

JMMB Group Limited

Group Corporate Governance Policy

Approved by JMMB Group Limited Board of Directors May 24, 2018



Glossary

Term	Definition
ALCO	Asset and Liability Committee
AML	Anti-Money Laundering
CEO	Chief Executive Officer
CFT	Counter Financing of Terrorism
DOP	Dominican Republic Pesos
DR	Dominican Republic
FATCA	Foreign Account Tax Compliance Act
IS	Information Systems
IT	Information Technology
Policy	JMMB Group Corporate Governance Policy

Table of Contents

1. Definitions	6
2. Introduction	8
<hr/>	
2.1. Corporate Governance Principles	8
2.2. Purpose of the Policy	9
<hr/>	
3. Board Role, Structure and Composition	10
<hr/>	
3.1. Board Role and Function	10
3.2. Board Structure and Composition	10
3.3. Board Leadership	11
3.3.1. Chairperson	11
3.3.2. Deputy Chairperson (where applicable)	12
3.3.3. Executive Directors	12
3.3.4. Company Secretary	12
<hr/>	
3.4. Criteria for Board Membership	13
3.5. JMMB Group Interrelationships	13
<hr/>	
4. Duties, Authority and Responsibilities	14
<hr/>	
4.1. Duties	14
4.2. Board Authority	14
4.3. Board Responsibilities	15
4.4. Management Duties and Responsibilities	17
4.4.1. Duties	17
4.4.2. Responsibilities	17
<hr/>	
5. Board Operation and Effectiveness	18
<hr/>	
5.1. Meetings	18
5.1.1. JMMB Group Limited Annual General Meeting	18
<hr/>	
5.2. Recruitment and Appointment	19
5.3. Induction and Training	19
5.4. Board Remuneration	20
5.5. Boardroom Conduct	20
5.6. Board Performance and Evaluation	22
<hr/>	
6. Board Committees	23

6.1. Board Committees by Line of Business	24
6.2. Board Committees Terms of Reference (General)	25
6.2.1. Committee Membership and Chairperson	25
6.2.2. Authority	25
6.2.3. Meetings	25
6.2.4. Responsibilities	26
6.3. Board Committees Terms of Reference (Specific)	26
6.3.1. Audit Committee	26
6.3.2. Finance Committee	28
6.3.3. Risk Committee	29
6.3.4. Nominations and Corporate Governance Committee	31
6.3.5. Culture and Human Development Committee	32
6.3.6. Credit Committee	34
6.3.7. Information Systems Committee	35
7. Management Committees	37
8. Board Transparency and Disclosure	38
8.1. Accountability	38
8.2. Communication	38
8.2.1. JMMB Group Limited	39
8.3. Compliance	39
8.4. Audit and Assurance	39
8.5. JMMB Group Disclosures	40
9. Board Corporate Citizenship	41
9.1. Code of Conduct	41
9.2. Conflict of Interest	41
10. Lock-out Period	42
10.1. Lock-out Periods	42
11. Policies	43
12. Policy Review	45
13. Appendi	46
13.1. JMMB Bank (T&T) Limited	46
13.1.1. Definitions	46

13.1.2. Audit Committee	47
<hr/>	
13.2. Dominican Republic (DR) Companies	48
13.2.1. Definitions	48
<hr/>	
13.3. -AFP JMMB BDI, S.A.	49
13.3.1. Definitions	49
13.3.2. Required Board Committees	49
13.3.3. Board Meetings	49
13.3.4. Board Performance	49
<hr/>	
13.4. JMMB Bank S.A.	49
13.4.1. Definitions	49
13.4.1. Executive Directors	50
13.4.2. Required Board Committees	50
13.4.3. Board Credit Committee	50
13.4.4. Meetings	50
13.4.5. Board Performance and Training	51
13.4.6. Required Management Committees	51
<hr/>	
13.5. AJMMB Puesto de Bolsa S.A., JMMB Sociedad Administradora de Fondos de Inversión, S.A.	51
13.5.1. Definitions	51
13.5.2. Required Board Committees	51
13.5.3. Board Performance	52
<hr/>	
14. Policy Administration	53
14.1. Policy Owner	53
14..2. Policy Status	53
14.3. Next Review Date	53

Definitions

“**Affiliate**” means a company:

1. In which JMMB Group owns at least 20% but less than 50% of the shares ; and
2. Over which JMMB Group has significant influence (participates in the financial and operating policy decisions of the company but does not control those policies)¹.

“**Connected person**” for purposes of this Policy means, in relation to a JMMB company:

1. the ultimate parent, JMMB Group , its subsidiaries or affiliates;
2. a company which has control or effective control of a company in the JMMB Group (by itself or jointly with another);
3. a company of which a JMMB Group company has control or effective control (by itself or jointly with another);
4. 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
5. a substantial shareholder or ultimate beneficial owner of any substantial shareholding (whether under a trust or other legal arrangement) of JMMB Group Limited, its subsidiaries or affiliates².

“**Executive director**” means a director who is a member of the management team of JMMB Group or its subsidiaries and affiliates.

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

1. has not been convicted of any offences involving the proceeds of crime or terrorist financing activities;
2. is not an un-discharged bankrupt and is compliant with tax and other statutory provisions affecting them;
3. 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
4. is a person of sound probity and able to exercise sound judgement and has the knowledge and skill to fulfil their function and whose appointment will not pose a conflict of interest for the company³

“**Group**” means JMMB Group Limited and its subsidiaries.

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

1. an employee of a company within the Group within the last five years
2. a person holding five per centum or more of the shares of the Group or a connected person
3. a party to a significant economic or other relationship with the Group within the last five years⁴.

“**JMMB Group**” means JMMB Group Limited.

“**Group Board**” means the JMMB Group Limited Board of Directors

“**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.

¹ See Section 13.1 and 13.2 Appendix for definition of “Affiliate” by TT entity

² See 13.1 JMMB Bank (T&T) Limited Appendix for definition of “Connected Person”

³ See 13.1 JMMB Bank (T&T) Limited Appendix for definition of “Fit and Proper”

⁴ See 13.1 JMMB Bank (T&T) Limited Appendix for definition of “Independent Director”

“Related/Connected party” means the ultimate parent company, JMMB Group Limited and its subsidiaries and affiliates, special purpose entities, shareholders of at least 5% of the shares of a company in the Group, directors, senior managers and key employees, companies that they may own or are major shareholders and their immediate family member.

“Subsidiary” means a company over which JMMB Group has control.

1. Introduction

This Policy provides the corporate governance structures and principles of the Group. It promotes the effective functioning of its Boards and enables the companies in the Group to meet governance expectations of regulators in the territories in which the Group operates.

The Group's corporate governance framework is subject to on-going review, assessment and improvement. The board of directors proactively adopts governance policies designed to align the interests of the Group's board and management with those of shareholders and other stakeholders and to promote the highest standards of ethical behaviour and risk management at every level of the Group.

JMMB Group Limited's shares are listed on the Jamaica Stock Exchange (JSE), the Trinidad and Tobago Stock Exchange (TTSE) and the Barbados Stock Exchange (BSE).

Innovations in financial products and channels of delivery, technological advances, growing competitiveness and complexity of financial operations have increased the risks to which financial entities are exposed and as such, have heightened the need for good governance. The primary risks to which the Group is exposed are:

1. Reputational risk
2. Market, inclusive of interest rate, currency and liquidity risks
3. Credit risk
4. Operational risk

The JMMB Group has implemented a corporate governance structure, as set out in this Policy, to manage the risks identified above and the Policy applies to the Group. In order to fulfil its oversight responsibilities, JMMB Group directors and officers are members of the board and board committees of affiliates and subsidiaries.

The corporate governance structures of affiliates and subsidiaries are independent of the JMMB Group and are managed through representation by JMMB Group directors and officers on the boards and board committees of affiliates and subsidiaries.

1.1. Corporate Governance Principles

The Group's approach to corporate governance is guided by the core principles/values below.

Principles	Description
Ethical Culture	Trust, integrity, honesty, openness, love, care and good governance are hallmarks of the board's governance approach. In setting the tone at the top, the board nurtures the strong corporate values that are well entrenched in the culture of the Group and reinforces the ethical principles on which our reputation and success are founded.
Oversight of Strategy	The directors are the key advisors to management, overseeing strategic direction and the formulation of plans, taking into account both the opportunities and risks of the Group's businesses.
Accountability	The board has carefully defined the expectations, scope and responsibilities of the board, its committees and management.
Oversight of	A key priority of the JMMB Group board is embedding a strong risk management culture throughout the Group, overseeing the frameworks, policies and processes adopted to

Principles	Description
Risk	identify the principal risks to the businesses and systems implemented to manage those risks.

1.2. Purpose of the Policy

The purpose of this Policy is to:

1. establish how the Group and its boards of directors will be governed;
2. provide a guide for the boards of directors in corporate governance principles; and
3. ensure compliance with the relevant regulations and guidelines in the jurisdictions in which the Group operates.

The Group has adopted this Policy to promote the effective functioning of its boards and board committees. The Policy represents the minimum standards by which companies in the Group are governed.

Where aspects of a subsidiary’s governance structure differ from the JMMB Group due to regulatory requirements those differences are outlined in the Appendix to the Policy.

2. Board Role, Structure and Composition

2.1. Role and Function

The primary role of the Board of Directors is to establish the strategic direction of the company, to provide effective leadership and oversight for the benefit of shareholders and other stakeholders, including clients, team members, suppliers, communities in which we operate and regulators. In this context, the Board provides guidance and support to a competent management team, ultimately ensuring the safe and sound operation of the company. The Board ensures that the management team is suitably qualified and properly structured to carry out their responsibilities and monitors the performance of the company and the management against targets set in the company's strategic plan.

The main role of the Board of Directors is to provide strategic direction and oversight of plans to achieve the company's/Group's strategic objectives.

