

NCB FINANCIAL GROUP LIMITED

NAME OF POLICY	Remuneration Policy for Directors
APPROVED BY	Board of Directors
DATE	September 29, 2021
ORIGINAL APPROVAL DATE	September 29, 2021
REVIEW DATE(S)	N/A

1. POLICY STATEMENT

NCB Financial Group Limited is committed to attracting and retaining highly qualified Directors for all the companies within the NCB Financial Group. This Policy is intended to provide a framework within which the Group should operate to ensure that the NCB Financial Group remains compliant with regulatory guidance and best practices in relation to remuneration of Directors.

2. REVIEW AND UPDATE OF THE POLICY

This policy shall be reviewed at least every three years by the Board of Directors to ensure that:

- The business continues to meet its compliance obligations in respect of the policy
- The policy maintains its relevance to the current and future business environment

The Group Legal & Compliance Division is responsible for undertaking the technical review of this policy and submitting any proposed revisions to the Corporate Governance & Nomination Committee for a recommendation for approval by the Board of Directors.

REMUNERATION POLICY FOR DIRECTORS

I. PURPOSE

This policy describes the principles for payment of remuneration to the Boards of Directors of NCB Financial Group Limited (“NCBFG”) and its subsidiaries (together the “NCB Group”) to the extent that those subsidiaries do not have their own remuneration policies. The overall objective of this remuneration policy is to provide a framework within which members of NCB Group should operate in order to attract, motivate and retain highly qualified individuals who can drive the enterprise to success and to align the interests of the Board of Directors and the Senior Management team with the interests of the shareholders.

II. DEFINITIONS

The definitions of ‘executive directors’ and ‘non-executive directors’ in this policy shall carry the following meanings:

- Executive Director – employed to the NCB Financial Group Limited or any of its subsidiaries and is normally responsible for aspects of the entity’s day-to-day operations.
- Non-Executive Director – A director who is not an executive director.

III. ESTABLISHMENT OF COMPENSATION COMMITTEES

- 1) NCBFG and the other Holding Companies¹ within the Group shall maintain appropriate Committees at the Holding Company level to review the remuneration of all Directors, Executives and Senior Management. These Committees shall operate within the ambit of their respective board approved Charters.
- 2) There shall be no requirement for other companies within the Group to establish Committees, unless required by the constitution or regulators of those companies.

IV. REMUNERATION OF DIRECTORS

A. General Principles

- 1) The maximum aggregate remuneration for the Board of Directors of NCBFG for each financial year shall be approved at the Annual General Meeting each year under a separate item on the agenda where required under the Constitution of the respective companies. The proposal for remuneration of the Board of Directors must be included in the notice convening the Annual General Meeting.

¹ Clarien Bank Limited is considered to be the Holding Company for Clarien Bank and its subsidiaries. Guardian Holdings Limited is considered to be the Holding Company for the Guardian Group. NCBFG is considered to be the Holding Company for the NCBFG wholly-owned subsidiaries.

- 2) Each Holding Company within the Group should determine the approach to Executive Director compensation to be applied by that Holding Company and its subsidiaries.
- 3) Shareholders' approval should be sought for the empowerment of Directors to fix the remuneration of Executive Directors, where shareholders' approval is required.
- 4) The Board of NCBFG shall establish a Non-Executive Directors' Remuneration Committee of NCBFG to be chaired by the Board Chairman and its membership drawn from those NCBFG directors who do not receive fees as non-executive directors.
- 5) Unless otherwise agreed, Directors' expenses should be paid or reimbursed by the relevant entity in the Group, independent of and regardless of any Directors' fees payable.

B. Non-Executive Directors

- 6) The fee structure for all Non-Executive Directors of NCBFG and its wholly-owned subsidiaries shall be reviewed at least biennially by the Non-Executive Directors' Remuneration Committee of NCBFG on recommendation by the Group Legal and Compliance Division (GLCD). Reasonable expenses may be incurred by GLCD during the review process through subscriptions, surveys or similar means in an effort to obtain reliable and relevant data.

The fee structure will require the approval of the Board of Directors of NCBFG prior to its implementation, subject to any approvals that might be required by the Boards of Directors and/or shareholders of the respective subsidiaries.

- 7) There shall be no direct link between non-executive directors' remuneration and the annual financial results of the Group and/or its subsidiaries.
- 8) Non-Executive Directors' fees will be paid in arrears on a quarterly basis and payments may be subject to taxation, based on the rules of the relevant jurisdictions.
- 9) When determining directors' fees, factors that shall be considered include:
 - Company-specific factors
 - Size, nature and profitability of the company
 - Complexity of operations – lines of business, geographic spread of operations
 - Risks and challenges of the business
 - Qualifications and experience required
 - Time commitment required
 - External market factors
 - Business and economic conditions

C. Executive Directors

- 10) Executive Directors within the Group shall receive no remuneration for directorships of NCBFG or its wholly owned subsidiaries. However, they may receive such remuneration for directorships in other companies, including other companies within the Group based on the applicable policies, procedures and practices of the other Holding Companies in the Group.

D. Expenses

- 11) Directors should be paid or reimbursed for expenses properly and reasonably incurred by them in attending meetings of the Board or any Committee of the Board or in connection with the business of the Group.
- 12) The Group may arrange travel, and will seek at a minimum to book travel at least in business class. Alternatively, costs incurred for airfare should be reimbursed based on the actual costs to travel to these meetings from their respective countries of residence, based on business class airfare on a reasonably direct available route.
- 13) Directors who are required to travel outside of their country of residence should be provided with a per diem to offset travel related expenses, such as taxi fares and reasonable cash tips. The per diem is not intended to cover amounts that can be charged to a credit card (either the individual's card or a corporate card). Directors are not required to account to the Group for the use of the per diem.
- 14) Examples of expenses which are considered to be reasonable and eligible for reimbursement are hotel accommodations while attending meetings, transportation to and from meetings, meals and snacks, where not paid directly by the Group.
- 15) Examples of expenses which are considered not to be reasonable or necessary and therefore not eligible for reimbursement are: consumption of alcohol, parking or traffic fines, personal purchases such as souvenirs or gifts, excess baggage charge for personal items, unauthorised upgrades for travel or hotel accommodations.
- 16) Expenses will only be reimbursed upon submission of valid receipts or the card statement showing the relevant transaction(s) within three months of being incurred.

V. DISCLOSURE OF THE REMUNERATION POLICY

The total remuneration of all the Directors of NCBFG in the Group shall be disclosed in the published audited financial statements or otherwise in the annual report of NCBFG.

This policy shall be posted on the website of NCBFG.

VI. REVIEW AND UPDATE OF THE POLICY

The Remuneration Policy for Directors shall be reviewed at least every three years by the Board of Directors to ensure that:

- The business continues to meet its compliance obligations in respect of the policy; and
- The policy maintains its relevance to the current and future business environment.

The Group Legal & Compliance Division is responsible for undertaking the technical review of this policy and submitting any proposed revisions to the Corporate Governance & Nomination Committee for a recommendation for approval by the Board of Directors.