

Eligibility requirements to serve on the Board of the National Bank of Dominica Ltd
Shareholder Information

The following is an extract of the Banking Act of the Commonwealth of Dominica, No. 16 of 2005, which details eligibility requirements to hold the position of Director of a financial institution.

Nominees for the position of Director will be required to sign a declaration of compliance with the legislative requirements before election/appointment to the Board of the National Bank of Dominica Ltd. During the tenure of Directorship, the Eastern Caribbean Central Bank requires each Director to make disclosures to determine whether he/she meets the fit and proper criteria for serving on the Board of a financial institution.

Minimum criteria for determining whether a person is fit and proper

Section 26

- (1) Every person who is, or is likely to be a director, controlling shareholder, or manager of the licensed financial institution must be a fit and proper person to hold the particular position he holds or is likely to hold.
- (2) In determining whether a person is a fit and proper person to hold any particular position, regard shall be had to:
 - (a) that person's probity, competence and soundness of judgment for fulfilling the responsibilities of that position;
 - (b) the diligence with which that person is fulfilling or likely to fulfill the responsibilities of that position; and
 - (c) whether the interests of depositors or potential depositors of the licensed financial institution are, or are likely to be in any way threatened by that person holding that position.
- (3) Without prejudice to the generality of the foregoing provisions, regard may be had to the previous conduct and activities in business or financial matters of the person in question, and in particular, to any evidence that the person has-
 - (a) Committed an offence involving fraud or other dishonesty or violence;
 - (b) Contravened any provision made by or under an enactment designed for protecting members of the public against financial loss due to dishonestly, 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 a discharged or undischarged bankrupt;
 - (c) Engaged in any business practices appearing to the Board to be deceitful or oppressive or otherwise improper (whether unlawful or not) or which otherwise reflect discredit on that person's method of conducting business;

- (d) An employment record which leads the Board to believe that the person carried out an act of impropriety in the handling of his employer's business; or
- (e) 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.

Removal and disqualification of Director

Section 27

- (1) Any person who is a director, manager, or other officer concerned with the management of a financial institution shall cease to hold office:
 - (a) upon notification by the Board of a finding by two-thirds of its members:
 - (i) of that person's permanent incapacity or serious neglect of, or misconduct in, office; or
 - (ii) that the person is not a fit and proper person in accordance with the criteria specified in paragraphs (a) and (b) of sub-section (3) of Section 26.
 - (b) if that person
 - (iii) is or was convicted of an offence under this Act
 - (iv) has been declared bankrupt or is compounding with, or suspending payment to, that person's creditors; or
 - (v) has been convicted in a court of law of any offence involving fraud, dishonesty, or violence.
- (2) Any person who:
 - (a) has been sentenced for an offence involving a term of imprisonment of or exceeding six months or in default of payment of a fine;
 - (b) has been a director or manager of a company which has been wound- up by a court or has been placed in receivership;
 - (c) has been a director or manager of, or directly or indirectly concerned in the management of a former licensed financial institution, the license of which has been revoked, unless such revocation was due to-
 - (i) its amalgamation with another licensed financial institution or company; or
 - (ii) its voluntary winding up;

shall not, without the express approval of the Minister after consultation with the Central Bank, act or continue to act as a director or manager of, or be directly or indirectly convened in any way in the management of any licensed financial institution.
- (3) A person who contravenes subsection (1) or (2) commits an offence and is liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding one year or to both such fine and imprisonment and in the case of a continuing offence to a further penalty of five hundred dollars for each day on which the offence is continued after conviction thereof.