The Board also ensures that:

1. The size of the management team is proportionate to the size, scope and complexity of the company's operations. Senior management's oversight and direction should be adequate to cover all areas of the company's operations.
2. Fit and proper assessments are conducted for all senior management and key employees consistent with the requirements of the relevant regulatory authorities.
3. Regulatory authorities are promptly advised of all proposed senior management appointments, resignations and terminations, with reasons for terminations.
4. Appropriate succession systems are in place for critical roles to ensure the continuity of business operations.
5. The company has policies designed to prevent or minimize the use of its services, whether intentionally or unintentionally, for criminal/illegal activities.
6. Any transaction between the company and a connected person is at commercial arm's length pricing and terms.
7. A code of conduct and ethics applies to all team members and an appropriate mechanism for compliance is established.
8. The company meets all its regulatory and statutory requirements

2.2. Board Structure and Composition

The structure and composition of the board should be consistent with local statutory and regulatory requirements, and leading practices. The size and complexity of the Group shall also be considered in determining the composition and structure of the relevant board.

1. The Board of Directors should be composed of a minimum of five and a maximum of fifteen members⁵.
2. The board should have a mix of independent and executive directors
3. To ensure that the board is capable of unbiased judgement and decision making, the majority of the board should be independent directors. Board committees should also have a minimum of three independent directors, one of whom serves as the committee's chairperson.

⁵ See 13.1 and 13.2 Appendix for minimum and maximum number of Directors in the TT entities

4. The Board Chairperson and Chief Executive Officer (CEO), or equivalent, shall be separate individuals.
5. The members of the board should bring a combination of knowledge, competence and experience to be able to fully understand the company's material activities and associated risks, thereby enabling the board to carry out its functions effectively.
6. All members of the board should be individuals of integrity who share the core values of the Group.
7. A candidate will be eligible for board nomination provided they meet the criteria set by the JMMB Group (please refer to Section 3.4 below) and the fit and proper guidelines established by the relevant regulatory authority (ies).
8. A director's term will be in accordance with the company's Articles of Incorporation / Association.
9. The board shall establish appropriate board committees to provide strategic guidance, advice and support, assuming responsibility for matters that require more detailed and frequent review, thereby contributing to the board's independent oversight function. Please refer to Section 6 - Board Committees for details.
10. The JMMB Group CEO, or his nominee, is a member of the board of directors of all companies in the Group.

For more details of senior management representation on the board of directors please refer to Section 3.3.3 below. The company's CEO, or equivalent, is invited to all company board meetings.

If a director proposed to change employment or accepts a new directorship outside the Group this should be disclosed in advance to the Chairman and Company Secretary of JMMB Group, who will convene a JMMB Group Nominations and Corporate Governance Committee meeting to discuss the matter, if deemed necessary.

2.3. Board Leadership

2.3.1. Chairperson

The board chairperson should be an independent director who has excellent knowledge of financial matters and relevant experience. He/ she should not be involved in the day-to-day running of the business and should not be a team member of a company within the Group.

The chairperson should devote sufficient time to enable the board to diligently discharge its duties and responsibilities. The chairperson's main responsibilities are to:

1. Work with the board of directors to ensure the execution of the board's mandate.
2. Create and maintain an effective working relationship with members of the board and management.
3. Preside over meetings, encourage participation of directors in board matters and mediate differences of opinion whilst ensuring that the agenda is appropriately directed to the matters of greatest importance to the company.
4. Ensure adequate time for consultation, preparing of agenda and minutes and monitoring implementation of recommendations and resolutions.
5. Ensure that all relevant information is placed before the board to enable directors to reach informed decisions.
6. Ensure requests for information from management are addressed in a timely manner.
7. Moderate Annual General and other Shareholder Meetings.
8. Coordinate with the JMMB Group Nominations and Corporate Governance Committee for the assessment of committees and directors.
9. Have regular discussions with the CEO, assess his/her performance against agreed goals, provide coaching and align on a development plan.
10. Ensure that the views of shareholders coming to his /her attention are communicated to the board and other relevant parties.
11. Maintain relations with the shareholders of the Group and ensure that information is clearly communicated to them through appropriate disclosure.

12. Approve the trading of JMMB Group Limited shares by the subsidiaries' directors and senior management during a lock-out period in accordance with the Jamaica Stock Exchange Model Code.
13. Ensure effective communication with shareholders.
14. Ensure the board complies with corporate governance obligations and board-established procedures

Board chairpersons are recommended for appointment by the JMMB Group Nominations and Corporate Governance Committee and all subsidiary boards must be chaired by a member of the Group Board of Directors.

The Group Board Chairperson is a member of the JMMB Group Nominations and Corporate Governance Committee and participates in the nomination of directors to ensure that each company board has the right mix of competencies, skills, independence and expertise.

2.3.2. Deputy Chairperson (where applicable)

The deputy chairperson's main responsibilities are:

1. At the request of the chairperson:
 - a. Preside over meetings in the absence of the chairperson
 - b. Preside over discussions for which there is a conflict of interest involving the board chairperson
 - c. Encourage participation of directors in board matters
 - d. Mediate differences of opinion.
2. Participate in the nomination of directors to ensure that the board has the right mix of competencies, skills, objectivity and expertise.
3. Support the chairperson in carrying out his / her role.

The deputy chairperson position is established on the Group Board as part of the Group's succession planning activities.

2.3.3. Executive Directors

The inclusion of executive directors on the board of directors serves to eliminate managerial disassociation from board decisions and increases the level of managerial diligence in advising the board, thereby ensuring management's input in the decision.

2.3.4. Company Secretary

To ensure the smooth functioning of board and board committee meetings, the board shall appoint a company secretary to support the chairperson and the board of directors. The responsibilities of the company secretary are:

1. Assist the board chairperson with the agenda, information gathering and other logistics as it relates to meetings and the board's execution of its responsibilities.
2. Manage action items arising from board meetings on behalf of the chairperson to ensure that items are addressed and resolved.
3. Ensure the board's compliance with statutory and regulatory requirements.
4. Keep minutes and records of board and committee meetings and decisions.
5. Ensure the integrity of board documents.
6. Ensure the board is aware of corporate governance obligations and board-established procedures.
7. Facilitate director induction and on-going training and development.

8. Facilitate information flow between the board and its committees and between senior management and directors.
9. Ensure board decisions and directives are disseminated to senior management.
10. Ensure proper and accurate registration of the shareholders and maintenance of the shareholder register.
11. Arrange for directors and senior management to attend Annual General and Special Meetings.
12. Communicate with shareholders on behalf of the board of directors.
13. Ensure requests for information from management are addressed in a timely manner

2.4. Criteria for Board Membership

The candidate for membership on a company's board of directors must be fit and proper and possess the following:

1. Leadership and management experience
2. Specific experience or expertise which can be of benefit to the company or is required by the company such as:
 - a. Accounting
 - b. Bank operations
 - c. Banking
 - d. Client care/quality management
 - e. Credit management
 - f. Financial services expertise
 - g. Financial analysis
 - h. Culture and people development
 - i. Information technology
 - j. Audit
 - k. Legal/compliance
 - l. Risk management
3. Respect in the community and the industry and a reputation which would not detract from the Group brand
4. Time and energy to devote to board duties. Board members are expected to spend sufficient time preparing for and attending board meetings and serving on board committees.
5. Confidence and comfort to voice opinions
6. Values and beliefs that are aligned with the Group.

The candidate should not work for, or have any contracts with, the company that could be deemed a conflict of interest.

2.5. JMMB Group Interrelationships

JMMB Group Limited is the parent company of a financial group of companies and as such the Group Board is charged with the additional responsibility for the effective oversight of the entire Group as part of its corporate governance responsibility. This includes setting the general strategy and policies of the parent and its subsidiaries and for determining the governance structure that would best contribute to an effective chain of oversight for the Group as a whole.

Subsidiary boards of directors are responsible to lead and control their respective companies while ensuring that they are guided by the JMMB Group's values, policies and overall strategy. In order to discharge the Group Board's responsibilities and to protect the Group's investment in subsidiaries, members of the Group Board are appointed to the subsidiaries' boards of directors.

3. Duties, Authority and Responsibilities

3.1. Duties

Directors have a duty of care, loyalty and confidentiality to the company and the Group. Decisions taken by the board should be informed by reasonable and balanced assessments of all relevant information. In all actions taken by the board, the directors are expected to exercise independent thinking and sound business judgement in what they reasonably believe to be the best interest of the company and the Group. In exercising this obligation, directors may rely on advice provided by management as well as outside advisors and auditors.

Directors shall:

1. Act honestly and in good faith in the best interest of the company and for the protection of its investors/depositors and exercise care, diligence and skill
2. Ensure transparency in board operations and the execution of their oversight responsibilities
3. Abstain from using or disclosing confidential information
4. Participate in board and committee work and facilitate timely and effective decision making
5. Disclose to the board if independence criteria are no longer met
6. Alert the board chairperson of a conflict of interest and abstain when considering any agenda item which might represent a conflict of interest
7. Promote the goodwill and support of relevant stakeholders

3.2. Board Authority

The board of directors is authorised to:

1. Have unrestricted access to all information and records of the company
2. Have full and free access to senior management and other team members of the company. Any meeting or contact that a director wishes to initiate may 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 company.
3. Access independent legal, financial, governance or other professional advice at the company's expense where they judge it necessary to discharge their responsibilities as directors
4. Access the advice and services of the company secretary
5. Approve unaudited and audited financial statements
6. Approve capital expenditures in accordance with procurement policy
7. Issue debt instruments of the company
8. Declare dividends to be paid by the company
9. Approve the following:
 - a. Company policies (please refer to Section 11 – Policies)
 - b. Strategic direction of the company/Group
 - c. Annual budgets
 - d. Business plans

In addition, the Group Board has sole authority to approve the following transactions:

1. Acquisition and divestment of companies;
2. Acquisition and divestment of real property; and
3. Capitalisation of subsidiaries on the recommendation of the subsidiary board of directors.

The Group Board has responsibilities for the strategic direction of the Group and its policies.

3.3. Board Responsibilities

The main responsibility of the board is to oversee the company and its subsidiaries' business and affairs, exercise prudent business judgment and take decisions that are in its best interest, thereby optimising shareholder value whilst being mindful of its fiduciary obligations to regulators, depositors and investors. In discharging this obligation, the board may rely on advice provided by management, outside advisors and auditors. The board's primary responsibilities are set out below.

