate registration of the Shareholders and maintenance of the Shareholder Register;
- xii. Arranging for Directors and senior management to attend Annual General Meetings and Extraordinary General Meetings/Special Meetings; and
- xiii. Communicating with Shareholders on behalf of the BOD.

#### 7.6 [Directors' Disclosures \(General\)](#)

Some critical Directors' Disclosures to be made on an on-going basis to the Company Secretary and the BOD/Committee Chairperson are:

- i. Conflicts of Interest: At on-boarding, at the start of each meeting, annually, and upon any material change in circumstances: any actual, potential (i.e. reasonably foreseeable) or perceived conflicts of interest (personal, professional, financial or political) ;
- ii. Prior notice of changes in employment or offers to serve on the Boards of other entities or their holding companies (regardless of location) as well as engagement in any new professional activities, including any role as an advisor or a consultant;
- iii. In the case of Independent Directors, any change in circumstance which may impact the status of "independence";
- iv. Upon resignation from the BOD, the reasons for such resignation.

With respect to the above disclosures, if necessary, a meeting of the BOD or of the JMMB Group Nominations and Corporate Governance Committee will be convened to discuss any potential issues of conflict of interest which are disclosed or which may arise and adjudicate on the same.

## 8. BOARD OPERATION AND EFFECTIVENESS

### 8.1 [Meeting Protocols \(High Level\)](#)

See the JMMB Group Board of Directors Handbook for details on meeting protocols.

### 8.2 [Boardroom Conduct](#)

See the JMMB Group Board of Directors Handbook for details on Boardroom Conduct.

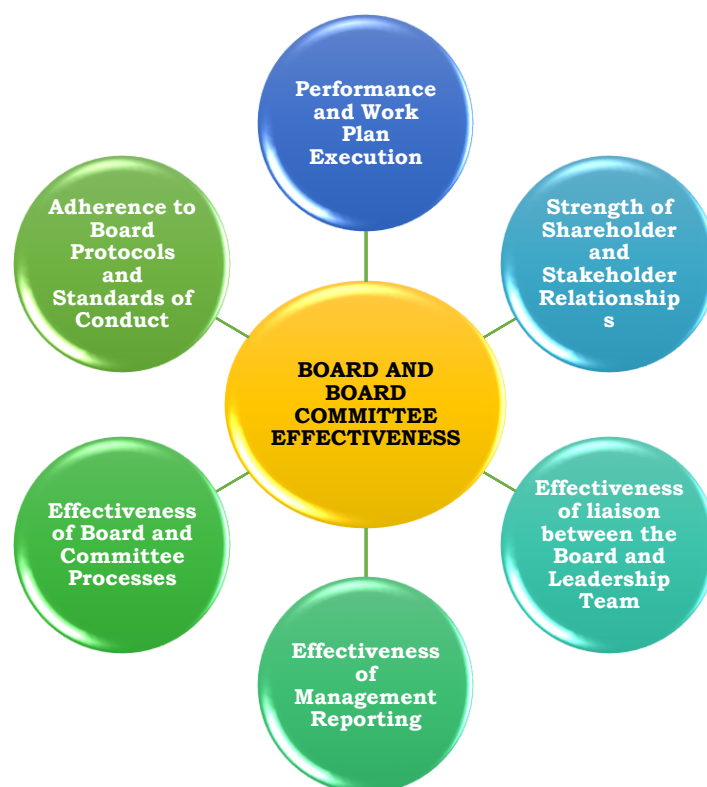
### 8.3 [Board Performance and Evaluation](#)

#### 8.3.1 *Board and Committee Evaluation*

As part of its ongoing commitment to continuously improve oversight and the substance and application of the Corporate Governance Framework, the BOD and its Committees should evaluate their effectiveness at least every three (3) or sooner if needed. In addition, BOD and Committee evaluations should, as far as possible, include a separate evaluation of the Chairperson.

This process is managed by the Group Nominations and Corporate Governance Committee through the Corporate Secretary. The Group Nominations and Corporate Governance Committee, and the full BOD of the entity should review the results of these evaluations, and make recommendations around training, improvement to the process and Board operations, areas of focus, reporting, board and committee composition or structure, and any other area deemed appropriate.

**Figure 3: Board Evaluation**



## 9. SELECTION AND INDUCTION OF DIRECTORS

### 9.1 Determining Skill Sets required

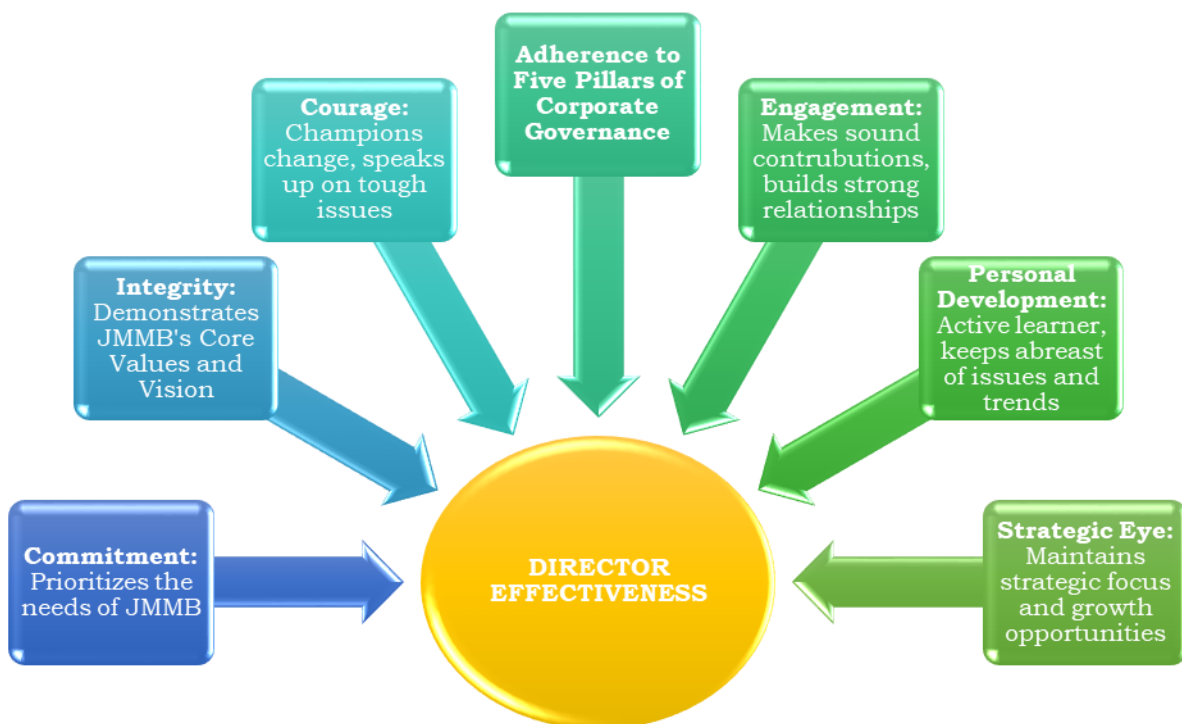
The Nominations and Corporate Governance Committee is responsible for determining the competency and technical gaps that exist on the JMMBGL and the BOD of its subsidiaries and make recommendations for changes as appropriate. On a general note, BOD composition and the filling of any BOD vacancies will be considered with the BOD's approach to diversity in mind. This assessment forms the basis for Directors and Officers recommending suitably qualified prospects for consideration.

Any prospect(s) so recommended shall be assessed by the Company Secretary against the Company's Board Suitability Matrix, using their Curriculum Vitae as the source of information. The Company Secretary and the CEO and Chairman of the Company, together with the Group Company Secretary, shall shortlist prospects where applicable.

If it is deemed useful, soft interviews of the prospects may be conducted by a sub-group of the above persons to get a better understanding of the prospects and assist in the short-listing process.

See Figure 4 below for some standard traits of an effective Director. It is critical to keep these in mind during the assessment of skills.

**Figure 4: Director Effectiveness**



## 9.2 [Role of the Nominations and Corporate Governance Committee](#)

Once a prospect has been shortlisted, an application to move him/her to the next stage of the recruitment process will be made in writing to the Group Nominations and Corporate Governance Committee, through the Group Company Secretary. The application should contain at minimum:

- i. An assessment of the prospect (using a Board Suitability Matrix);
- ii. Psychometric testing where deemed necessary. This step may be deemed unnecessary if a member of the Committee has in-depth knowledge of the candidate.
- iii. An assessment of independence in the context of the laws of the jurisdiction where the Company is located;
- iv. An assessment of whether any regulatory approvals may be required for this prospect (for example, applications for cross directorships in some jurisdictions);
- v. An assessment of the prospect's time commitments;
- vi. An assessment of any actual, potential (i.e. reasonably foreseeable) or perceived conflicts of interest, and any proposed preventative/mitigating measures regarding the same;
- vii. The prospect's Curriculum Vitae.

Following a thorough assessment of the prospect, including an assessment of Conflicts of Interest as prescribed below, the Group Nominations and Corporate Governance Committee shall either move a prospect forward to the On-Boarding Interview, or advise that the prospect is not deemed suitable for consideration as a Director.

## 9.3 [Addressing Conflicts of Interest \(Actual/Potential/Perceived\)](#)

Having a conflict of interest does not necessarily disqualify a prospect for directorship. This is only the case if the conflict of interest poses a material risk and if it is not possible to prevent, adequately mitigate or manage the conflict of interest.

