



# Corporate Governance Principles

September 28, 2022

# Cadence Bank

## Corporate Governance Principles

### 1. Director Qualifications

The Board of Directors (the Board) of Cadence Bank<sup>1</sup> (the Company) shall be comprised of a majority of directors who meet the criteria for independence as now or hereafter required by the Federal Deposit Insurance Corporation (FDIC), Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE).

### 2. Nominating and Corporate Governance Committee Responsibilities

The Nominating and Corporate Governance Committee (the Committee) is responsible for annually reviewing with the Board the requisite skills and characteristics of directors as well as the composition of the Board. The Committee will consider written nominations from shareholders of the Company for director nominees that are made in accordance with the Amended and Restated Bylaws of the Company (Bylaws) and other applicable law. The Committee will apply the same criteria to all candidates it considers. The Committee will work with the Board to determine the appropriate characteristics, skills and types of experience for the Board as a whole with the objective of having a Board comprised of individuals with diverse backgrounds and experience. Characteristics expected of all directors include integrity, high personal and professional ethics, sound business judgment and the ability and willingness to commit sufficient time to the Board. In evaluating the suitability of individual directors, the Committee will take into account many factors, including a general understanding of marketing, finance and other disciplines relevant to the success of the Company in the prevailing business environment, an understanding of financial service industry issues and the business of the Company, a good educational and professional background, and personal accomplishment. Board members should represent geographic, gender, age, racial and ethnic diversity.

The Committee will evaluate each individual Board member, with the objective of recommending a group that can best perpetuate the success of the business of the Company and represent shareholder interests through the exercise of sound judgment using each member's unique talents and diversity of experience. The Committee will also evaluate each incumbent director to determine whether he or she should be nominated to stand for reelection, based on the types of criteria outlined above, as well as the director's contributions to the Board during the relevant term.

Nominees for directorship will be recommended by the Committee in accordance with the policies and principles in the Committee's Charter, these Corporate Governance Principles, the Bylaws of the Company, and applicable law consistent with the Roles and Responsibilities of Members of the Board of Directors of Cadence Bank. In consultation with the Chairman of the Board and the Chief Executive Officer of the Company, the Committee shall determine if any written nominations proposed by a shareholder or shareholders of the Company have been properly submitted in accordance with the Company's Bylaws and applicable law. The Committee shall review and consider any and all such nominations that have been properly submitted in determining the nominees that it will recommend to the Board. All nominees recommended by the Committee will be presented to the Board for approval and inclusion in the Company's proxy statement. Upon receiving Board approval, the appropriate nominees will be presented to the shareholders for approval. Upon receiving the requisite shareholder

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<sup>1</sup> The term the Company refers to Cadence Bank and its subsidiaries and their affiliates.

approval, the invitation for the elected director(s) to join the Board should be extended by the Board itself, the Chairman of the Committee and the Chairman of the Board.

The Company has established Stock Ownership Guidelines which outline the required minimum number of shares that: (i) the Chief Executive Officer, (ii) any Executive Officer of the Company, who is not the Chief Executive Officer, and (iii) all non-employee directors, must beneficially own of the Company's Common Stock and which exceed the minimum number of shares as required by the statute governing Mississippi state banks and the Company's Bylaws.

Individual directors are expected to submit a letter of resignation if a conflict of interest arises such that they can no longer serve effectively, or as soon as feasible after a significant change in position or primary job responsibilities. It is not the policy of the Board that in every instance directors who retire or change their outside employment should necessarily leave the Board. The Board should have the opportunity, however, through the Committee, to review the desirability as to whether a director should continue to serve in such circumstances. Accordingly, the Committee will review any such letter of resignation and recommend whether the Board should accept or reject such director's resignation in light of the circumstances. A director will not stand for reelection for another term after reaching the age of 75.

No director may serve on more than three other public company boards. Directors should advise the Chairman of the Board and the Chairman of the Committee on which the director serves in advance of accepting any invitation to serve on another public company board.

The Board does not believe it should establish term limits. While term limits could help ensure fresh ideas and viewpoints, they deprive the Company of the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board. As an alternative to term limits, the Committee will review each director's continuation on the Board on which he or she sits as his or her term is to expire. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board on which he or she sits, subject to recommendation by the Committee and nomination by the Board.