Strategic Direction

The board's main responsibilities are to provide strategic direction, approve strategic objectives and plans and provide oversight of same. These should be clearly defined, well documented and communicated to management. In fulfilling this responsibility the Board shall:

1. Review and challenge strategic options presented to the board by the management, giving full consideration to the risks involved.
2. Approve the annual budget and review performance against the plan.
3. Monitor and evaluate the implementation of strategies, adherence to regulatory requirements, policies and performance measures.
4. Ensure that appropriate information systems are in place to enable the company to achieve its strategic goals in the most effective and efficient manner.
5. Ensure that information is received in a timely manner, in a form and of a quality appropriate to enable the board to discharge its duties effectively.
6. Ensure that activities undertaken are in accordance with policy.
7. Ensure that the capacity of the company appropriately matches the needs of the strategic plan.
8. Ensure that the company pursues a culture of high performance consistent with the Group Vision of Love and Values.

For the Group Board, the responsibilities above extend to the Group as a whole.

Risk Management and Internal Controls

It is the responsibility of the Board and Management to ensure that an adequate and effective enterprise-wide risk management framework is in place for identifying, measuring, monitoring and controlling all material risks to which the company is exposed. In fulfilling these responsibilities, the Board shall:

1. Define the risk appetite of the company while setting the overall tone and direction of the company through the establishment of sound strategies, values and culture.
2. Understand the nature and level of risks being taken by the company.
3. Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks. Inform shareholders in the JMMB Group Report that an evaluation of risks has been conducted.
4. Ensure that management is provided with the resources required to adequately manage the material risks to which the company is exposed.
5. Ensure that effective internal controls systems are in place to safeguard the company's assets.

6. Ensure the information technology systems and processes are appropriate and reinforced with a system of checks and balances to ensure security and confidentiality of data.
7. Ensure that the integrity of the company's internal controls and risk management systems are evaluated on an annual basis.
8. Ensure that independent risk -based audits are performed and reports submitted to the relevant board Audit Committee.
9. Assess the work of both internal and external auditors.
10. Approve policies to mitigate risks to which the company is exposed.
11. Approve material related party transactions for which responsibility is not delegated in policy.

For the Group Board the responsibilities above extend to the Group as a whole.

Other Key Responsibilities

1. Ensure the CEO is qualified and competent with sufficient experience and knowledge of the business. Evaluate the CEO at least annually.
2. Ensure adequate succession planning is in place for senior management and other positions critical to the organisation.
3. Ensure adoption of good governance structures.
4. Ensure the Group's brand and reputation is protected.
5. Ensure that the Group's Vision of Love and Values is upheld.
6. Understand the statutory and regulatory obligations with which the company must comply and ensure that there is an effective compliance system in place for all applicable laws and regulations.
7. Assess periodically the effectiveness of the board and its committees.
8. Ensure that if any of the following circumstances occurs it is addressed and reported to the regulators (and where applicable, to the company):
 - a. Matters that could materially affect the financial condition or reputation of the company
 - b. Any fraud or criminal act believed to have been committed by senior management or a key employee of the company or committed against the company
 - c. Resignation or termination of any director, officer or key employee and the reason for same
 - d. A director, officer, key employee or substantial shareholder becomes unfit to hold office and the action being taken by the company
 - e. Factor that affects the fit and proper status of a director, officer, key employee or substantial shareholder
9. Recommend changes in capital structure for approval.

Other Key Responsibilities of the JMMB Group Board

1. Set the Group's vision, mission and values.
2. Ensure that the Group is true to its core values.
3. Ensure that the JMMB Group Code of Business Conduct and Ethics establishes the standard of ethical behaviour by directors and team members.
4. Ensure that the Group is appropriately structured, constituted and developed.
5. Oversee the investments in subsidiaries and associated companies to the benefit of the shareholders.

The board may appoint board committees to handle matters requiring more detailed and frequent reviews or in-depth analysis as outlined in **Section 6**.

3.4. Management Duties and Responsibilities

3.4.1. Duties

1. Ensure that all pertinent company information is made accessible to the board in a timely manner.
2. Promptly report to the board of directors:
 - a. Matters that could materially affect the financial condition and/or reputation of the company or the Group
 - 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 significant criminal act believed to have been committed by a team member or committed against the company
 - e. Resignation or termination of an officer or key employee and the reason for same
 - f. Circumstance that renders an officer or key employee unfit to hold office and the action being taken by the company
 - g. Factor that affects the fit and proper status of an officer or key employee

3.4.2. Responsibilities

The primary responsibility of senior management is to partner and collaborate with, and execute the strategic objectives and policies established, by the board. The board may delegate functions to the CEO, or equivalent, who may further delegate to senior management.

Specific responsibilities of senior management include the following:

1. Execute board directives, including the implementation of the company's and Group's strategic objectives; ensure that proper systems are in place for their attainment; monitor results.
2. Assist the board in fostering a strong corporate culture that promotes compliance and integrity, as well as good ethical and professional practices.
3. Ensure that the company is adequately staffed and that team members have the requisite skills, experience and integrity to perform assigned functions effectively and efficiently.
4. Ensure that team members are equipped with the necessary resources and support to effectively execute their duties.
5. Facilitate the board's oversight role through the provision of relevant, accurate and timely information to facilitate informed decision making.
6. Take reasonable measures to prevent the organization 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.
7. Support the board of directors in ensuring that:
 - a. Fit and proper assessments are conducted for all proposed senior management and key employees.
 - b. Regulatory authorities are promptly advised of all proposed senior management or key employees' appointments, resignations and terminations. The board of directors is consulted prior to the termination of a senior manager who reports directly to the board of directors or a board committee.
 - c. Any circumstance that may render any director, manager or officer unfit for office is reported to the regulators including the steps being taken by the company to resolve the situation.

4. Board Operation and Effectiveness

4.1. Meetings

The board shall meet at least quarterly. At the start of the fiscal year the board shall approve an annual calendar of meetings.

The following applies to both board and board committee meetings:

1. The meeting quorum must comprise majority independent directors.
2. Meetings shall be convened by the chairperson. A director may make a request of the chairperson to convene a meeting.
3. The meeting agenda is agreed with the chairperson and CEO, or equivalent.
4. Informational materials such as, but not limited to, the meeting agenda, minutes and papers, should be forwarded to the board of directors, or committee members in the case of a committee meeting, at least four days prior to the meeting to allow sufficient time for review.
5. Meetings may be in person, by telephone, web, or other electronic communication means agreeable to the board of directors.
6. The meeting will be presided by the chairperson or, in his/ her absence, the deputy chairperson or another director.
7. At meetings, the chairperson shall:
 - a. Maintain control of proceedings without dominating discussions
 - b. Stimulate debate by drawing out the contributions of all members
 - c. Guide discussions while ensuring that genuine disagreements are aired and resolved
 - d. Ensure decisions reached are properly understood and recorded.
8. Resolutions shall be passed by majority vote.
9. Round robin approvals require voting by all available members of the board or committee. Such decisions are noted in the next meeting of the board or committee and recorded in the minutes of the meeting.
10. The minutes of the meeting shall be well documented to provide:
 - a. A record of the members and invitees in attendance at each meeting
 - b. An accurate and adequate record of deliberations , clearly outlining the issues discussed and the conclusions reached/decisions made
 - c. An appropriate record of the material contribution of each member
11. The minutes of proceedings of each meeting shall be approved by the directors as confirmation of the deliberations and decisions taken.
12. Meeting minutes shall be appropriately signed and made available to the regulators and other appropriate persons for review upon request.
13. Action items arising from meetings will be managed by the company secretary on behalf of the chairperson to ensure that items are addressed and resolved.

4.1.1. JMMB Group Limited Annual General Meeting

1. Notice of the Annual General and a meeting called for the passing of a special resolution shall be called by twenty –one (21) days notice in writing. The Notice shall include the date, location and agenda. The related papers should be sent to shareholders at least twenty-one (21) days before the meeting as well. An Extraordinary Meeting where no special resolution will be passed then notice period is fourteen (14) days.
2. All Group Board Committee chairpersons shall make themselves available at the JMMB Group Annual General Meeting to respond to questions from shareholders.

3. All JMMB Group directors are expected to attend the Annual General Meeting of shareholders.
4. Shareholder questions for the external auditors and senior management must also be accommodated by the board.

4.2. Recruitment and Appointment

1. The board shall implement a formal, rigorous and transparent process for the nomination, appointment and assessment of board members.
2. Appointments are made on merit and against objective criteria. Consideration should be given for the balance of skills, knowledge and experience, as well as the composition of the existing board so as to maintain effective succession planning.
3. The board shall ensure that a fit and proper assessment is conducted for a proposed member consistent with the process required by the relevant regulator(s). Formal advice and requisite submissions are provided to the regulatory authorities prior to the appointment of the proposed board member to facilitate the regulator's fit and proper assessment.
4. A formal letter is presented to the director upon appointment to the board of directors. The letter will set out the key terms and conditions of appointment, the role, and the responsibilities of the board.
5. All appointed directors should be provided with the JMMB Group Code of Business Conduct and Ethics with their appointment letter.
6. The board should seek to have an approach toward diversity.
7. The board, through the JMMB Group Limited Nominations and Corporate Governance Committee, establishes policies to govern the appointment to and resignation from the board. These policies are established on the principles of transparency, objectivity and independence.

4.3. Induction and Training

1. All directors must participate in the Group's orientation program within six months of their election or appointment.
2. The orientation program will include presentations by senior management to familiarize new directors with the company and Group
3. The orientation programme for new directors should include, but is not limited to:
 - a. Information regarding the company's operations, strategic plan, business objectives, culture, values, client value proposition and risk management framework
 - b. The Group's financial, strategic, operational and risk management policies
 - c. Laws and regulations governing the company including capital adequacy, anti-money laundering and anti-terrorism financing.
 - d. Roles and responsibilities of directors, the board and board committees
 - e. Roles and responsibilities of senior management.
4. Directors are encouraged to participate in continuing education made regularly available to the board by the company.
5. The continuing education programs available to directors should provide an understanding of:
 - a. Financial reporting, legal, regulatory and tax requirements, especially those unique to the industry of operation
 - b. Governance principles and leading practices
 - c. Industry and market trends, and their impact on the company
 - d. Changes in legislation affecting the company
 - e. Specific topics relevant to their role (e.g. chairmanship, remuneration, nomination, risk management, coaching, people development and performance management).