In making the decision whether to approve or deny any application made under clause 9.2, the Group Nominations and Corporate Governance Committee will deliberate on the information provided, and will independently assess the materiality of the conflict of interest and the adequacy of the measures adopted or proposed. They may also, prior to taking a decision, direct that specific areas be clarified in the prospect's interview to resolve any concerns raised.

## 9.4 [The Selection Interview](#)

If a prospect is moved forward by the Group Nominations and Corporate Governance Committee, the Company Secretary shall set up an interview;

The interviewing panel should, at minimum, comprise the BOD Chairman or Deputy Chairman, at least one Independent Director, the CEO or designate of the company, a representative of the Culture and Human Development Team, the Company Secretary, and at least one member of the Nominations and Corporate Governance Committee.

At the interview, the prospect should be examined with a view to:

- i. Validating the competencies as contained in the BOD suitability matrix;
- ii. Clarifying any concerns of the JMMBGL Nominations and Corporate Governance Committee, particularly around time commitment and conflicts of interest;
- iii. Ensuring the prospect has the appropriate qualifications, training, skills and practical experience to effectively fulfill the roles and responsibilities of a Director;
- iv. Ensuring the prospect has satisfactory past performance or expertise including whether the prospect has demonstrated by experience through years of employment and positions held that the prospect is able to effectively serve as a Director;
- v. Ensuring the prospect has a high level of understanding in his professional area of expertise and an appropriate level of understanding of other areas that may affect the business of the company including financial markets, the regulatory and legal environment, strategic and business planning, risk management practices, accounting and auditing, understanding financial statements, and corporate governance (for example); and
- vi. Assessing whether the prospect's values and beliefs are aligned with JMMB's Core Values and the Vision of Love.

The panelists for the g interview shall be required to complete an evaluation form, which will form the basis of the confirmation by the Company Secretary to the Group Nominations and Corporate Governance Committee that the prospect is suitable to be appointed as a Director or that the prospect was not found to be suitable. If found suitable, a recommendation for appointment shall also be sent by the panelists to Group Nominations and Corporate Governance Committee through the Group Company Secretary.

***See Appendix D for the Evaluation Form – On-Boarding Interview.***

#### 9.5 [Role of the Subsidiary Board](#)

The Group Nominations and Corporate Governance Committee, through the Group Company Secretary shall formally recommend for appointment any successful prospects to the BOD of the Subsidiary. The BOD of the Subsidiary, prior to accepting the recommendation of the Group Nominations and Corporate Governance Committee, shall review, in particular, the assessment of the panelists at the section interview, as well as, the assessment of time commitment and any conflicts of interest.

The BOD of the Subsidiary shall then approve the appointment of the prospect as a Director of the Subsidiary, subject to the prospect's willingness to be so appointed.

#### 9.6 [Invitation to join the Board of Directors](#)

The prospect, once approved for appointment by the relevant BOD, shall be issued an invitation to join the BOD. This invitation shall be accompanied by copies of the Vision of Love, the JMMB Directors Overview Conversation, the Confidentiality Agreement and Conflict of Interest Disclosure,

the Director's Data Sheet, Officers Code of Conduct, Directors Handbook , applicable polices, and where applicable, the Regulatory Personal Questionnaire to be completed by the Director.

### 9.7 Director Orientation

A thorough and meaningful BOD orientation helps new Directors to envision themselves in their new role and inspires them to put their best foot forward going into the first meeting. BOD Orientation refers to a process that facilitates new Directors' full contribution to the governing work of the BOD as early in their tenure as possible. The orientation process does not only include the transfer of information, but is also designed to leave incumbents with the following outcomes:

- i. Understanding of related companies & Group Organization Chart;
- ii. Understanding of the Mission, values, history and distinguishing features of the JMMB Group, as well as reputational advantages;
- iii. Understanding their role, responsibilities and time commitment to the governance work of the BOD and committee(s), inside and outside of meetings, including any special roles and responsibilities associated with being a representative of a particular stakeholder or constituency;
- iv. Awareness of the strategic priorities or plans, goals and current challenges (industry trends, environmental conditions, public policy environment), as well as opportunities regarding the company;
- v. Awareness of who the organization's main stakeholders are including members, funders, clients, partners, the public, as well as Team Members;
- vi. Recognizing how their own background, knowledge, experience and skills will contribute to the current work of the board and the goals of the organization;
- vii. Appreciating the background, knowledge, experience and skills of each of the other Directors;
- viii. Understanding how board meetings are run and decisions are made, and what formal governing policies and practices exist;
- ix. Appreciating how this board functions similarly to or differently from other boards they have served on or are serving on;
- x. Appreciating the BOD's role, board decision procedures, board culture, board committees and communication with Management;
- xi. Awareness of the constituent documents of the company;
- xii. Awareness of the key legal responsibilities of the BOD and its members.

As part of the Orientation exercise, the Company Secretary will ensure that arrangements are made with the Culture and Human Development Team for the new Director's attendance at JMMB's Orientation program for team members in person or virtually. The Company Secretary will also ensure that the new Director meets with relevant members of the Management/Leadership Team, and that the following steps are taken:

- i. The new Director is provided with this Policy and relevant company documents and company polices, including as far as possible:

- a. Mission, vision and values statement;
  - b. Company constituent documents;
  - c. BOD Handbook;
  - d. Board calendar;
  - e. Committee listing;
  - f. Last Annual Report & audited financial statements;
  - g. Organizational chart;
  - h. Strategic plan (executive summary, at minimum);
  - i. Board meeting agenda and minutes for at least the previous 6 months;
  - j. Board members and Executives contact list;
  - k. Relevant risk and compliance policies;
  - l. Board and Committee charters;
- ii. Touring of offices where appropriate;
  - iii. Meeting with the Subsidiary & Group CEO and Chairperson is arranged.

The Board Chairperson plays a significant role in the orientation process. This includes:

- i. Contacting new Directors by telephone or e-mail to personally welcome them to the BOD;
- ii. Leading the section of the orientation on the BOD's role, decision-making, committees, board and team member communication. The Chairperson will orient the new board member on the culture of the board and its unwritten rules and practices.

The Subsidiary CEO is responsible for orienting new Directors on those matters for which the CEO is responsible. This may include programs and services, Team Member roles, financial management, the budgeting process, core policies and practices, as well as the company's facilities and offices. Just as the needs of the BOD guide the recruitment process and require a BOD-level conversation, so do those needs guide the orientation process.

The Company Secretary will coordinate all induction and orientation activities.

## 10. ANCILLARY MATTERS RELATED TO DIRECTORS

### 10.1 [Resignation/Retirement of Directors](#)

#### 10.1.1 *Resignation of Directors*

Directors may choose to resign of their own accord for personal or professional reasons. Where a Director voluntarily submits their resignation to the Chairman, the Group Nominations and Corporate Governance Committee should be notified and the circumstances of their resignation understood.

There are also circumstances in which the Group Nominations and Corporate Governance Committee will evaluate the facts and circumstances and may recommend that the BOD request the Director's resignation.

The list below provides examples of some of the circumstances that may give rise to such a recommendation:

- i. In the event that the results of a review of a Director reflects sub-standard performance, this may be considered as grounds for requesting their resignation. The Chairperson may raise any concern surrounding the performance of the Director with the JMMB Group Nominations and Corporate Governance Committee. The committee will evaluate the facts and circumstances and make a recommendation to the BOD to request the resignation of the Director if it is deemed to be warranted;
- ii. Poor health that may affect the Director's ability to serve on an on-going basis;
- iii. The Director's conduct inside or outside the Boardroom reflects poorly on JMMB, or breaches the Directors Code, or this Policy;
- iv. The Director has had a change in occupation or business association that has a significant impact on their ability to fulfil their professional responsibilities in respect of their directorship;
- v. The Director has a change in occupation or wishes to take up another directorship or business association that could create a conflict with their JMMB directorship.

#### *10.1.2 Retirement of Directors*

A director shall retire at the end of the financial year of the company in which they reach the age of 72 years. Provided however, that in exceptional circumstances, including an assessment by the Nominations and Corporate governance Committee, that the director has special skills which are not readily available and which are needed by the company, a director may, under the recommendation of that Committee, be reappointed for an additional year and is eligible for reappointment for successive 1 year term until the director reaches the age of 75 .

#### *10.1.3 Removal of Directors*

Each company's constituent documents and applicable law should be relied on to determine the circumstances in which a Director may be removed, and the process for replacing such Director where applicable.

### 10.2 Ongoing Director Development

The BOD strives to ensure that Directors receive ongoing professional development either through:

- i. Training sessions by in-house subject matter experts;
- ii. Targeted external training, where available, particularly as it pertains to new developments, the operating landscape and risk and internal control matters;
- iii. Provision of educational materials;
- iv. Advice on external opportunities which Directors can consider as part of their own personal development;
- v. Where appropriate, coaching and mentorship.



### 10.3 [Rotation and Succession Planning](#)

The BOD/s shall ensure there is in place a documented process for identifying, nominating and retaining qualified and fit and proper Directors, and for the review and rotation of Directors and Chairpersons. There should be at least every three years a review of the composition of Committees and Committee Chairpersons by the relevant Company Secretary. Any recommendations for change are to be presented to the Group Nominations and Corporate Governance Committee for approval, followed by ratification by the entity BOD. This does not mean the composition or Chairmanship will necessarily change, but at minimum upon review, a certification should be given to the Group Nominations and Corporate Governance Committee by the relevant Company Secretary that no change is required or recommended.