In a complex and highly dynamic industry such as financial services, a sizable portion of the Board should have extended tenure (multiple terms of service) to ensure that individual members of the Board will:

- Achieve the knowledge and understanding of the Company necessary to adopt effective and appropriate corporate policies and oversee senior management performance; and
- Have a working understanding of the financial services industry, which is characterized by rate cycles plus periods of competitive restructuring, requiring that a sufficient number of directors, at a given point in time, possess the historical knowledge of and experience with the Company and the industry needed to establish a realistic context for productive and informed Board deliberations and actions.

### **3. Director Responsibilities**

The basic responsibility of each director is to:

- Act with good faith and due diligence;

- Demonstrate a commitment to integrity and ethical values and act in compliance with the Company’s Code of Ethics so as to always;
  - Act with honest and ethical conduct; and
  - Report any illegal or unethical behavior or violations of law or Company policy.
- Give the Company the benefit of his or her business judgment and experience;
- Commit the time necessary to prepare for and regularly attend Board and committee meetings;
- Exercise the authority of director solely for the benefit of the Company;
- Place the Company’s interests, purposes, and priorities above the director’s own interests, fully disclose all actual conflicts of interest and avoid any participation in any matter relating thereto, and avoid to the maximum extent possible even the appearance of a conflict of interest;
- Exercise oversight for the development and performance of internal controls over financial reporting;
- Maintain the confidentiality of information entrusted or made available by the Company; and
- Comply with all laws and regulations applicable to such service.

In performing these duties, each director shall act in good faith and in a manner he or she reasonably believes to be in the best interests of the Company and the shareholders thereof, and may as appropriate, consider the interests of employees, suppliers, creditors and customers and other factors as permitted by law. In discharging these responsibilities, each director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports or statements prepared or presented by: (a) the Company’s Management<sup>2</sup> or employees whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports or statements provided; (b) legal counsel, public accountants or other persons retained by the Company as to matters involving skills or expertise the director reasonably believes are matters within the particular person’s professional or expert competence or as to which the particular person merits confidence; or (c) a committee of the Board of which the director is not a member, if the director reasonably believes the committee merits confidence.

Directors are expected to attend all Board meetings and meetings of committees on which they serve, and to spend the time needed in preparation of discharging their responsibilities properly. Information and data that are important to the Board’s understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors well in advance of the meeting, and directors should review and thoughtfully consider these materials before the meeting and the materials and reports of officers and experts that are provided in connection with Board or committee meetings.

#### **4. Role of the Chairman of the Board**

The Board has no policy with respect to the separation of the offices of Chairman of the Board and the Chief Executive Officer of the Company. The Board believes this issue is part of the succession planning process and that it is in the best interest of the Company to retain the flexibility to combine or separate these functions as circumstances deem appropriate.

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<sup>2</sup> The term “Management” means the Company’s employees who serve as Management Committee or Senior Management and, as such, are responsible for ultimate ownership of products, models, or other key processes. The composition of the Executive Management Committee and the Management Committee is established by the Board of Directors from time to time. The composition of Senior Management is established by the Company’s Executive Management Committee from time to time.

The Chairman of the Board will establish the agenda for each meeting of the Board, subject to review and approval of the Independent Lead Director, as described below. At the beginning of the year, the Chairman of the Board will establish a schedule of agenda topics to be discussed during the year (to the degree this can be foreseen). Each Board member may suggest the inclusion of items on the agenda. Each Board member may raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

## **5. Meetings of Independent Directors; Independent Lead Director**

The independent (as defined under the Director Independence Standards of the Company) directors of the Company will meet in executive session at least semi-annually. One of the two meetings will be held in January each year, at which meeting the Chairman of the Executive Compensation and Stock Incentive Committee will present that committee's recommendations.