New board members receive an appointment package, including the company's Charter or Articles of Association/ Incorporation, governing laws, recent company financial statements, recent JMMB Group Limited annual reports, regulatory filings, etc.

4.4. Board Remuneration

1. The level of compensation should reflect the time commitment and responsibilities involved and should be appropriate to attract, retain and motivate directors.
2. All non-executive directors are paid meeting fees for board and committee meetings. The form and amount of compensation is approved by the board based on the recommendation of the JMMB Group Culture and Human Development Committee. Where applicable, an annual retainer is paid at the beginning of each financial year, that is, in April.
3. Meeting fees of executive directors shall be determined by the Culture and Human Development Committee from time to time and approved by the Board of the Company.
4. The remuneration of directors shall be disclosed in the JMMB Group annual report to ensure transparency.
5. A committee meeting fee may be paid to a director who is not a committee member where:
 - a. The director is invited to a committee meeting in order to establish a quorum of the committee;
 - or
 - b. The director's expertise is requested by the committee chairperson.
6. Board meeting fees will only be paid for meetings convened and attended by the board member.
7. A formal compensation survey will be conducted every three years to ensure that board and committee member compensation is within industry-wide compensation levels.

4.5. Boardroom Conduct

At the heart of board performance is board dynamics, which is determined by the attributes, respect, trust and candour of members. These qualities directly influence the quality of the board's decision-making and relationships with key stakeholders.

The interactions between the directors of the Group Board and those of the subsidiaries shall reflect high levels of respect, trust and candour. Examples of the desired behaviour include but are not limited to the following:

Respect

1. Directors are well-informed and prepared for meetings; this is demonstrated through in-depth discussions and thorough questioning of reports and management presentations. All directors are encouraged to engage in discussion and their insights and perspectives are to be respected by their peers.
2. Directors have adequate time to prepare for meetings.
3. Relationships between directors shall be respectful and supportive.
4. Directors shall challenge each other's views in a constructive manner to facilitate robust debate and a well-considered outcome. This may often include differences of opinion; however these will be explored and managed well by the chairperson.
5. The board's relationship with management shall be respectful.

Trust

1. The relationships between the chairperson and the other directors as well as between individual directors shall be constructive as this fosters an open and supportive environment in which the board discusses issues and makes decisions.

2. Directors demonstrate trust and value each other's experience by drawing on each other's opinions in order to come to a decision.
3. The chairperson shall effectively facilitate board discussions, identifying and managing potential conflicts whilst ensuring all agenda items are discussed.
4. The sharing of relevant information at meetings is encouraged. However, it is important to ensure the time spent sharing knowledge is aligned with the overall purpose of decision-making in light of time constraints.

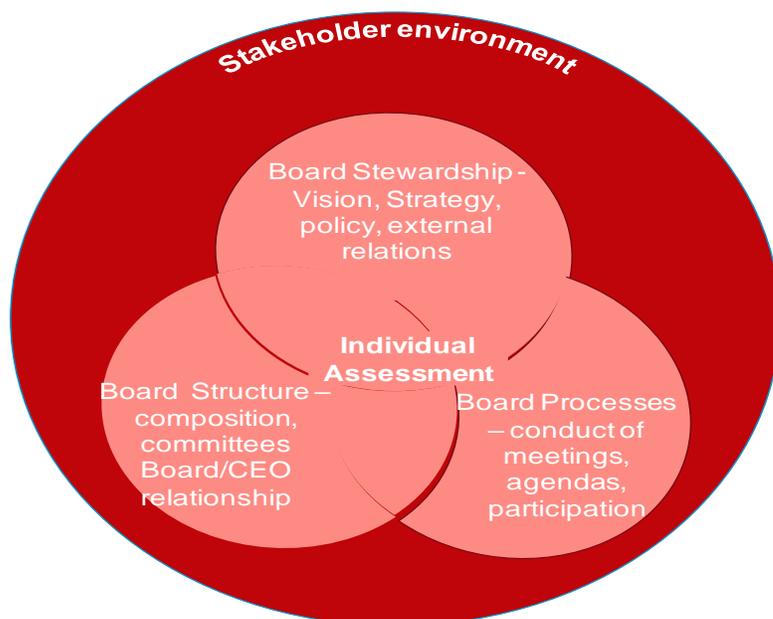
Candour

1. Directors shall communicate openly and encourage one another to engage in robust and positive debate, improving the quality of issue consideration.
2. In order to facilitate open discussion, the proceedings and deliberations of the board and its committees shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.
3. The senior management shall communicate 'bad news' to the board in a timely manner. The board shall accept and encourage the communication of 'bad news' and shall jointly determine the cause and focus on correcting the issue and preventing repeat occurrences rather than laying blame.
4. Each director shall:
 - a. Build trust by:
 - i. Providing honest, direct feedback
 - ii. Only provide feedback and changes where this is adding value to the outcome.
 - b. Regularly reflect on the board's progress towards agreed behaviours and the company's vision and overall strategy.
 - c. Regularly reflect on the values and principles of the Group.

4.6. Board Performance and Evaluation

The board exists to meet its legal and statutory obligations and act in the best interests of the Group. Based on these obligations and the expectations of the company and Group's stakeholders, the board must have a vision and strategy to ensure it provides the appropriate outcomes.

Components of Board Performance



Board performance is depicted in the diagram above, comprising the following components:

1. Board stewardship - awareness of fiduciary and statutory requirements and a clearly articulated vision.
2. Board processes - the quality of board processes such as preparation, participation and review.
3. Board structure and composition - the quality of the persons chosen to be board members and the quality of individual relationships and communication that directly influences the quality of decision making and relationships with key stakeholders.

In an effort to ensure the board is performing as is expected, the board members will evaluate their effectiveness and general performance through self-assessments. The assessment should be rigorous, transparent and formal and include the board as a whole, the individual directors and the board committees. The full board should also perform the assessment of the chairperson.

Individual assessments should aim to show whether each director continues to contribute effectively and to demonstrate commitment to the role including demonstrating the values of the Group, commitment of time for board and committee meetings and any other duties. They should address whether each director requires specific training, continues to contribute effectively and demonstrates commitment to the role.

5. Board Committees

The board has established board committees to improve the efficiency and effectiveness of the execution of the Board's duties and responsibilities. These board committees handle matters requiring more detailed and frequent reviews or in-depth analysis. Board committees may make decisions on behalf of the board or submit recommendations for the board's consideration, depending on their specific charter. Each board committee reports to the board of directors.

Board committee members and chairpersons are appointed by the board on the recommendation of the JMMB Group Nominations and Corporate Governance Committee. Committee chairpersons and members will be rotated at the recommendation of the JMMB Group Nominations and Corporate Governance Committee.

The standing board committees, based on leading governance practices and regulatory requirements are as follows:

1. Audit
2. Finance
3. Risk
4. Nominations and Corporate Governance
5. Culture and Human Development
6. Credit (for banking entities)
7. Information Systems

Refer to Section 6.1 for board committees required by line of business.

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

5.1. Board Committees by Functions

The matrix which follows indicates the board committees to be established along each line of business. Please refer to the relevant appendix for individual subsidiaries which outlines variances due to local regulatory requirements.

Board Committees	Group	Securities Dealing	Banking	Other
Audit	Independent committee; required under the Securities Act	Independent committee	Independent committee; required under banking regulations	Oversight provided by committee with Group-wide responsibilities
Finance	Independent committee; provides Group-wide focus	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities
Risk	Independent committee; provides Group-wide focus	Oversight provided by committee with Group-wide responsibilities	Independent Committee	Oversight provided by committee with Group-wide responsibilities
Nominations and Corporate Governance	Independent committee; provides Group-wide focus	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities
Culture and Human Development	Independent committee; provides Group-wide focus	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities
Credit	Not Applicable	Not Applicable	Independent Committee	Not Applicable
Information Systems	Independent committee; provides Group-wide focus	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities	Oversight provided by committee with Group-wide responsibilities

5.2. Board Committees Terms of Reference (General)

The criteria below apply to all board committees.

5.2.1. Committee Membership and Chairperson

1. The composition of the board committee shall be majority independent board members.
2. The committee chairperson in general shall be an independent board member.
3. Committee members and chairpersons are recommended to the JMMB Group Nominations and Corporate Governance Committee. Appointments are ratified by the Group Board and the relevant subsidiary's board of directors.
4. Board members must have the time and desire to fulfil committee obligations.
5. The Board shall undertake a periodic assessment of committee effectiveness.
6. The Company Secretary shall be the secretary of the committee. In the absence of the Company Secretary or Deputy Company Secretary a director must act as committee secretary.
7. The committee may appoint a recording secretary.
8. Rotation of committee membership is determined by the JMMB Group Nominations and Corporate Governance Committee.
9. The committee will comprise at least three (3) directors, two (2) of whom will be independent .

5.2.2. Authorities

The board authorizes board committees within the scope of their responsibilities to:

1. Seek any information the committee requires from team members (all of whom are directed to cooperate with the committee's request) or external parties.
2. Have unrestricted access to all information and records of the business relevant to the committee's responsibilities.
3. Obtain external professional advice. In this regard, the committee has the authority to approve the fees payable to such advisors and any other terms of retention.
4. Request the attendance of the company's senior officers at meetings where appropriate.
5. Delegate responsibility to a sub-committee as it deems necessary or appropriate.
6. Recommend the ratification of policies and decisions of the relevant board committee. All policies and decision rights of executives are to be recommended for approval.
7. Conduct or authorise the conduct of an investigation within its area of responsibility

If a quorum of a committee is not possible the committee chairperson has the authority to invite other independent members of the board to attend the meeting to constitute a quorum.

5.2.3. Meetings

1. At the start of the fiscal year the committee shall approve an annual calendar of meetings.
2. A quorum of the committee shall be at least two (2) independent members and one (1) executive team leader or senior manager, where applicable.
3. Committee meeting minutes are to be circulated to the relevant company board via the board package.
4. The committee chairperson shall provide an update on the committee's activities and any significant issues, actions or decisions taken by the committee in the board meeting.
5. Directors who attend less than 75% of meetings (save for illness) during their appointment period may not be considered for reappointment to the committee.
6. Once approved, committee meeting minutes, together with the committee package shall be available to any board member upon reasonable notice.