With respect to JMMBGL in particular, the following applies with respect to rotation of Directors:

- i. At each Annual General Meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. Retiring Directors are eligible for re-election subject to the rules related to retirement age.
- ii. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

### 10.4 [Director Remuneration](#)

As a general rule, JMMB Group strives to ensure that the level of compensation paid to Directors reflects the time commitment and responsibilities involved and is appropriate to attract, retain and motivate them. A retainer is paid to independent directors and Non-executive directors. Apart from the retainer, all non-Executive Directors are paid meeting fees for BOD and Committee meetings. Executive Directors are paid a reduced meeting fee for each board meeting attended.

The remuneration of JMMBGL Directors, in aggregate, shall be disclosed in the JMMBGL Annual Report to ensure transparency. A compensation survey will be conducted at least every five years to ensure that BOD and Committee member compensation is within industry-wide compensation levels.

### 10.5 [Directors Insurance](#)

Reasonable Directors' and Officers' liability insurance shall be provided for the Directors for actions taken in the course of duty.

### 10.6 [Political Contributions and Activities](#)

Any political contributions made by or on behalf of a JMMB Company or JMMBGL and any solicitations for political contributions of any kind must be lawful and in compliance with Group's Corporate Governance Policy, and must be made in consultation with the Group Company Secretary.

The Jamaican companies are committed to contributing equally to the 2 main political parties. All disclosure and regulatory requirements regarding political contributions must be strictly adhered to and disclosed in the Annual Corporate Governance Report.

This restriction applies solely to the use of the JMMB Company/JMMBGL's assets and is not intended to discourage or prevent individual Directors from making political contributions or engaging in political activities in their personal capacity. No one will be reimbursed directly or indirectly by the JMMB Company/JMMBGL for personal political contributions.

## 11. MANAGEMENT/LEADERSHIP TEAM

### 11.1 Duties and Responsibilities

The primary responsibility of the Management/Leadership Team, and in particular, Senior and Executive Team Leads, is to partner and collaborate with, and execute the strategic objectives and policies established by, the BOD in a manner consistent with the business strategy, risk appetite, and other policies approved by the BOD. The BOD may delegate functions to the CEO, or equivalent, who may further delegate to Senior and Executive Team Leads.

Included in the responsibilities of the Management/Leadership Team and, in particular, Senior and Executive Team Leads, are to:

- i. Execute BOD directives, including the implementation of the company's and Group's strategic objectives; ensure that proper systems are in place for their attainment; and monitor results;
- ii. Assist the BOD in fostering a strong corporate, as well as a sound governance, risk and compliance culture, and good ethical and professional practices;
- iii. Ensure that the company is adequately resourced and that team members have the requisite skills, experience and integrity to perform assigned functions effectively and efficiently; and delegate duties to Team Members in the context of a management structure that promotes accountability and transparency throughout the company;
- iv. Ensure that team members are equipped with the necessary tools and support to effectively execute their duties;
- v. Facilitate the BOD's oversight role through the provision of relevant, accurate and timely information to enable informed decision making;
- vi. Take reasonable measures to prevent JMMB from being used to facilitate financial crimes. These measures must be informed by laws and guidelines issued by the relevant regulatory authorities in the jurisdictions in which the company operates;
- vii. Support the Board in ensuring that:
  - a. Fit and proper assessments are conducted, as needed, based on regulatory requirements;

- b. Regulators are promptly advised of all key disclosures, including proposed Senior/Executive leadership and other key appointments, resignations and terminations;
  - c. The BOD is consulted prior to the termination of a Senior/Executive Team Lead who reports directly to the BOD or one of its Committees
  - d. Any circumstance that may render any Director or Senior/Executive Team Lead unfit for office is reported to the Regulators, including the steps being taken by the company to resolve the situation.
- viii. Ensure that all pertinent information pertaining to the company is made accessible to the BOD in a timely manner;
- ix. Promptly report to the BOD:
- a. Matters that could materially affect the financial condition and/or reputation of the company or the Group, including:
    - Proposed changes in business strategy, risk strategy/risk appetite;
    - The company's performance and financial condition;
    - Breaches of risk limits or compliance rules;
    - Internal control failures; and
    - Legal or regulatory concerns and the remedial actions taken to address them;
  - b. Significant transactions (including material transactions with related/connected parties);
  - c. Significant events or circumstances that could affect the viability of the company or the Group;
  - d. Any fraud or criminal act believed to have been committed by a Team Member, or which was committed against the company;
  - e. Resignation or termination of a Senior/Executive Team Lead and other key positions and the reason for same;
  - f. Circumstances that render Senior/Executive Team Lead and other key appointments unfit to hold office and the action being taken by the company;
  - g. Factors that affect the fit and proper status of a Senior/Executive Team Lead and other key appointments.

The Management/Leadership Team must escalate and communicate these matters, including negative news to the BOD in a timely manner. The BOD shall accept and encourage this communication and shall, where appropriate, jointly determine the cause, and focus on correcting the issue and preventing repeat occurrences rather than laying blame.

## 11.2 [Management Committees](#)

A BOD Committee may establish Management Committees to provide focus and attention to specific functional and operational areas.

Each Management Committee has a specific purpose and is expected to operate under a defined, BOD Policy, and/or approved terms of reference or a Charter, which sets out their authorities and decision rights. A Management Committee Charter should as far as possible, follow the recommended structure for Charters as set out in Section 6.3.1 of this Policy.

## 12. SPECIFIC REQUIREMENTS FOR JMMBGL AS A LISTED ENTITY

### 12.1 JMMBGL Annual General and Extraordinary General Meetings

The following applies to the JMMBGL Annual General and Extraordinary General Meetings:

- i. The Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one (21) clear days' notice in writing. The Notice shall include the meeting date, time, location and agenda. The related papers should be sent to shareholders at least twenty-one (21) clear days before the meeting as well. An Extraordinary General Meeting where no special resolution will be passed shall be called by fourteen (14) clear days' notice in writing;
- ii. The JMMBGL Board and all Committee chairpersons shall make themselves available at the JMMBGL Annual General Meeting to respond to questions from shareholders;
- iii. All JMMBGL Directors are expected to attend the Annual General Meeting of shareholders;
- iv. Shareholder questions for the external auditors and the Management/Leadership Team must also be accommodated by the BOD;
- v. Shareholder meetings may be in person, by video conference, teleconference, web, or other electronic means allowed by law and or the Articles of Incorporation;
- vi. Information on the rules with regard to voting procedures should be communicated to all shareholders via appropriate channels;
- vii. Efforts should be made to facilitate cross-border voting to attract and accommodate foreign shareholders. Participation should be encouraged through the use of modern technology and ensuring that information or proxy materials are distributed in a manner that allows investors adequate time for review and consultation.

### 12.2 Lock Out Periods

“Material Information” is any information relating to the business and affairs of JMMBGL or a Subsidiary that results in, or would reasonably be expected to result in a significant change in the market price or value of JMMBGL's listed securities. Material Information consists of both material facts and material changes related to the business and affairs of JMMBGL or a Subsidiary.

In addition to the above, local guidelines should be referenced for detailed listings of what may constitute material information where this definition is applicable. “Non-Public Information” is data relating to a company that has not been made public but could have an impact on its share price.

A “Related Party, solely defined for the purpose of preparing financial statements, is a person or entity that is preparing financial statements for JMMBGL or a Subsidiary.

A person is a “Related Party” of JMMBGL if:

- i. That person or an immediate family member:
  - a. Has control or joint control over JMMBGL;
  - b. Has significant influence over JMMBGL;
- ii. That person is a member of the key management personnel of JMMBGL.

An entity is a “Related Party” of JMMBGL if any of the following conditions applies:

- i. The entity is a member of the JMMB Group;
- ii. The entity is an associate or joint venture of JMMBGL (or an associate or joint venture of a member of the JMMB Group);
- iii. The entity and JMMBGL are joint ventures of the same third party;
- iv. The entity is a post-employment defined benefit plan for the benefit of employees of either JMMBGL or an entity related to JMMBGL;
- v. The entity is controlled or jointly controlled by a related party;
- vi. A related party has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- vii. The entity, or any member of a group of which it is a part, provides key management personnel services to JMMBGL.

“Lock-Out Periods” are the periods during which employees of JMMBGL and any of its subsidiaries, as well Related Parties and Related Entities to JMMBGL, cannot trade in JMMBGL shares. These periods are:

- i. As soon as a quarter has ended, until the quarterly results are submitted to the Regulators;
- ii. As soon as the financial year ends, until the audited financials are submitted to the Regulators;
- iii. Any additional period immediately prior to any announcement of material non-public information or at the BOD’s discretion.

It is against the law for holders of Non-Public Material Information to use the information to their advantage in trading. It is also illegal to share this information with others who use it to profit in the market. This applies to Directors, Team Members, consultants and contractors and their related parties. These individuals should not benefit directly or indirectly from knowledge which is not generally available to the market

A Director should not deal in any securities of JMMBGL during the Lock-Out period without first notifying the JMMBGL BOD Chairperson (or other Director appointed for the specific purpose) and receiving permission to proceed. A written record should be maintained by the JMMB Group Company Secretary that the appropriate notification was given and permission granted to the relevant Director and he/she has written confirmation to that effect. Where this permission is given, the JMMBGL BOD is to be advised of same.

Refer to the Director's Code for further guidance.

### 12.3 JMMBGL Disclosures

Disclosure of information to, and communication by Senior/Executive Leadership with, shareholders form a crucial part of Corporate Governance. In addition to audited financial statements and the accompanying notes, JMMBGL discloses the following in its Annual Report. Other disclosures are made to the regulators and the public as prescribed by law.