5.2.4. Responsibilities

1. Review the committee terms of reference periodically and recommend changes to the relevant company board and Group Board for approval.
2. Complete an assessment of the work and effectiveness of the committee and the chairperson periodically.
3. From time to time, the board may delegate to the committee responsibilities outside those expressly defined in the committee's terms of reference.

5.3. Board Committees Terms of Reference (Specific)

5.3.1. Audit Committee

5.3.1.1. Purpose

The Audit Committee assists the board in the oversight of the systems of internal controls, the company's financial reporting processes and audit functions, as well as compliance with legal and regulatory requirements. The committee reviews adherence to accounting policies, oversees the work of the internal auditors and assists the board in discharging its duties with regard to:

1. Managing operational risks;
2. Maintaining proper records and controls; and
3. Ensuring that financial transactions are consistent with the policies and directives of the board.

The company's Internal Auditor and Compliance Officer report directly to the Audit Committee.

5.3.1.2. Membership

1. The chairperson and one or more members of the Audit Committee must be a Certified Public Accountant, Chartered Accountant or have the requisite finance and accounting skills and competence.
2. A JMMB Group board member must be a member or standing invitee of a subsidiary's Audit Committee.

5.3.1.3. Authority

1. At least once per year the committee shall meet with the Internal Auditor, external auditor and Compliance Officer (in separate sessions) without the presence of management.
2. The committee may authorise the investigation of a team member's escalation of issues relating to polices governed by the committee.

5.3.1.4. Responsibilities

Internal Auditors

The committee is responsible for the appointment, review of compensation, and oversight of internal auditors and ensures that independence of the internal audit function is maintained.

1. Recommend the appointment and replacement of the head of Internal Audit, who shall report directly to the chairperson of the Audit Committee with a dotted line to the CEO.
2. Review and evaluate annually the performance of the head of Internal Audit.
3. Assess the performance of the internal audit function.
 - a. Consider Internal Audit's relationship with the external auditors
 - b. Obtain feedback from management on their working relationships with the internal auditors
4. Consider the suitability of the internal auditors for reappointment, where the internal audit function is outsourced.
5. Review and approve Internal Audit's annual plan, annual budget and resources.
 - a. Assess the reasonableness of forecasts of man hours and costs.
 - b. Assess the adequacy of audit programmes given the risk assessment.
6. Consider recommendations for improving procedures and processes to realise increased efficiencies.
7. Ensure that management implements the appropriate controls to manage risks.
8. Ensure that actions recommended by internal audit add value to the company.
9. Ensure that audit issues are addressed by management in a timely manner.
10. Discuss with the internal auditors and management the results of audits, the adequacy of scope and recommendations for improvements to the relevant practices.

Compliance

1. Recommend the appointment and replacement of the head of Compliance, who shall report directly to the chairperson of the Audit Committee with a dotted line to the CEO.
2. Review and evaluate annually the performance of the head of Compliance.
3. Review and approve the company's compliance program and annual compliance plan.
4. Ensure compliance with applicable laws and regulations and internal requirements.
5. Review controls and procedures for compliance with financial reporting requirements.
6. Evaluate the adequacy and effectiveness of the company's procedures and systems for ensuring compliance with legal and regulatory requirements and internal operating procedures, including, but not limited, to those relating to anti-money laundering and combating the financing of terrorism.
7. Influence regulations in the best interest of all stakeholders.
8. Ensure compliance with the JMMB Group Code of Business Conduct and Ethics.

Related Party Transactions

1. Approve related party transactions in accordance with the JMMB Group Related Party Policy ensuring these are subject to ratification by the board, except where delegated in policy to another board committee. Report approved related party transactions to the board of directors⁶.

Escalation of Stakeholder's Matter

In keeping with our interpretation of the Jamaica Protected Disclosure Act, or its equivalent in other jurisdictions in which we operate, ensure:

1. Procedures are implemented to facilitate escalation. The process should allow stakeholders to raise concerns about possible improprieties in confidence and without fear of repercussion.
2. Procedures are implemented for independent investigation of matters raised by team members and other stakeholders.

⁶ See 13.1 JMMB Bank (T&T) Limited Appendix for Management of Connected Parties and Connected Party Transactions

3. Oversight of the escalation process shall be the responsibility of an independent director of the Audit Committee.

5.3.1.5. Meetings

The committee shall meet at least quarterly, or more frequently as circumstances dictate.

5.3.2. Finance Committee

5.3.2.1. Purpose

The Finance Committee assists the JMMB Group Board in the oversight of the Group's financial reporting.

5.3.2.2. Membership

The Chairperson and one or more members of the Finance Committee must be a Certified Public Accountant, Chartered Accountant or have the requisite finance and accounting skills and competence.

5.3.2.3. Authority

The committee has the authority to recommend the acquisition of companies as well as divestment of subsidiaries and affiliates.

5.3.2.4. Responsibilities

External Auditors

1. Assess the suitability and professional qualifications of external auditors. Review, at least annually:
 - a. External auditor's report of quality-control procedures and peer reviews
 - b. Any material issues raised or any inquiry or investigation by authorities and any steps taken to deal with any such issues
2. Assess the independence of external auditors.
 - a. Ensure that external auditors who provide audit services to the Group do not undertake any work that may impair, or be perceived to impair, their independence in the audit process. In this regard, the Finance Committee shall pre-approve all work done by the external auditors outside that which is approved in the annual external audit plan.
3. Assess the proposed work plan and compensation of the external auditors and make recommendations to the Board of Directors and shareholders.
 - a. Review and assess the reasonableness of the external auditors' forecasts of man hours and audit and other fees.
 - b. Ensure the prompt submission of audited financial statements and supplementary information/reports.
4. Review the performance of the external auditors and make final recommendation on their appointment or discharge in consultation with the JMMB Group Audit Committee.
5. Review the external auditors' management letter and approve management's responses thereto.

Financial Statements

1. Recommend for approval the accounting policies adopted in the preparation and content of the financial statements of the Group and ensure that the appropriate policies have been adopted.
2. Recommend for approval all published financial statements (quarterly and annual).
3. Recommend for approval the JMMB Group Dividend Policy that applies to the Group.
4. Review and discuss analyses prepared by management and/or the external auditor, of financial reporting issues and judgments made in the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements.
5. Review any legal matters which could significantly impact the financial statements.
6. Ensure audited financial statements are published, where required.

Annual Budget

1. Recommend JMMB Group annual budget to the Group Board for approval.

5.3.2.5. Meetings

The committee shall meet to review and recommend for approval the JMMB Group's:

1. Quarterly financial statements.
2. Annual audited financial statements.
3. Annual budget.

5.3.3. Risk Committee

5.3.3.1. Purpose

The committee is appointed by the Board of Directors to assist the Board in its oversight of (i) the company's global enterprise risk management framework, (ii) the company's liquidity and funding risk, (iii) the company's risk appetite statement, including risk limits and tolerances ("Risk Appetite Statement") and (iv) the performance of the company's Risk function.

The Risk Committee assists the board in its oversight responsibilities with regard to the enterprise risk management framework and the underlying compliance framework and governance structure. This includes overseeing risk exposures and strategies in relation to capital allocation and the following risks:

1. Credit
2. Market (inclusive of interest rate, liquidity, counterparty, concentration, foreign currency exposure and equity risks)
3. Operational
4. Compliance
5. Legal
6. Reputational
7. Information technology

The Risk Committee approves the company's Risk Appetite Statement, including risk limits, subject to ratification by the JMMB Group board.

5.3.3.2. Membership

1. The chairperson and one or more members of the Risk Committee must have requisite finance and risk management skills and competence.
2. A JMMB Group board member must be a member or standing invitee of a subsidiary's Risk Committee.

5.3.3.3. Authority

1. Set the risk tolerance for the company, ensuring it is consistent with the board's risk appetite, subject to board ratification.
2. Recommend for approval policies, for management of credit, market, operational, compliance, legal and reputational risks, subject to board ratification.
 - a. Policies for the management of credit risks are recommended to the JMMB Group Risk Committee by credit committees of companies that are required to have such a committee.
 - b. Policies for management of information technology risks are approved by the JMMB Group Information Systems Committee subject to Group Board ratification.
3. Approve capital market deals and investments in companies.
4. The Group Board Risk Committee has the authority to recommend to the Group Board proposals for acquisition and divestment of companies, on the recommendation of the relevant subsidiary board of directors.

5.3.3.4. Responsibilities

1. Monitor adherence to the risk policies.
2. Approve the company's Risk Appetite Statement subject to board ratification.
3. Provide broad strategic direction and oversight on enterprise risk management.
4. Advise the board of the impact of proposed strategic decisions on the risk level of the company.
5. Review company risk tolerance level and ensure it is consistent with the board's risk appetite.
6. Review the company's major risk exposures including market, credit, operational, compliance, information technology, reputational, legal, liquidity and funding risks against established risk measurement methodologies.
 - a. Review the actions taken by management to control risk exposures.
 - b. Review major changes in risk exposures, market conditions and implications for the business.
7. Monitor and assess the adequacy of accounting and economic capital.
8. Consider the implications of major regulatory changes.
9. Approve annually the company's internal capital adequacy assessment process and capital plan in the context of its strategic objectives.
10. Recommend to the Group board how capital should be allocated across businesses.
11. Review the processes used to identify, evaluate and monitor risks.
12. Monitor and report to the board on the risk identification, measurement, monitoring and control process to allow an integrated approach to evaluating and monitoring interrelated risks.
13. Review and approve periodically the company's contingency funding and recovery plans.
14. Review the company's business continuity planning and disaster recovery activities annually.
15. Coordinate with the Audit Committee and Group Information Systems Committee (through the committee chairpersons) to ensure that these committees receive information necessary to provide oversight of risk management and risk assessment guidelines and policies for their areas of responsibility.
16. Support the Culture and Human Development Committee (through the committee chairperson) in relation to risks related to compensation.

5.3.3.5. Meetings

The committee shall meet at least quarterly or more frequently as circumstances dictate.

5.3.4. Nominations and Corporate Governance Committee

5.3.4.1. Purpose

The JMMB Group Nominations and Corporate Governance Committee identifies individuals qualified to become board members and recommends director nominees to the Group Board and relevant company boards. The committee also recommends to the Group Board corporate governance policies applicable to the Group and ensures that board composition across the Group enables effective oversight.