- i. The financial and operating results of the Group;
- ii. Corporate Governance structures and policies;
- iii. Group objectives;
- iv. Material risks faced by the Group;
- v. Remuneration in aggregate, of BOD members and key executives;
- vi. Board members' qualification and competencies, other company directorships and whether they are Independent Directors;
- vii. Major JMMB Group share ownership.

### 12.4 Communication and Accessibility

Shareholders and other parties may communicate directly with the JMMBGL Board, the JMMBGL Chairperson, and any other member of the BOD or any BOD Committee by sending a letter to:

*c/o Company Secretary*

*JMMB Group Limited*

*6 Haughton Terrace*

*Kingston 10*

*JAMAICA*

Email [shareholderquery@jmb.com](mailto:shareholderquery@jmb.com)

The JMMBGL Annual General Meeting provides a medium for shareholder feedback.

The JMMBGL Chairperson should ensure that the views of shareholders coming to his/her attention are communicated to the entire BOD.

The BOD shall ensure that there is a route for dialogue with shareholders, clients and team members outside of Annual General and other Meetings. Whilst this dialogue primarily rests with the JMMBGL CEO, the BOD has the responsibility to understand their concerns and should develop a practical and efficient way to hear their opinions.

## 13. ANCILLARY MATTERS

### 13.1 Risk and Compliance

The BOD and the Leadership Team are required to establish a strong system and culture of risk and compliance management to ensure the effective management and mitigation of risks. Ensuring a strong culture of compliance requires a “tone at the top” approach by the BOD and the Leadership Team, who would therefore be obligated to lead by example, emphasizing standards of honesty and integrity, as well as holding themselves and all Team Members to high standards of conduct.

### 13.2 Audit and Assurance

An annual audit should be conducted by an independent, competent and qualified auditor in order to provide external and objective assurance to the BOD, shareholders, Regulators and other stakeholders that the financial statements fairly represent the financial position and performance of the company in all material respects.

External auditors are accountable to the shareholders and must give the assurance that they will exercise due professional care in the conduct of the audit.

## 14. REVIEW OF THE CORPORATE GOVERNANCE POLICY

This Policy shall be reviewed by the JMMB Group Nominations and Corporate Governance Committee at least annually or more frequently as may be required based on changes to Regulations, Guidelines, industry practice, or changes to the Group’s strategy or risk profile.

Country specific appendices may be amended and approved by the relevant country or entity BOD, without triggering a full review of the Corporate Governance Policy. The Group Company Secretary must be provided with a record of any such changes, as well as the BOD approval related to the same.

The JMMBGL Company Secretary is the owner of the JMMB Group Corporate Governance Policy.

## APPENDIX A: DEFINITIONS APPLICABLE TO JMMBGL AND FINANCIAL ENTITIES IN JAMAICA

“**Affiliate**” means a company:

- i. In which JMMB Group owns at least 20% but less than 50% of the shares; and
- ii. Over which JMMB Group has significant influence (participates in the financial and operating policy decisions of the company but does not control those policies).

“**Connected person**” means:

- i. The ultimate parent, JMMBGL, its subsidiaries or affiliates;
- ii. A company which has control or effective control of a company in the JMMB Group (by itself or jointly with another);

- iii. A company of which a JMMB Group company has control or effective control (by itself or jointly with another);
- iv. An individual who is a director, manager or a person who has control or effective control of JMMB Group, a subsidiary or affiliate, or any partner or any immediate relative of such director, manager or person; or
- v. A substantial shareholder or ultimate beneficial owner of any substantial shareholding (whether under a trust or other legal arrangement) in JMMBGL, its subsidiaries or affiliates.

**“Control Functions”** means the Risk, Internal Audit, Finance and Compliance functions.

**“Fit and proper”** means a person who:

- i. Has not been convicted of any offences involving the proceeds of crime or terrorist financing activities;
- ii. Is not an undischarged bankrupt and is compliant with tax and other statutory provisions affecting them;
- iii. Has not in their previous employment, or otherwise, carried out any acts of dishonesty, or any act involving impropriety in carry out their banking or financial business; and
- iv. Is a person of sound probity and able to exercise sound judgment and has the knowledge and skill to fulfil their function and whose appointment will not pose a conflict of interest for the company.

**“Independent director”** means a director who is not:

- i. And has not been, within the last five years, an employee of a company within the Group;
- ii. A person holding five per centum or more of the shares of JMMBGL or a connected person;
- iii. A party to a significant economic or other relationship with the Group within the last five years

**“Key employee”** means a person who is employed or contracted below the level of senior management to perform functions that can substantially affect the financial condition or reputation of the company.

**“Related/Connected party”** means JMMBGL and its subsidiaries and affiliates, shareholders holding at least 5% of the shares of a company in the Group, directors, senior managers and key employees, companies that they may own or in which they are major shareholders and their immediate family members.

**“Subsidiary”** means a company over which JMMBGL has control and/or in which JMMBGL owns more than 50% of the shares.



## APPENDIX B: JURISDICTIONAL REQUIREMENTS – TRINIDAD AND TOBAGO

### B.1 JMMB Companies in Trinidad and Tobago

This TT Appendix is made pursuant to the JMMB Group Corporate Governance Policy (the Policy) and is applicable to the JMMB Group entities operating in Trinidad and Tobago, namely:

- i. JMMB Bank (T&T) Limited;
- ii. JMMB Express Finance (T&T) Limited;
- iii. JMMB Investments (Trinidad and Tobago) Limited;
- iv. JMMB Securities (Trinidad and Tobago) Limited

Where there are differences between this Appendix and the Policy, the Appendix will prevail, as it covers the TT regulatory requirements as they pertain to Corporate Governance.

### B.2 Definitions (Trinidad and Tobago)

“**Affiliate**” has the meaning assigned in the Financial Institutions Act (FIA) or the Securities Act (SA) as applicable depending on the registration regime of the entity.

“**Fit and proper person**” shall be construed as defined in the FIA, in the Central Bank of Trinidad and Tobago’s (CBTT) Fit and Proper Guidelines and in the SA as applicable depending on the registration regime of the entity.

“**Independent director**” for the purposes of JMMB Bank and JMMB Express means a director who:

- i. is not the holder of five per cent or more of the shares of the licensee or of a connected party of the licensee;
- ii. is not a current officer of the licensee or of a connected party of the licensee;
- iii. is not a relative of a current officer or director, or of a person who was an officer or director of the licensee or a connected party of the licensee within two years prior to his appointment;
- iv. is not the auditor, nor has been employed by the auditor of a licensee nor the auditor of any of the connected parties of the licensee within three years prior to his appointment;
- v. has not been employed by the licensee or any of its connected parties within three years prior to his appointment;
- vi. is not an incorporator of the licensee or of a connected party of the licensee;
- vii. is not a professional adviser of the licensee or of a connected party of the licensee;
- viii. is not a supplier to the licensee or of a connected party of the licensee;
- ix. is not indebted to the licensee or any of its affiliates, other than by virtue of:
  - a. a fully collateralized loan; or
  - b. an outstanding credit card balance not exceeding TTD sixty thousand.

“**Officer**” has the meaning assigned to that term in the FIA, and includes “Senior Officers” as defined in the SA.

“**Registered Representative**” means a broker-dealer, investment adviser, or underwriter registered under the SA.

### B.3 Recruitment and Assessment of Directors and Officers

#### ***Fit and Proper Requirements***

All Directors and Officers must be assessed as having satisfied the following minimum criteria initially and on an ongoing basis:

- i. Probity, honesty, integrity and reputation;
- ii. Competence, capability and soundness of judgment; and
- iii. Financial integrity and soundness.

Schedule 2 of the Securities (General) By Laws made under the SA, Schedule 2 of the FIA, and the Fit and Proper Guideline issued by the Central Bank of Trinidad and Tobago (revised October 2019) contain details on the fit and proper requirements for appointees to the entities registered under the SA and the FIA and must be considered as part of the assessment.

Assessment of fitness and propriety will take place at the recruitment stage, and on an ongoing basis, and every effort will be made to verify qualifications, experience, references and membership in professional bodies. This includes probity checks on criminal history, sanctions, legal proceedings, and other similar matters.

All assessments conducted to assess fitness and propriety must be documented to evidence what was done to determine the suitability of the applicant for the position.

See the Table below for Documentation and Frequency required re: Fit and Proper Assessments for those entities registered under the FIA.

<b>No.</b>	<b>Document</b>	<b>Required Frequency</b>	<b>Comments</b>
1	Fully completed and duly certified Personal Questionnaire and Declaration Form (PQD)	At application stage	
	Updated PQD forms	Within one month of a material change	Where the information pertaining to a person has changed materially during the year, a revised PQD should be submitted within 30 days of the change taking place
2	Fully completed and duly certified Corporate Questionnaire and Declaration Form (CQD)	At application stage	

No.	Document	Required Frequency	Comments
	Updated CQD forms	Within one month of a material change	Where the information pertaining to a legal person has materially changed a revised CQD should be submitted within 30 days of the change taking place
3	Up to date and signed Curriculum Vitae (CV)	At application stage and upon re-assessment for a new position within the existing entity or a new entity	CVs are to accompany all applications for persons seeking fit and proper approvals
4	Certificate of Character from the Trinidad and Tobago Police Service (TTPS) issued within 6 months of a fit and proper application to be considered valid	At application stage and every five years thereafter or when there is a change that may impact a person's status on the certificate of character	The Bank requires the submission of valid (issued within 6 months of the application), original certificates issued by the TTPS or a copy of such which has been certified by the Corporate Secretary or a senior officer of the regulated entity
5	Overseas law enforcement clearance reports	At application stage and every five years or when there is a change that may impact a person's status on the law enforcement clearance report	This requirement applies to persons who have at any time within the last ten (10) years worked, studied or habitually resided in an overseas jurisdiction for twelve or more continuous months. These clearance reports are required to be requested by the regulated entity from the law enforcement agency within each applicable jurisdiction. The report must be submitted in English and where a copy is provided it must be certified by the Corporate Secretary or a senior officer of the regulated entity
6	Valid Work Permit or CARICOM/CSME Skills Certificate certified by the Corporate Secretary of the regulated entity	At application stage and upon renewal (where relevant)	This requirement applies to a person who is not a citizen of Trinidad and Tobago
7	A colour copy of government issued photo identification	At application stage and upon expiration thereafter if the person continues to hold the position	This requirement applies to all applicants

## ***Assessing Probity, honesty, integrity and reputation***

In assessing a person's level of probity, honesty, integrity and reputation under these Guidelines, consideration must be given to whether the person:

- i. Is, or has been, the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any impending proceedings or of any investigations, which might lead to such proceedings;
- ii. Is contravening, or has ever contravened, any provision made by or under, any written law designed to protect members of the public against financial loss due to dishonesty, incompetence, fraud, insider trading or malpractice;
- iii. Is contravening, or has ever contravened, any code of conduct to which it/he is bound or the requirements and standards of any regulatory body, professional body, government or its agencies;
- iv. Is being investigated, or has been investigated, disciplined, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately in relation to any business in which it/he has a controlling or significant interest or exercises significant influence;
- v. Is engaging, or has ever engaged, in any business practices which are misleading, oppressive, or otherwise improper (whether unlawful or not), or which otherwise reflect discredit on its/his professional conduct or which could negatively impact the reputation of the regulated entity;
- vi. Has ever been dismissed, asked to resign, or has resigned from employment or a position of trust, fiduciary appointment or similar position because of questions about his/her honesty, integrity or financial propriety;
- vii. Is associated, or has ever been associated, in an ownership or management capacity, with a company, partnership, or other business association that has been refused registration, authorization, membership or a license to conduct any trade, business or profession, or has had that registration, authorization, membership or license revoked, suspended, withdrawn or terminated;
- viii. Is holding, or has ever held, a position of responsibility in the management of a business that has gone into receivership, insolvency, or involuntary liquidation while the person was connected with that business;
- ix. Is, or has ever been, a director of, or directly concerned in the management of, any corporation which is being or has been wound up by a court or other authority competent to do so within or outside Trinidad and Tobago;
- x. Is, or has ever been, a director of, or directly concerned in the management of any regulated entity, the license, registration or permit of which has been revoked, suspended, withdrawn or terminated;
- xi. Is acting, or has ever acted, unfairly or dishonestly in his dealings with his customers, employer, auditors and regulatory authorities;

- xii. Is demonstrating, or has at any time demonstrated, a strong objection or lack of willingness to cooperate with regulatory authorities resulting in a failure or potential failure to comply with legal, regulatory and professional requirements and standards;
- xiii. Is contributing, or has ever contributed, to the failure of an organization or a business unit;
- xiv. Is showing, or has at any time shown, strong objection or a lack of willingness to maintain effective internal control systems and risk management practices; and
- xv. Is, or has ever been, involved in any business or other relationship which could materially pose a conflict of interest or interfere with the exercise of good judgment which would be disadvantageous to the interests of the entity or conversely advantageous to the person.

*Additional considerations when assessing potential Corporate Shareholders:*

The Corporate Shareholder will be required to disclose any past and current legal proceedings brought or upheld against it as it relates to fraud, insider trading, money laundering, terrorist financing, bankruptcy, winding-up, malpractice or other dishonesty.

The Corporate Shareholder will be required to disclose proceedings related to other matters which have been brought or upheld against it as well as whether it has been investigated, disciplined, charged, suspended or reprimanded by a regulatory or professional body, a court or tribunal, whether publicly or privately within the past 10 years.

***Assessing Competency, Capability and Soundness of Judgment***

In assessing a person's competency, capability and soundness, consideration must be given to, inter alia, whether the person:

- i. Has the appropriate qualifications, training, skills and practical experience to effectively fulfill the roles and responsibilities of the position;
- ii. Has satisfactory past performance or expertise in the nature of the business being conducted including whether the person has demonstrated by experience through years of employment and positions held that the person is able, or will be able if approved, to perform the regulated function for which the person is employed or for which the entity intends to employ him; and
- iii. Has a high level of understanding in his professional area of expertise and an appropriate level of understanding of other areas that may affect the business of the entity including financial markets, the regulatory and legal environment, strategic and business planning, risk management practices, accounting and auditing, understanding financial statements, and corporate governance. In addition, the person should be knowledgeable about the business affairs of the regulated entity, the industry in which the entity operates and the entity's products and services.

***Assessment Stages***

Stage 1 – Assessment against thresholds: Experience is assessed against guiding presumptions of sufficient experience based on thresholds. If the thresholds are met, the person is ordinarily

presumed to have sufficient experience, unless there is an indication to the contrary. Presumption of adequate experience:

- i. CEO/MD - ten years of recent practical experience in areas related to banking or financial services. This should include a significant proportion of senior level managerial positions.
- ii. Executive Director: five years of recent practical experience in areas related to banking, insurance or financial services in senior level managerial positions.
- iii. Non-executive Chair: ten years of recent relevant practical experience. This should include a significant proportion of senior level managerial positions and significant practical experience in banking, insurance or a related field.
- iv. Non-executive Director: three years of recent relevant practical experience at high level managerial positions (including practical experience in banking, insurance or financial services). Practical experience gained in the public or private sector will be relevant depending on the position held.

“Relevant experience” can be broader for the Chair or a non-executive director than for an executive director. In any case, not all members of the board are required to have practical experience in areas related to banking, insurance or financial services.

Stage 2 – Complementary assessment: If the thresholds at which sufficient experience is presumed are not met, the person can still be considered suitable if the appointment can be justified, by conducting a complementary assessment of the person’s experience, taking into account the need to have sufficient diversity and a broad range of experiences among Directors and Officers and where relevant, national requirements to have team representation among Directors and Officers.

Examples of justifications may include:

- i. A training plan in case of a partial lack of experience in a specific field;
- ii. The overall collective suitability of the current body of Directors and Officers;
- iii. Appointment for a specific role limited in time (such as in an institution in wind-down); or
- iv. Where the person has specific theoretical or practical experience which the institution needs.

*Additional considerations when assessing potential Corporate Shareholders:*

In order to conduct an assessment of the competence and capability of a Corporate Shareholder, the board of directors, significant shareholders and officers of the acquiring company will be assessed individually. The company will also be required to provide the following:

- i. A diagram depicting the group structure (where relevant) showing shareholding percentages;
- ii. The applicant entity’s organizational chart;
- iii. Personal and corporate questionnaire and declaration forms for relevant persons and entities;  
and
- iv. Copies of approved statutory filings regarding the ownership of the entity.

## ***Assessing Financial Integrity and Soundness***

In determining a person's sound management of financial affairs, consideration should be given to whether:

- i. In TT, or elsewhere, the person has ever made any arrangements with his creditors, filed for bankruptcy, been adjudged bankrupt, had assets sequestered, or been involved in proceedings relating to personal solvency or that of any entity in which they had a controlling interest;
- ii. The person has ever been subject to any judgment debt payment that is or has ever been, unsatisfied in whole or in part;
- iii. The person has managed his or another person's financial affairs in a manner that has caused detriment to others;
- iv. The person has met applicable capital and/or solvency requirements;
- v. The person was able to manage any previous business dealings in a sound and prudent manner.

### **Additional considerations when assessing potential Corporate Shareholders:**

Financial integrity and soundness assessment will entail a thorough review of the following:

- i. Copies of audited financial statements of the company for the three consecutive years immediately preceding its application or for each year it has been in operation, if less than three years;
- ii. Copies of credit rating reports, business plans, feasibility studies and due diligence reports if applicable;
- iii. Copies of the Management Letters from the External Auditors for the past three fiscal periods;
- iv. Evidence of financial resources such as bank/financial institution statements or source of funds statements where the documents listed in (i) and (iii) above are not available;
- v. If a regulated entity, copies of the last two reports of examinations conducted by the relevant regulatory authority.

The intention is to understand the current solvency position of the company; past performance and financial management; and overall whether previous business dealings were conducted in a sound and prudent manner.

## **B.4 Conflicts of Interest and Time Commitment**

For the purposes of this section: A conflict of interest is deemed to arise if a person were to make or participate in the making of a decision in the execution of his office and at the same time knows or ought reasonably to know, that in the making of the decision, there is an opportunity either directly or indirectly to further his private interests, or that of a member of his family, or of any other person.

The Company Secretary or Assistant Company Secretary shall require from each Director, as part of

the Director Recruitment process, and on an annual basis thereafter:

- i. A list of all of the other mandates or positions that the applicant currently holds and the expected time commitment for each mandate or position;
- ii. A self-declaration by the person that they have sufficient time to dedicate to all the mandates.

Directors and Officers shall declare any actual, potential, or perceived conflicts of interest at the start of each Board or Committee meeting. The Company Secretary shall maintain a conflict register, and any material conflicts will be referred to the Nominations and Corporate Governance Committee for review and resolution.