5.3.4.2. Membership

1. 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.
2. The JMMB Group Board's chairperson shall be a member of the JMMB Group Nominations and Corporate Governance Committee.

5.3.4.3. Authority

The JMMB Group Board authorises the JMMB Group Nominations and Corporate Governance Committee to review board membership and committee chairpersons across the Group at least every three years and recommend changes, if needed.

5.3.4.4. Responsibilities

Corporate Governance Policy

1. Periodically review and approve changes to corporate governance policies, subject to JMMB Group Board ratification.
 - a. Review and assess the adequacy of board and committee charters and recommend changes, if appropriate
 - b. Assess the need for board committees
2. Consider matters of corporate governance and make recommendations to the Group Board.

Corporate Responsibility

1. Consider the company's social responsibility and make recommendations to the JMMB Group Board regarding such matters.
2. Review and make recommendations to the Group Board on issues regarding the conduct of its business as a responsible corporate citizen.
3. Ensure the values and the Vision of Love of the Group are reflected in our actions.
4. Ensure compliance with the Corporate Governance Policy.

Board Membership

1. Identify criteria for selection of new directors, given the target board structure and mix of skills and experience required.
2. Identify individuals qualified to become board members consistent with the membership criteria in this Policy. Make recommendations to the Group Board and subsidiary boards for director nominees who meet the criteria as set out in Policy.
3. Ensure that the JMMB Group Board composition enables effective oversight of the JMMB Group.
4. Review periodically the size, composition, competencies, including the combination of skills, experience and other qualities, of company boards. Make recommendations for changes, as appropriate.
5. Lead the periodic assessment of the performance and effectiveness of the JMMB Group and subsidiaries' boards of directors and their committees. Communicate the results of the assessments to the full board.
6. Facilitate meetings of non-executive board members and establish the process for such meetings.
7. Approve committee rotation of directors based on assessments and to infuse fresh perspectives at the committee level.

Annual Reporting in JMMB Group Annual Report

1. Disclose the nomination and election process for board members.
2. Disclose the role of the Group board committees and summary of their annual activities.
3. Disclose political contributions.
4. Disclose attendance at Group Board and committee meetings.

Conflict of Interest

1. Review conflict of interest and related party matters.

5.3.4.5. Meetings

The committee shall meet at least twice per year or more frequently as circumstances dictate.

5.3.5. Culture and Human Development Committee

5.3.5.1. Purpose

The purpose of the JMMB Group Culture and Human Development Committee is to assist the board of directors in discharging its duties with regard to people, organization and culture, ensuring that the activities are consistent with policies and directives of the boards of Group. The committee formulates and reviews the compensation programmes for board members and senior officers, ensuring compensation is consistent with the objectives, strategy and control environment across the Group to ensure truth, fairness and compliance with the legal requirements of the country and the Group's mission and values.

5.3.5.2. Membership

1. The chairperson and at least one member of the JMMB Group Culture and Human Development Committee must have knowledge of executive compensation, structures and people practices.

5.3.5.3. Responsibilities

People and Culture

1. Review and approve the people policies, subject to Group Board ratification.
2. Satisfy itself that people and culture policies are sound and valuable, and meet all relevant legal requirements and the requirements of regulators
3. Review and approve the high level organizational structure (department level and above) to ensure achievement of the Group strategic objectives.
4. Approve the engagement, promotion and termination of senior officers reporting directly to the JMMB Group CEO.
5. Assess culture and team and client satisfaction surveys and monitor the implementation of recommendations.
6. Review and approve people development strategies, ensuring that they meet the objectives of the company.

Compensation

1. Ensure that compensation policies are consistent with the values, objectives and strategy of the Group.
2. Review and recommend the compensation and benefits framework to the boards for approval.
3. Review and evaluate periodically the suitability of senior officers' compensation packages consistent with the framework.
4. Approve periodically the remuneration of directors for service on the Group's boards of directors and committees.
5. Ensure compensation policies minimise risk.
6. Obtain approval of independent directors of the JMMB Group Culture and Human Development Committee for compensation outside the approved framework

Code of Conduct

1. Approve JMMB Group Code of Business Conduct and Ethics, subject to Group Board ratification. Monitor compliance with the Code.
2. Establish a framework to deal with matters of conflict of interest.

Other

1. Oversee and review succession plans for directors, CEOs or their equivalent and other senior managers.

5.3.5.4. Meetings

The committee shall meet at least quarterly or more frequently as circumstances dictate.

5.3.6. Credit Committee of Banking Subsidiaries

5.3.6.1. Purpose

Each banking subsidiary is required to have a board credit committee to assist its board with oversight of credit management.

5.3.6.2. Membership

The chairperson and at least one member of the Board Credit Committee must have skill and competence in the area of credit.

5.3.6.3. Authority

The board authorises the committee, within the scope of its responsibilities, to:

1. Approve credit facilities and counterparty limits outside the authority of the Management Credit Committee, as outlined in the JMMB Group Credit Risk Policy.
2. Approve requests for new and renewal credit facilities recommended by the Management Credit Committee as outlined in the JMMB Group Credit Risk Policy.
3. Delegate authority to the Management Credit Committee as outlined in the JMMB Group Credit Risk Policy.
4. Override approvals at the Management Credit Committee level.
5. Appoint members to the Management Credit Committee.

5.3.6.4. Responsibilities

1. Review and recommend credit risk policies and philosophies for approval by the JMMB Group Risk Committee.
2. Ensure that rigor and discipline are incorporated in credit risk management policies, operational controls and reporting processes with respect to credit risk.
3. Understand the significant credit risks to which the bank is exposed.
4. Review strategic direction of the credit portfolio. Consider developments in the local and international financial markets, and use that knowledge to develop business strategies.
5. Review significant extensions of credit.
6. Approve new and renewal connected/related party credit facilities. Monitor connected/related party credit exposures at least quarterly.
7. Review the performance and concentration of the credit portfolio as appropriate.
8. Review and, if appropriate, approve recommendations from the Management Credit Committee for specific and general credit provisions against actual or potential bad debts.
9. Approve credit write-offs in accordance with policy
10. Ensure the selection and appointment of competent and qualified senior management to administer the credit risk management department.

5.3.6.5. Meetings

The committee shall meet at least quarterly or more frequently as circumstances dictate.

5.3.7. Information Systems Committee

5.3.7.1. Purpose

The JMMB Group Information Systems (IS) Committee assists the board in its oversight of technology strategy, investments made in support of the strategy and technology risk. The 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. The committee:

1. Keeps abreast of the latest technological innovations, developments and potential threats. Advises the Group on how these factors should influence its strategy.
2. Ensures full alignment of the Group's IT strategy and goals to the overall Group business strategies and goals.
3. Ensures consistent and relevant communication between the information systems department and the business on strategic issues and activities.
4. Ensures the link exists between IT strategy and goals and the business strategy and goals.
5. Provides oversight of the development of a process framework, based on generally accepted practices that align, control and measure IT activities.
6. Ensures there is consistent and relevant communication between the information systems department and the business on strategic and operational activities, issues and opportunities.
7. Provides oversight of the development and implementation of a performance measurement mechanism to monitor IT-related strategic and operational activities across the Group.
8. Provides oversight of the development of a robust IT risk management framework with clearly defined and articulated responsibilities across the Group.

5.3.7.2. Membership

1. The Chairperson and at least one member of the IS Committee must have requisite skills and competence in the area of information technology.
2. The committee may include directors from companies within the Group.
3. The Committee may invite subject matter experts as invitees to the Committee's meeting.

5.3.7.3. Authority

The Board authorises the committee, within the scope of its responsibilities, to recommend for board approval technology capital expenditures in accordance with the JMMB Group Procurement Policy.

5.3.7.4. Responsibilities

Strategy and Budgets

1. Ensure that there is full alignment of the Group's IT strategy and goals to the overall Group business strategies and goals.
2. Ensure that there is consistent and relevant communication between IT department and the business on strategic issues and activities.
3. Review and approve the performance measurement mechanism (key performance indicators) to monitor IT -related strategic activities across the Group.
4. Assess and advise on new technologies, applications and systems that relate to or affect the Group's IT strategy or programs.

5. Review and recommend for approval IT operating and capital budget and strategy annually.

IT and Business Projects

1. Approve Budget for IT projects by March 31 of each financial year.
2. Review the financial, tactical and strategic benefits of proposed major IT-related projects and technology architecture alternatives for projects.
3. Review the progress of major IT-related projects and technology architecture decisions with respect to quality, timeline and budget.
4. Make recommendations to the JMMB Group Board with respect to IT-related projects and investments that require Board approval.
5. Review and approve business projects related to new platforms that exceed the budget spend threshold, to ensure software upgrades and / or infrastructure are in keeping with the IT strategic objectives with respect to selection methodology, enterprise architecture, security and total cost of ownership.
6. Review IT projects progress and the impact on the IT strategy timeline.
7. Approve the sequence of project execution activities for projects that have a major IT component (for example, core IT projects) tabled at board meetings. This includes:
 - a. The sequencing of the project; and
 - b. How the project is executed from an enterprise architecture perspective.

Note: Item 3 above is the purview of the Project Steering Committee for business projects.

IT Security and Risk

1. Review the company's major IT risk exposures against established risk measurement methodologies and review the actions taken by management to control risk exposures.
2. Review and appraise, at minimum annually, the Group's IT disaster recovery capabilities. This will include the Disaster Recovery (DR) Plan and the results of the DR testing and validation.
3. Review IT risk dashboard and ensure risks remain within tolerable levels.
4. Advise on appropriateness of risk treatment strategy where tolerance level has been exceeded.

Internal Controls and IT Effectiveness

1. Monitor the quality and effectiveness of IT systems and processes that relate to or affect the Group's internal control systems.
2. Collaborate with the Audit Committee in the review and approval of internal and external IT audit plans.
3. Review IT audit reports and ensure issues are addressed expeditiously.
4. Recommend to the Audit Committee all audit items that are proposed for risk acceptance.
5. Recommend IT policies for approval by Group Board.

The IS Committee collaborates with the Audit Committee on IT-related regulatory, compliance, internal and external audits and the Risk Committee on areas within its responsibility.