In assessing Time Commitment, the following shall be considered:

- i. Whether the person is in full time occupation or not, providing the number of hours or days dedicated to each mandate or position;
- ii. Whether any of the mandates have any additional responsibilities such as membership of committees;
- iii. Whether the nature, type and size of the other entity/entities will demand more time from the applicant;
- iv. Confirmation that ongoing learning, development and activation of emergency business continuity procedures have been provided for; and
- v. Whether the experience of the person, either generally or with respect to the company, is such that the person could carry out his duties with greater familiarity and hence efficiency.

See below Conflict of Interest and Time Commitment Statement (to be completed at on-boarding, annually, and upon any material change in a Director/Officer's circumstance).

<b>Conflict of Interest and Time Commitment Statement</b>		
	<b>CONFLICT OF INTEREST</b>	<b>Yes/No</b>
	<b>Personal – Within the past three (3) years:</b>	
1	Do you have or have you had a close personal relationship with a Board member or Officer or a substantial or controlling shareholder of the entity or in the parent undertaking or its subsidiaries	
2	Are you or have you been a party in legal proceedings against the regulated entity or against the parent undertaking/its subsidiaries	
3	Do you conduct, or have you conducted business, in private or through a company, with the entity or with the parent undertaking/its subsidiaries	
	<b>Professional – Within the past three (3) years:</b>	



4	Do you hold or have you held, at the same time, a management or senior staff position in the entity or any of its competitors, or in the parent undertaking/its subsidiaries	
5	Do you have or have you had a significant commercial relationship with the entity or any of its competitors, or with the parent undertaking/its subsidiaries	
	<p><b>Financial – Within the past three (3) years, do you, or have you or a close associate, had a substantial financial interest in, or a financial obligation to:</b></p> <p><i>Examples of financial interests/obligations are shareholdings, other investments and loans. The substantiality depends on what (financial) value the interest or obligation represents to the financial resources of the person. The following would, in principle, be considered non-material: (i) All non-preferential secured personal residential mortgages that are in keeping with the requirements of section 43 (5) of the FIA (ii) Current shareholdings is less than or equal to 5% of the regulated entity or of a connected party of the regulated entity.</i></p>	
6	The entity	
7	The parent undertaking or its subsidiaries	
8	Any of the regulated entity’s clients	
9	Any of the regulated entity’s competitors	
	<p><b>Political – Within the past three (3) years, do you, or have you or a close associate:</b></p>	
10	Held a position of high political influence: <i>“High influence” is possible at every level: local politician, regional or national politician, public employee or state representative</i>	
<b>TIME COMMITMENT</b>		
11	<p>Please insert a list of all of the other mandates or positions that you currently hold and the expected time commitment for each mandate or position (hours per month):</p> <p><i>Separate attachments can be used if needed to set out all commitments</i></p> <p>I hereby confirm that the above information is true and correct, and I specifically confirm that I have sufficient time to dedicate to all of my stated mandates. I undertake to immediately advise the Company Secretary should there be any changes to this declaration.</p> <p>.....</p> <p>Name of Director/Officer</p> <p>Dated:</p>	<p>.....</p> <p>Signature of Director/Officer</p>

## B.5 Collective Suitability of the BOD

The Company Secretary or Assistant Company Secretary has the primary responsibility for maintaining a BOD Collective Suitability Matrix.

Where gaps in the collective suitability of the board are identified, appropriately experienced and/or trained persons should be recruited to fill those gaps.

The positions of Board Chairperson and CEO shall remain separate, in accordance with the Central Bank's guidelines, to maintain an appropriate division of governance and management responsibilities.

## B.6 BOD Responsibilities with respect to fitness and propriety

The BOD is responsible for:

- i. Ensuring the development and implementation of policies and procedures governing the fit and proper process, including assessment processes and such policies, procedures and processes shall be approved by the BOD and reviewed at least annually;
- ii. Conducting fit and proper assessments of Directors, the CEO and the company secretary and making decisions on their appointments.

Notwithstanding any delegation of authority, the BOD remains ultimately accountable for all such assessments and decisions.

JMMB Bank (T&T) Limited and JMMB Express Finance (T&T) Limited have established an Enterprise Risk Management Committee (ERMC), which consolidates the functions of the former Risk Management and Credit Committees. The ERMC is responsible for overseeing the enterprise-wide risk management framework, including credit risk, capital adequacy, liquidity risk, operational risk, and regulatory compliance. The Committee ensures that the risk management practices align with the institution's strategic objectives and risk appetite, and reports directly to the Board of Directors on these matters.

## B.7 Direct Escalation of Fit and Proper concerns

Any person who has a reasonable basis to believe that a prospective Officer or Director does not meet the fit and proper criteria, may report it to the Company Secretary or the Group Company Secretary for further review and escalation to the Board Audit and Compliance Committee of the Financial Subsidiary's BOD as may be necessary.

No person making such disclosures in good faith may be victimized or otherwise disenfranchised because of any notification in purported compliance with the requirements of this section.

## B.8 Management of Director, Officer, and Connected Party Listings

The following positions are specifically designated as “Officers” by Board Resolution made on June 6, 2013:

- i. All Senior Team Leaders;
- ii. Manager, Compliance;
- iii. Corporate Manager, Internal Audit

The Culture and Human Development Team shall advise the Company Secretary’s Office of the hiring or resignation of an Officer at least seven (7) days in advance of the effective date of appointment or resignation. The Company Secretary’s Office shall rely on a Director/Officer certification of their Connected Parties for the purposes of the Listing of Directors, Officers and Connected Parties.

The Company Secretary’s Office shall maintain a list of all Directors and Officers and their Connected Parties, which said list shall be updated on at least an annual basis, or more frequently as may be required. All updates to the Listing of Directors, Officers and Connected Parties are to be completed within seven (7) days following the effective date of appointment or resignation. Within one (1) day of any update to the Listing of Directors, Officers and Connected Parties, the updated list shall be forwarded to the Risk, CHDT, IT, and Compliance Departments, as well as all Branch Managers, for screening for lending, and monitoring purposes, including the adjudication of conflicts of interest.

## B.9 Approval of Credit Facilities for Directors, Officers and Connected Parties

This section is applicable to JMMB Bank and JMMB Express. For the purposes of this section, the following definition applies:

“**Connected person**” means:

- i. The financial holding company, holding company, controlling shareholder or significant shareholder of the licensee;
- ii. A person who holds ten per cent or more of any class of shares of the licensee or of a person referred to in (i) above;
- iii. An affiliate of the licensee;
- iv. An affiliate of a person referred to in (i) above;
- v. A director or officer of the licensee or of a person referred to in (i) above;
- vi. A relative of a director or officer of the licensee;
- vii. A company or unincorporated body that is controlled by a person referred to in (v) and (vi) above.

If an applicant for lending is a Director, Officer, or Connected Party, that application must be referred to the Culture and Human Development Team and Risk Departments for review and recommendation to the BOD for approval, in accordance with the FIA. The Culture and Human Development Team and Group Credit Risk Policies contain details on the adjudication process for all such facilities.

The Company Secretary's Office shall be responsible for seeking and recording Board approval of all such facilities.

Reporting on Connected Party transactions shall be periodically made to the Enterprise Risk Management Committee and the Board, in accordance with the Group Credit Risk Policy.

#### [B.10 Directors' Fees](#)

##### ***Calculation and Approval of Meeting Fees***

Meeting fees shall be calculated based on confirmed attendance registers. Attendance registers shall be signed by all "in person" attendees, and persons attending by electronic means shall be so noted on the attendance register and attendance certified by the initials of the Company Secretary or the Assistant Company Secretary.

The payment of all fees will be recommended by the Company Secretary or the Assistant Company Secretary and approved by the Chief Financial Officer.

##### ***Payment of Directors' Retainer and Meeting Fees***

The annual retainer will be pro-rated and paid on a monthly basis. Meeting fees will be paid within five (5) working days of the month end, based on the approval as set out herein.

#### [B.11 Regulatory Requirements and Approvals](#)

##### ***For Entities licensed under the FIA***

###### Completion of Personal Questionnaire Declarations (PQD)

The Culture and Human Development Team shall ensure that every new hire who is an Officer completes a PQD and shall forward the signed PQD to the Company Secretary's Office within two (2) days following the effective appointment date of the Officer.

The Culture and Human Development Team shall, at the beginning of January, on an annual basis, ensure that every Officer of the Bank as at the preceding December 31, updates (if applicable) their PQD, and copies of the updated PQDs shall be forwarded to the Company Secretary's Office on or before January 20 annually.

The Company Secretary's Office shall ensure the completion and updating of Director's PQDs based on the same timelines and generally as prescribed above.

Where there is a material change to a person's PQD or to a Corporate Questionnaire and Declaration ('CQD'), an updated PQD or CQD must be submitted to the CBTT by the Company Secretary's Office on the prescribed form, through the channels described above.

###### CBTT Reporting and Approval of Directors and Officers

On an annual basis, the Company Secretary's Office shall, in accordance with the FIA, provide to the CBTT updated PQDs (where applicable) and a full listing of Directors and Officers as at December 31 of the prior year.

The Company Secretary's Office shall, in accordance with the FIA, advise the CBTT of the appointment, removal, or resignation of any Officer or Director, within seven (7) days following the effective date of appointment or resignation. In the case of a dismissal, the reasons for dismissal must be included in the notification.

### ***For Entities licensed under the SA***

#### Entities registered as Reporting Issuers ONLY

The Company Secretary's Office shall, in accordance with the SA, within three (3) days of the appointment, removal or resignation of any Director, file with the SEC a material change report (Form 10), and unless an exemption is granted, forthwith, and in any event within seven (7) days of the occurrence of the appointment, removal or resignation, publish a notice in two daily newspapers of general circulation in Trinidad and Tobago disclosing the same. A copy of any such published notice must be lodged with the SEC within the said seven (7) days.