5.3.7.5. Meetings

The committee shall meet at least quarterly or more frequently as circumstances dictate.

6. Management Committees

In addition to the board committees described in the previous section there are a number of management committees that provide focus and attention to specific functional and operational areas. The management committees' relationships to a board committee, where applicable, are reflected in the matrix below by line of business.

Management Committee	Board Committee	Group	Securities Dealing	Banking	Funds Management
Asset and Liability	Risk	√		√	
Client Investment	Risk		√		√
Management Credit	Board Credit			√	
Management Investment	Risk		√		

Each management committee has a specific purpose and operates under defined terms of reference. The committee may submit recommendations to a board committee, or in some cases the board of directors, for consideration, depending on their purpose and objective.

Please refer to the following documents for each of the management committees' terms of reference:

1. Asset and Liability Committee (ALCO) – Asset and Liability Management Policy
2. Client Investment Committee – Client Investment Framework
3. Management Credit Committee – JMMB Group Credit Risk Policy
4. Management Investment Committee – Investment Policy
5. Risk Management Committee – Group Risk Management Policy

7. Board Transparency and Disclosure

7.1. Accountability

The board of directors, as the elected representative of the company's shareholders, is accountable to its shareholders, regulators, team members and clients. The board should also understand and take into account the interests of other relevant stakeholders.

1. In carrying out its responsibilities, the board should ensure that
 - a. stakeholder interests, including team members,
 - b. environmental,
 - c. social
 - d. governance and economic matters,

are always considered.

The board should recognise that each type of stakeholder contributes to the company's and Group's performance in various ways and should take measures to protect their interests, and respect their rights during the decision-making process. These interests should be considered within the context of the company's and Group's sustainability and corporate social responsibility.

2. The board of directors should clearly define the authority and key responsibilities for themselves and senior management. Failure to do this can affect the effectiveness and efficiency of the Policy leading to significant gaps in the governance and in unnecessary duplication of efforts due to the unclear understanding of responsibilities and accountabilities.
3. The board should formally develop strategies for achieving transparency, balance and equity in stakeholder engagement.

7.2. Communication

1. The board must ensure that communication with stakeholders is effective. They must monitor relations with relevant stakeholders by assessing the appropriateness of the information conveyed.
2. The board has a duty to ensure transparency by promptly communicating with shareholders any developments that may impact shareholder value such as:
 - a. The operations and financial condition of the company or the Group
 - b. Significant and material information
 - c. Proposals for which directors should obtain shareholder approval, such as stock options for directors and changes in voting rights for classes of shares
 - d. Governance structures and policies
 - e. Compliance with statutory, regulatory and tax requirements
 - f. Board members information such as remuneration policy for directors
 - g. External auditor's participation in non-audit work, and the fees for non-audit and audit work
3. The company secretary may sort or summarise incoming communications as appropriate. Commercial solicitations, client complaints, incoherent or obscene communication will not be forwarded to the board, its chairperson, or any director or committee of the board.

7.2.1. JMMB Group

1. Directors and management are accountable to and accessible by all stakeholders. It is important for JMMB Group shareholders to have the opportunity to engage the Group and have active participation in Annual General and other meetings. Shareholders and other parties may also communicate directly with the Group Board, the JMMB Group Chairperson, any other member of the board or any board committee by sending a letter to:

**c/o Company Secretary
JMMB Group Limited
6 Haughton Terrace
Kingston 10
JAMAICA**

2. The JMMB Group Annual General Meeting should include a process for soliciting and understanding shareholder views which may include face-to-face communication, surveys or investor briefings. The JMMB Group Chairperson should ensure that the views of shareholders are communicated to the entire board.
3. Efforts should be made to facilitate cross-border voting as a means 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.
4. The board 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 JMMB Group CEO, the board has the responsibility to understand their concerns and should develop a practical and efficient way to hear their opinions.

7.3. Compliance

The board and senior management of the company are required to establish a strong system and culture of compliance to ensure the effective management and mitigation of risks. Ensuring a strong culture of compliance requires a “tone at the top” approach by the board and senior management who would consequentially 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.

7.4. Audit and Assurance

1. An annual audit should be conducted by an independent, competent and qualified auditor in order to provide an external and objective assurance to the board, shareholders, regulators and other stakeholders that the financial statements fairly represent the financial position and performance of the company in all material respects.
2. External auditors are accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.

7.5. JMMB Group Disclosures

Disclosure of information to and communication by management with, shareholders form a crucial part of corporate governance. In addition to audited financial statements and the accompanying notes, the company also discloses:

1. The financial and operating results of the Group
2. Corporate governance structures and policies
3. Group objectives
4. Material risks faced by the Group
5. Remuneration for board members and key executives
6. Board members' qualification and competencies, other company directorships and whether they are independent directors
7. Major JMMB Group share ownership.

8. Board Corporate Citizenship

8.1. Code of Conduct

The Board shall ensure that the company maintains high ethical standards and effective policies designed to realize the vision, be consistent with Group values and protect the company's and Group's reputation, assets and businesses. In order to do so, the following shall be in place:

1. Formalised Code of Business Conduct and Ethics to establish standards of business conduct and ethical behaviour. The Code applies to all permanent and temporary team members, directors, independent contractors and consultants when engaged by the company.
2. The board shall ensure that they set the appropriate "tone at the top" and adhere to the Group's values and principles.
3. Ensure that the necessary training is conducted to enable team members to understand relevant codes of conduct and apply them effectively to avoid company involvement in inappropriate behaviour.
4. The Code of Business Conduct and Ethics should set the framework for the exercise of judgment in dealing with varying and potentially conflicting circumstances such as conflicts of interest and insider trading. At a minimum, a summarized version of the JMMB Group Code of Business Conduct and Ethics should be made available to the public.
5. Procedures escalation should be established within the Code of Business Conduct and Ethics to encourage individuals to disclose concerns using the appropriate channels.
6. Procedures should be established that allow the Board to monitor compliance with the Code of Business Conduct and Ethics. Infractions that could result in a regulatory breach or could have a material effect on the company or the Group should be reported to the Group Board.
7. The JMMB Group Audit Committee shall ensure compliance with the Code.
8. All directors must annually certify their review of and agreement with the Code of Business Conduct and Ethics and are expected to follow the Code to the extent applicable to them.

8.2. Conflict of Interest

1. The board should ensure conflicts of interest are resolved expeditiously.
2. The board should approve a framework to prevent or appropriately manage potential conflicts of interest. These policies should seek to address the following issues:
 - a. Ensure that business activities that may give rise to conflicts of interest are carried out with sufficient degree of independence from each other. This can be achieved by establishing information barriers between various activities and by providing separate reporting lines and appropriate internal control measures.
 - b. Ensure that where there is potential conflict of interest, particular care is taken to provide adequate information and that recommendations are clear, fair and not misleading.
3. Directors must avoid instances that may give rise to conflicts of interest or which may be perceived by others as conflicting situations. Full information on any conflict or potential conflict of interest must be made known to the board and fellow directors and the onus will be on the director to advise the board on any change in their situation.
4. On declaration of their interest, the concerned director or manager shall not participate in the discussions and/or the decision-making process with respect to the transaction for which conflict arises. Related party transactions shall be disclosed in accordance with the JMMB Group Related Party Policy disclosure requirements and accounting policies and standards.

9. Lock-out Period

The policy against the beneficial use of non-public information (insider trading) applies to directors, team members, consultants and contractors and their related parties, as defined below. These individuals should not benefit directly or indirectly from knowledge which is not generally available to the market.

A related party, solely defined for the purposes of preparing the financial statements, is a person or entity that is related to the entity that is preparing its financial statements.

1. A person or a close member of that person's family is related to an entity if that person:
 - a. Has control or joint control over the reporting entity
 - b. Has significant influence over the reporting entity or
2. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. An entity is related to a reporting entity if any of the following conditions applies:
 - a. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - c. Both entities are joint ventures of the same third party.
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - e. The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - f. The entity is controlled or jointly controlled by a person identified in (1).
 - g. A person identified in (1a above) 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).
 - h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity

9.1. Lock-out Periods

This is defined as periods during which the individuals identified above cannot trade in JMMB Group Limited shares. These periods commence:

1. As soon as a quarter has ended and is lifted as soon as the quarterly results are submitted to the regulators.
2. As soon as the financial year ends and is lifted as soon as the audited financials are submitted to the regulators.
3. Any additional period immediately prior to any announcement of material non-public information or at the board's discretion.

A director should not deal in any securities of the company during the lock-out period without first notifying the JMMB Group chairperson (or other director appointed for the specific purpose) and receiving permission to proceed to the request. A written record should be maintained by the JMMB Group Compliance Manager that the appropriate notification was given and permission granted to the relevant director and has written confirmation to that effect. Where this permission is given, the Group Board is to be advised of same.

10. Policies

The matrix below indicates the board committees who recommends to the Board of Directors the approval of key operating policies of the company and the JMMB Group.

Audit	Risk	Credit	JMMB Group Finance	JMMB Group IS	JMMB Group Culture and Human Development	JMMB Group Nominations and Corporate Governance
JMMB Group FATCA Policy	JMMB Group Business Continuity Policy	JMMB Group Credit Risk Policy	JMMB Group Dividend Policy	JMMB Group Information Technology Policies ⁷	JMMB Group People Policies	JMMB Group Corporate Governance Policy ⁸
JMMB Group Related Party Policy	JMMB Group Risk Management Policy		JMMB Group Finance Policies ⁹			
JMMB Group Anti-Money Laundering (AML) and the Counter Financing of Terrorism (CFT)	JMMB Group Fraud Policy ¹⁰		JMMB Group Procurement Policy ¹¹		JMMB Group Code of Business Conduct and Ethics	
JMMB Group Media Relations Policy ¹²	JMMB Group Counterparty Risk Management Policy					
Sponsorship Policy ¹³	JMMB Group Credit Risk Policy					

⁷ In Trinidad and Tobago the Board is responsible for the IT Policies

⁸ In Trinidad and Tobago the Board is responsible for the Corporate Governance Policy

⁹ In Trinidad and Tobago the Board is responsible for the Finance Policy

¹⁰ In Trinidad and Tobago the Board Audit Committee is responsible for the Fraud Policy

¹¹ In Trinidad and Tobago the Board Audit Committee is responsible for the Procurement Policy

¹² In Trinidad and Tobago the Board is responsible for the Media Relations Policy

¹³ In Trinidad and Tobago the Board is responsible for the Sponsorship Policy

Audit	Risk	Credit	JMMB Group Finance	JMMB Group IS	JMMB Group Culture and Human Development	JMMB Group Nominations and Corporate Governance
-------	------	--------	--------------------	---------------	--	---

JMMB Group Operational Risk Policy

Asset and Liability Management Policy

Liquidity Risk Policy

Market Risk Policy

Investment Policy

Pension Management Policy (JMMB Fund Managers)

Product Development Policy (JMMB Bank (T&T) Limited)

11. Policy Review

This policy shall be reviewed by the JMMB Group Nominations and Corporate Governance Committee at least every three years. Amendments may be made as necessary.