#### ALL Registrants

The Company Secretary's Office shall, in accordance with the SA, notify the SEC (Form 6) within seven (7) days of the appointment, removal or resignation of a Senior Officer, Designated Person, Registered Representative or an individual in charge of the operations of any branch office. In the case of a dismissal, the reasons for dismissal must be included in the notification.

#### B12. Meeting Dates/Scheduling

BOD and Committee meetings (with the exception of the Audit Committees of each entity) are held in the months January, March, May, July, September and November, of each year.

Audit Committee Meetings are held quarterly, and are scheduled at the beginning of the fiscal year.

Meeting dates can be adjusted by majority consent of the BOD/Committee Members.

Special meetings and all related arrangements will be made by the Company Secretary's Office as agreed between Management/Leadership Team, and BOD/Committee members.

## **APPENDIX C: JURISDICTIONAL REQUIREMENTS – DOMINICAN REPUBLIC**

### C.1 Standard Protocols for JMMB Companies in the Dominican Republic

The following are standard protocols for all JMMB Companies in the Dominican Republic:

- i. The Chairperson of the BOD has a casting vote;
- ii. The BOD must have an uneven number of members;
- iii. Annual financial statements are endorsed by an external registered accountant in addition to the external auditors;
- iv. The BOD may be composed of other shareholders' representatives, according to the shareholders agreement in place;
- v. Independent members of the BOD exclude any person acting as director of a shareholder, even when independent within the shareholder.

## C.2 [AFP JMMB BDI S.A.](#)

### ***Definitions***

An “**internal member**” means a board member who is a team member of the respective company or that participates in the management of the company.

Under the National Board of Social Security Rule No. 355-13<sup>1</sup> “**independent director**” means a Director who:

- i. Has not within the past six months had a direct or indirect contractual relationship with the company, its shareholders and/or member of the board of directors or with companies related to such parties;
- ii. Has not acted as internal board member or executive of the company or related companies within the past two years;
- iii. Is not married to or has familial relationship up to the second degree in blood and first in affinity with other board members;
- iv. Has not acted as a board member or executive within other companies where external non-independent members act as board members.

### ***Required BOD Committees***

The AFP JMMB BDI, S.A. BOD has the following board committees as required under local banking regulations:

- i. Directive (Corporate Governance);
- ii. Audit and Internal Control;
- iii. Ethics.

### ***Board Meetings***

The AFP JMMB BDI, S.A. board of directors shall meet monthly.

### ***Board Performance***

An external audit is to be carried out to evaluate the AFP JMMB BDI, S.A. board of directors’

performance with respect to corporate governance compliance.

### C.3 [JMMB Bank S.A.](#)

#### ***Definitions***

**“independent director”** means a director who:

- i. Holds less than 3% of the shareholding of the bank;
- ii. Is not the spouse or has family relation in the first or second degree of blood line or in first degree of affinity with other members of the bank’s board or with the senior management of the bank;
- iii. Is not a board member or manager of another entity that is related to the bank through non-independent board members of the bank;
- iv. Has not within the past two years:
  - a. Had a direct or indirect contractual relationship with the bank, its shareholders and/or a member of the BOD or with companies related to such parties;
  - b. Acted as an internal member of the board of directors of another financial entity or its related companies

A **“related party”** means<sup>5</sup> any shareholder, director, officer or employee of the company and their spouses and family members within the second degree of blood line and first degree of affinity or any company controlled by them, excepting those shareholders that hold less than 3% of the shareholding of the bank.

An **“executive director”** means a person who is a member of the senior management of the bank.

A **“dependent external member”** means a person who is a team member of a JMMB Group company.

#### ***Executive Directors***

The BOD may appoint up to two executive directors.

#### ***Required Board Committees***

The JMMB Bank S.A. BOD has the following board committees:

- i. Audit;
- ii. Risk;
- iii. Designation and Remuneration - the Designation and Remuneration Committee recommends the employment of senior management and the nomination of new board members and approves people policies.

#### ***Meetings***

The BOD meets as follows:

- i. Audit – quarterly;
- ii. Risk – every two months;
- iii. Designation and Remuneration – quarterly.

### ***Board Performance and Training***

Directors are subject to performance evaluation as included in internal policies and to an annual training program.

### ***Required Management Committees***

The following are required management committees:

- i. Executive;
- ii. Asset and Liability;
- iii. Technology.

#### **C.4 JMMB Puesto de Bolsa S.A., JMMB Sociedad Administradora de Fondos de Inversión, S.A.**

### ***Definitions***

“**related party**” means:

- i. Person or company holding more than 3% of the shares of the company or a company that directly or indirectly, owns more than 3% of the shares of the company. This includes ownership through a group of related companies;
- ii. Spouses or family members in the first and second degrees of blood line and first degree of affinity of shareholders holding more than 3% of the shares of the company, personally or through other company(ies);
- iii. Directors, senior management, employees, administrators and representatives and controllers of the company or related companies;
- iv. Companies with common directors and representatives.

### ***Required Board Committees***

JMMB Puesto de Bolsa S.A. and JMMB Sociedad Administradora de Fondos de Inversión, S.A. BODs have the following Committees as required under local regulations:

- i. Compliance;
- ii. Risk;
- iii. Audit and Regulatory Compliance;
- iv. Designation and Remuneration.

## **APPENDIX D: JURISDICTIONAL REQUIREMENTS – BARBADOS**



## D.1 JMMB International Limited (the Company)

This appendix is made pursuant to the JMMB Group Corporate Governance Policy (the Policy) and is applicable to the Company. It supplements the existing corporate governance framework, addressing specific Barbados jurisdictional requirements in accordance with Commission guidelines. The Nominations and Corporate Governance Committee at the Group level will act for the Company for matters related to nomination, remuneration and corporate governance, with the Commission confirming its non-objection to this arrangement on 1<sup>st</sup> October 2024. In cases where there is a conflict between this Appendix and the Policy, the provisions of this Appendix will take precedence, as it reflects the specific corporate governance requirements under Barbados regulations. [D.2 Definitions \(Barbados\)](#)

**“Commission”** refers to the Barbados Financial Services Commission.

**“Fit and proper”** is an assessment conducted by the Commission and is used to assess whether specified persons are suitable for among other things to be registered or licensed with the Commission.

**“Independent Non-Executive Board Member or Director”** means a person who has no direct or indirect material relationship with the company other than membership on the BOD, and who:

- a) is not, and has not been in the past five (5) years, employed by the company or its subsidiaries and affiliated companies;
- b) does not have, and has not had in the past five (5) years, a business relationship with the company or its subsidiaries and affiliated companies, and is not a director, officer or senior employee of a person that has or had such a relationship;
- c) is not affiliated with any non-profit organization that receives significant funding from the company or its subsidiaries and affiliated companies;
- d) does not receive and has not received in the past five (5) years, any additional remuneration from the company, its subsidiaries and affiliated companies other than his or her director's fee and such director's fee does not constitute a significant portion of his or her annual income;
- e) does not participate in any pension plan offered by the company or any of its subsidiaries;
- f) is not, nor has been at any time during the past five (5) years, affiliated with or employed by a present or former auditor of the company or any of its subsidiaries and affiliated companies;
- g) does not hold a material interest in the company or its subsidiaries and affiliated companies (either directly or as a partner, shareholder, director, officer or senior employee of a person that holds such an interest);
- h) is not a member of the immediate family (and is not the executor, administrator or personal representative of any such person who is deceased or legally incompetent) of any individual who would not meet any of the tests set out in (a) to (g) (where he or she is a director of the company); and
- i) has not served on the Board or any elected committee for more than 10 (ten) years previously.

**“Material Relationship”** means a familial, financial, employment, professional or other relationship that could reasonably be expected to (or by its nature) affect or impair the objective judgment of a Board member in executing Board duties.

**“Non-executive Board Member or Director”** means a member of the Board of Directors who does not hold an executive office and is not involved in the day-to-day operations of the financial institution.

“**Relevant Legislation**” refers to the legal and regulatory legislation in Barbados for this guideline:

- a) Financial Services Commission Act, 2010
- b) Securities Act, Cap 318A

“**Senior Management**” refers to individuals or body responsible for managing the company on a day-to-day basis in accordance with strategies, policies and procedures set out by the BOD, e.g., Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Technical Officer.

### D.3 Structure and composition of the Board

The BOD of the company must be appropriately structured and composed, having a suitable balance of independence, diversity of thought and background to enable it to make decisions in the best interest of the company. At least one-third (1/3) of the BOD must be independent directors. The Commission expects the actual number and ratio of independent directors to align with the size, complexity and risk profile of the company.

Members of the BOD are required to be and remain fit and proper in order to be and remain on the BOD. The Commission requires each member to update their fit and proper every 5 years.

The BOD will:

- a) Ensure that any proposed directors receive prior approval from the Commission;
- b) Update the Commission of any changes to the directors;
- c) Ensure that directors do not sit on more than one BOD of non-affiliated institutions where the institutions compete in the same market for the same business.
- d) The composition of the BOD reflects balance of executive and non-executive directors. The BOD will also consider its compositions in terms of Independence (meaning no material relationship with shareholders, as a senior employee, receiving additional remuneration, member of immediate family or any person above). The BOD will therefore consider its composition in relation to new appointments from time to time.

### D.4 Fit and Proper Requirements

All individuals who are proposed or existing directors and relevant officers, principals, and promoters (mutual funds), as well as individuals who are 10% or more shareholders and ultimate beneficial owners must be assessed as having satisfied the following minimum criteria initially and on an ongoing basis:

- i. *Reputation, honesty and Integrity*  
The criteria examined by the Commission includes whether key individuals have been convicted, on indictment of dishonesty, fraud, breach of trust, money laundering, theft or financial crimes.
- ii. *Competence, capability as it relates to experience, educational and qualifications*  
The criteria examined by the Commission includes whether key persons satisfy relevant training requirements in relation to the function they perform or are intended to perform, and whether key persons demonstrate by experience and training that they are suitable to perform the function.
- iii. *Financial soundness*

The criteria examined by the Commission includes whether key persons have been subject to any judgment debt or award in Barbados or elsewhere, that remains outstanding or was not satisfied either in whole or in part; or whether in Barbados, or elsewhere, key persons have made any arrangements with their creditors, filed for bankruptcy, been adjudged as bankrupt, been the subject of bankruptcy petition or have been involved in proceedings relating to any of these.

Assessment of fitness and propriety is assessed initially i.e. in consideration of an application for registration and licensing or in respect of the approval of key persons. The assessment also occurs whenever key persons change. Where permitted under the legislation, the Commission may decline an application for registration or licensing, or refuse the approval of an individual if the individual is deemed not fit and proper.

Every effort will be made to verify qualifications, experience, references and membership in professional bodies. This includes probity checks on criminal history, sanctions, legal proceedings, and other similar matters. All assessments conducted to assess fitness and propriety must be documented to evidence what was done to determine the suitability of the applicant for the position.

See the Table below for Documentation and Frequency required re: Fit and Proper Assessments for those entities registered under the Commission:

<b>No.</b>	<b>Document</b>	<b>Required Frequency</b>	<b>Comments</b>
1	Fully completed Fit and Proper Individual Questionnaire and Declaration	At application stage and upon re-assessment	
	Updated Fit and Proper Individual Questionnaire and Declaration	Within one month of a material change	Where the information pertaining to a person has changed materially during the year, a revised Fit and Proper Individual Questionnaire and Declaration should be submitted within 30 days of the change taking place.
2	Up to date Resumé or Curriculum Vitae (CV)	At application stage and upon re-assessment.	Resumés or CVs are to accompany all applications for persons seeking fit and proper approvals

3	Valid original Police of Character (certificate) or an Affidavit	At application stage and upon re-assessment.	The Commission requires the submission of a valid original certificate (issued within three (3) months of the application) or an Affidavit where a certificate cannot be obtained from the country of residence (issued within the last three (3) months).
4	A certified copy of the individual's passport page	At application stage and upon expiration of passport thereafter if the person continues to hold the position	This requirement applies to all applicants

#### D.5 Conflicts of Interest

A conflict of interest is deemed to arise if a person were to make or participate in the making of a decision in the execution of his/her office and at the same time knows or ought reasonably to know, that in the making of the decision, there is an opportunity either directly or indirectly to further his/her private interests, or that of a member of his/her family, or of any other person.

The Company Secretary or Assistant Company Secretary shall require from each Director, as part of the Director Recruitment process, and on an annual basis thereafter:

- iv. A list of all of the other mandates or positions that the applicant currently holds and the expected time commitment for each mandate or position. This list is also to be submitted to the Commission on an annual basis;
- v. A self-declaration by the person that they have sufficient time to dedicate to all the mandates.

In assessing Time Commitment, the following shall be considered:

- i. Whether the person is in full time occupation or not, providing the number of hours or days dedicated to each mandate or position;
- ii. Whether any of the mandates have any additional responsibilities such as membership of committees;
- iii. Whether the nature, type and size of the other entity/entities will demand more time from the applicant;
- iv. Confirmation that ongoing learning, development and activation of emergency business continuity procedures have been provided for; and
- v. Whether the experience of the person, either generally or with respect to the company, is such that the person could carry out his duties with greater familiarity and hence efficiency.

See below Conflict of Interest and Time Commitment Statement (to be completed at

on-boarding, annually, and upon any material change in a Director/Officer's circumstance).

<b>Conflict of Interest and Time Commitment Statement</b>		
	<b>CONFLICT OF INTEREST</b>	<b>Yes/No</b>
	<b>Personal – Within the past three (3) years:</b>	
1	Do you have or have you had a close personal relationship with a Board member or Officer or a substantial or controlling shareholder of the entity or in the parent undertaking or its subsidiaries	
2	Are you or have you been a party in legal proceedings against the regulated entity or against the parent undertaking/its subsidiaries	
3	Do you conduct, or have you conducted business, in private or through a company, with the entity or with the parent undertaking/its subsidiaries	
	<b>Professional – Within the past three (3) years:</b>	
4	Do you hold or have you held, at the same time, a management or senior staff position in the entity or any of its competitors, or in the parent undertaking/its subsidiaries	
5	Do you have or have you had a significant commercial relationship with the entity or any of its competitors, or with the parent undertaking/its subsidiaries	
	<b>Financial – Within the past three (3) years, do you, or have you or a close associate, had a substantial financial interest in, or a financial obligation to:</b> <i>Examples of financial interests/obligations are shareholdings, other investments and loans. The substantiality depends on what (financial) value the interest or obligation represents to the financial resources of the person. The following would, in principle, be considered non-material: (i) All non-preferential secured personal residential mortgages (ii) Current shareholdings is less than or equal to 5% of the regulated entity or of a connected party of the regulated entity.</i>	
6	The entity	
7	The parent undertaking or its subsidiaries	
8	Any of the regulated entity's clients	
9	Any of the regulated entity's competitors	
	<b>Political – Within the past three (3) years, do you, or have you or a close associate:</b>	
10	Held a position of high political influence: <i>“High influence” is possible at every level: local politician, regional or national politician, public employee or state representative</i>	

<b>TIME COMMITMENT</b>	
11	<p>Please insert a list of all of the other mandates or positions that you currently hold and the expected time commitment for each mandate or position (hours per month):</p>   <p>I hereby confirm that the above information is true and correct, and I specifically confirm that I have sufficient time to dedicate to all of my stated mandates. I undertake to immediately advise the Company</p>  <p>.....</p> <p style="display: flex; justify-content: space-between;"> <span>Name of Director/Officer</span> <span>Signature of Director/Officer</span> </p> <p>Dated:</p>

## D.6 Board Committees

The Company will have the following Committees as required under local regulations:

- Audit and Compliance Committee
- Risk Committee
- Nominations and Corporate Governance Committee (Group Level)

### ***Audit and Compliance Committee***

The Audit and Compliance Committee must consist of at least three (3) members, the majority of whom must be independent, non-executive directors. The Audit Committee Chair must be an independent non-executive director, and the CEO must not be a member.

The Committee is responsible for overseeing the Company’s financial and regulatory reporting, internal and external audits, compliance functions and the internal control systems.

### ***Risk Committee***

The Risk Committee must also consist of at least three (3) members, with a majority of independent directors. The Committee is responsible for overseeing the Company’s risk management framework, including credit, market, operational and liquidity risks.

### ***Nominations and Corporate Governance Committee (Group level)***

The Nominations and Corporate Committee at the Group level will act for the Company in fulfilling the roles of the Nomination Committee, Remuneration Committee and Corporate Governance Committee required under the Commission’s Corporate Governance Guidelines. This arrangement has been approved by the Commission, with their non-objection confirmed on 1<sup>st</sup> October 2024.

## D.7 Assessment of BOD Performance

The BOD must undertake a formal annual assessment of its effectiveness as a whole, of each of its committees, and individual director. Assessment criteria must be tailored to fit the needs of the

Company and be consistent with any guidance that may be issued by the Commission.

Assessment criteria should provide that members of the BOD not only have certain qualifications upon appointment, but continue to undergo training as necessary to maintain expertise and skills appropriate to modern day. BOD members should therefore remain abreast of relevant new legislation, regulations and changing commercial and other risks through both in-house training and external courses.

As part of this assessment, the BOD should:

- a) Periodically review its size, structure and composition along with that of its Committees;
- b) Assess the ongoing suitability of BOD members given their performance;
- c) Review the effectiveness of its own governance procedures and practices, and determine where improvements or adjustments are needed; and
- d) Utilize the results of assessments towards ongoing improvement efforts.

The BOD must, as part of evaluating its performance, assess actual operating and financial results against business plans, evaluating any material variances between the two, and confirming the appropriateness of initiatives and plans to address those variances.

All BOD Assessments for the Company must be completed by each BOD/Committee Member by the end of each financial year and a report of the findings must be presented to the Board by the next BOD/committee meeting and submitted to the Commission 30 days after the BOD/committee meeting.

#### D.8 Meeting Dates

The BOD/Committees will meet at least on a quarterly basis (in person or by telephone/teleconference/video conference).

Meetings dates can be adjusted by majority consent of the BOD/Committee members. Special meetings and all related arrangements will be made by the Company Secretary's Office as agreed between the Management/Leadership Team, and BOD/Committee members.

Minutes of meetings will reflect the matters discussed, decisions taken and record any dissenting views or abstentions.

#### D.9 Disclosures

The Company must disclose its corporate governance framework to members, customers and investors.

#### D.10 Relationship with the Commission

The BOD should ensure that the Company maintains an effective, open relationship with the Commission, including timely notification of material issues. Such communication can occur

through scheduled meetings, e-mails, telephone, written correspondence and other means.

The Company must ensure timely, effective communications with the Commission on matters of corporate governance, risk management and material changes that may affect those areas.

#### Revision History

Approved May 25 2023

Amended and approved Nominations and Corporate Governance Committee Oct 31 2024

Board approved November 27, 2024