12. Appendix

12.1. JMMB Bank (T&T) Limited and Intercommercial Trust and Merchant Bank Limited

12.1.1. Definitions

Under the Financial Institutions Act of Trinidad and Tobago, Section 2, an “**affiliate**” means, in relation to a given company (‘C’),

- (a) a company which is or has at any relevant time been
 - i. a holding company of C;
 - ii. a holding company of a holding company referred to in subparagraph (i);
 - iii. a subsidiary of a holding company referred to in subparagraphs (i) or (ii);
 - iv. a subsidiary of C; or
 - v. a subsidiary of a subsidiary referred to in subparagraph (iv); and
- (b) where company C is a licensee, any company over which the licensee and any connected party or connected party group of the licensee has control,

Under the Financial Institutions Act of Trinidad and Tobago, Section 36 (6) (a), “**independent director**” means a director who:

1. is not the holder of five per cent or more of the shares of the licensee or of a connected party of the licensee;
2. is not a current officer of the licensee or of a connected party of the licensee;
3. 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;
4. 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;
5. has not been employed by the licensee or any of its connected parties within three years prior to his appointment;
6. is not an incorporator of the licensee or of a connected party of the licensee;
7. is not a professional adviser of the licensee or of a connected party of the licensee;
8. is not a supplier to the licensee or of a connected party of the licensee;
9. 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 sixty thousand dollars.

Under the Financial Institutions Act of Trinidad and Tobago, Section 3, “**connected person**” means:

1. financial holding company, holding company, controlling shareholder or significant shareholder of the licensee;
2. a person who holds ten per cent or more of any class of shares of the licensee or of a person referred to in 1. above
3. an affiliate of the licensee;
4. an affiliate of a person referred to in 1 above;
5. a director or officer of the licensee or of a person referred to in 1 above;
6. a relative of a director or officer of the licensee; and
7. a company or unincorporated body that is controlled by a person referred to in 5 and 6 above.

Under the Financial Institutions Act of Trinidad and Tobago, Second Schedule "**fit and proper person**" means an individual who has not:

1. been convicted of an offence involving fraud or other dishonesty or violence;
2. contravened any provision made by or under an enactment appearing to the Central Bank to be designed for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of banking, insurance, investment or other financial services or the management of companies or against financial loss due to the conduct of discharged or un-discharged bankrupts;
3. engaged in any business practices appearing to the Central Bank to be deceitful or oppressive or otherwise improper (whether unlawful or not) or which otherwise discredit his method of conducting business;
4. had an employment record which leads the Central Bank to believe that the person carried out an act of impropriety in the handling of his employer's business;
5. engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment.

12.1.2. Audit Committee

The Chairperson of the Audit Committee shall not serve as a member of any other committee.

12.1.3. Board Structure and Composition

The Board of Directors shall comprise of a minimum of 3 and a maximum of 11 Directors.

14.1.4 Connected Party Transactions

The Company Secretary shall with the assistance of the CHDT Department, maintain a list of all Directors and Officers and Connected Parties related thereto, which said list shall be updated on at least an annual basis, or more frequently as may be required. If an applicant for lending is a team member of the Bank, that application must be referred to the CHDT and Credit Risk Departments for approval, and the said approval must come from the Board of Directors, in accordance with section 42 of the Financial Institutions Act.

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

14.1.5 Reporting to the Central Bank on Directors and Officers

On an annual basis, and as prescribed by the Central Bank, the Bank's Company Secretary shall provide updated Personal Declarations (where applicable) to the Central Bank with respect to the Bank's Directors and Officers as at December 31 of the prior year.

12.2. JMMB Investments (T&T) Limited and JMMB Securities (T&T) Limited

12.2.1. Definitions

12.2.2. Under the Securities Act of Trinidad and Tobago, (a) one entity is affiliated with another entity if one of them is the subsidiary of the other or both are subsidiaries of the same entity, or each of them is controlled by the same person; (b) if two entities are affiliated with the same entity at the same time, they are affiliated with each other; (c) an entity is the holding entity of another if that other entity is its subsidiary; and (d) a person that is not a body corporate or an individual is considered to be an affiliated person of another person, including a body corporate, if it is controlled by that other person, provided that a person is controlled by another person where (i) in the case of a partnership, the second-mentioned person owns or holds more than fifty per cent of the interest in the partnership; and (ii) in the case of the first-mentioned person other than a body corporate, an individual, or a partnership, securities of the first-mentioned person carrying more than fifty per cent of the interests in such person, are held or owned, by or for the benefit of the second-mentioned person.

The Board of Directors shall comprise of a minimum of 3 and a maximum of 11 Directors.

12.3. Dominican Republic (DR) Companies

1. Amendments in corporate governance policies are to be approved by the local supervisory authorities.
2. The chairperson of the board has a casting vote.
3. The board of directors must have an uneven number of members.
4. Annual audited financial statements are endorsed by an external registered accountant in addition to the external auditors.

12.3.1. Definitions

An “**internal member**” means a board member who is a team member of the respective company.

13.2.2 AFP JMMB BDI, S.A.

13.2.2.1 Definitions

Under the National Board of Social Security Rule No. 355-13¹⁴ “**independent director**” means a director who:

1. 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
2. Has not acted as internal board member or executive of the company or related companies within the past two years
3. Is not married to or has familial relationship up to the second degree in blood and first in affinity with other board members
4. Has not acted as a board member or executive within other companies where external non-independent members act as board members.

12.3.2. Required Board Committees

The AFP JMMB BDI, S.A. board of directors has the following board committees as required under local banking regulations¹⁵:

1. Directive (Corporate Governance)
2. Audit and Internal Control
3. Ethics
4. Operational risks¹⁶

12.3.3. Board Meetings

The AFP JMMB BDI, S.A. board of directors shall meet monthly¹⁷.

12.3.4. 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.

13.2.3 JMMB Bank S.A.

13.2.3.1 Definitions

“**independent director**” means a director who¹⁸:

1. Holds less than 3% of the shareholding of the bank

¹⁴ Dated September 11 2013

¹⁵ Corporate Governance Rule no. 355-13

¹⁶ Rules on Management of Operational Risk no. 297-09

¹⁷ Corporate Governance Rule no. 355-13

¹⁸ Corporate Governance Rule dated July 2, 2015

2. 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
3. Is not a board member or manager of another entity that is related to the bank through non-independent board members of the bank
4. 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 board of directors 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**” means¹⁹ 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.

13.2.3.2 Executive Directors

The board may appoint up to two executive directors²⁰.

13.2.3.3 Required Board Committees

The JMMB Bank S.A. board of directors has the following board committees²¹:

1. Audit
2. Risk
3. Designation and Remuneration

The Designation and Remuneration Committee recommends the employment of senior management, nomination of new board members and approves people policies.

13.2.3.4 Board Credit Committee

Due to the type of its portfolio (primarily retail-type credits) JMMB Bank S.A. does not have a Board Credit Committee. Credits above DOP400,000 are referred to the JMMB Bank S.A. Board of Directors for approval. The JMMB Bank S.A. Board Risk Committee has oversight responsibility for monitoring the credit portfolio.

13.2.3.5 Meetings

The board committees meet as follows:

¹⁹ DR Monetary Law No. 183-02 and its amendments

²⁰ Corporate Governance Rules of the DR Monetary Board dated July 2, 2015.

²¹ Corporate Governance Rule no. 355-13

1. Audit – quarterly
2. Risk - every two months
3. Designation and Remuneration - quarterly

13.2.3.6 Board Performance and Training

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

13.2.3.7. Required Management Committees

The following are required management committees²²:

1. Executive
2. Asset and Liability
3. Technology

13.2.4 JMMB Puesto de Bolsa S.A., JMMB Sociedad Administradora de Fondos de Inversión, S.A.

13.2.4.1 Definitions

“**related party**” means²³:

1. 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
2. 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)
3. Directors, senior management, employees, administrators and representatives and controllers of the company or related companies
4. Companies with common directors and representatives

13.2.4.2 Required Board Committees

JMMB Puesto de Bolsa S.A. and JMMB Sociedad Administradora de Fondos de Inversión, S.A. boards of directors have the following board committees as required under local regulations:

1. Compliance²⁴
2. Risk²⁵

²² SIB No. 0971/16 dated June 1, 2016

²³ DR Rule of the Application of the Stock Market Law, no. 664-12

²⁴ Security National Board Anti-Money Laundering Rule No. R-CNV-2012-01-MV

²⁵ Security National Board Risk Rule No. R-CNV-2015-35-MV

13.2.4.3 Board Performance

An external audit is to be carried out to evaluate the board of directors' performance with respect to corporate governance compliance.

13. Policy Administration

14.1 Policy Owner

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

14.2 Policy Status

Version	Date	Summary of Edits	Disposition	Author
1	2016/June/24	Initial document	Draft	Carolyn DaCosta
1.1	April 25, 2017	Reviewed and recommended for approval by Group Nominations & Corporate Governance Committee	Final	Carolyn DaCosta
1.2	May 25, 2017	Final Document	Approved by JMMB Group Limited Board of Directors	Carolyn DaCosta
1.3	May 24 2018	Minor revisions based on feedback from Trinidad & Tobago	Approved by JMMB Group Limited Board of Directors	Carolyn DaCosta

14.3 Next Review Date

The next review date of the JMMB Group Corporate Governance Policy will be by May 2020, or earlier if needed.