The Committee will recommend to the Board an Independent Lead Director, who shall be an independent director and whose duties and authority will include, without limitation:

- To preside at all meetings of the Board at which the Chairman of the Board or the Chief Executive Officer is not present, including executive sessions of the independent directors;
- To serve as liaison between the Chairman of the Board and the independent directors and between senior management and the independent directors;
- To approve information sent to the independent directors for executive sessions;
- To review and approve agendas for executive sessions of the independent directors;
- To approve the schedules of executive sessions of the independent directors and assure there is sufficient time for discussion of all agenda items;
- To advise and consult with the Chairman of the Board and the Chief Executive Officer in matters related to corporate governance and performance of the Board;
- To be available to consult with any senior executives of the Company as to any concerns that such executives might have;
- To be available for consultation and direct communication with shareholders of the Company; and
- To perform such other duties as the Board may from time to time delegate.

## **6. Interaction with Press, Customers and the Public**

The Board recognizes that Management speaks for the Company and that members of the Board should refrain from speaking on behalf of the Company unless requested to do so by the Chief Executive Officer or as required in the conduct of their fiduciary duties. If public comments from the Board are appropriate, the comments should, in most circumstances, come from the Chairman of the Board.

## **7. Board Committees**

The Board will have at all times an Audit Committee, a Risk Management Committee, an Executive Compensation and Stock Incentive Committee, a Nominating and Corporate Governance Committee, a Trust and Financial Services Committee, and a Credit Risk Committee. All of the members of these committees, other than members of the Risk Management Committee, the Trust and Financial Services Committee and the Credit Risk Committee, will be independent directors under the applicable criteria

established by the FDIC, the SEC and the NYSE. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

All committee members (and committee chairpersons) will be appointed by the Board after receiving the recommendation of the Committee in consultation with the Chief Executive Officer as outlined in the Committee's Charter. Consideration will be given to rotating committee members periodically, but for similar reasons as stated herein as to term limits, such rotation should not be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board consistent with the rules of the FDIC, the SEC and the NYSE and these Corporate Governance Principles. The charters will also provide that each committee will annually evaluate its performance.

The chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year, each committee will establish a schedule of agenda topics to be discussed during the year (to the degree these can be foreseen). The schedule for each committee's meetings will be furnished to all directors. Each committee member or any other director may suggest additional items for consideration at any meeting.

The Board and each committee has the authority to obtain advice and assistance from internal and external legal, accounting or other advisors as they may deem necessary to carry out their respective duties, at the expense of the Company, without seeking prior approval of the Company's Board or Management.

The Nominating and Corporate Governance Committee shall review and re-assess the adequacy of these Corporate Governance Principles annually and recommend any proposed changes to the Board for approval.

## **8. Director Access to Officers and Employees**

Members of the Board shall have complete access to Management and the employees of the Company, including the Company's internal, external and independent auditors and other advisors. Board members shall use appropriate judgment and discretion, however, to ensure their contacts do not attempt to interfere with, supersede or impede the decisions made by Management and that such contacts are not distracting to the business operations of the Company. Any unresolved issues of difference between members of the Board and Management should first be brought to the Committee and Independent Lead Director for resolution and, in the event that a resolution cannot be reached, to the full Board. The Board encourages Management to bring managers into Board meetings who can provide additional insight into the items being discussed.

## **9. Director Compensation**

The form and amount of director compensation will be evaluated, and recommendations made to the Board, by the Executive Compensation and Stock Incentive Committee (Executive Compensation Committee) in accordance with the policies and principles set forth in the Executive Compensation Committee's Charter, these Corporate Governance Principles, and the Company's Bylaws and applicable law. The Executive Compensation Committee will conduct a review of non-management director compensation at least every two years.

Both the Executive Compensation Committee and the Committee will consider that a director's independence may be jeopardized if director compensation and perquisites exceed customary levels. The Committee will also consider that a director's independence may be jeopardized if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

## **10. Director Continuing Education**

The Company will conduct and make available to all directors appropriate continuing education programs regarding the Company's business, the director's obligations to the Company and any other matters, as appropriate.

## **11. Succession Planning**

The Executive Compensation Committee is responsible for adopting and reviewing policies and principles for succession planning of Management, subject to the review and approval of the Board. These policies and procedures will include those related to Chief Executive Officer selection and succession in the event of an emergency or retirement of the Chief Executive Officer of the Company. The Executive Compensation Committee will, at all times, be responsible for overseeing the performance of the Chief Executive Officer of the Company, periodically reviewing the performance of the Chief Executive Officer, and will make the appropriate recommendations to the Board for its consideration and approval. The Chief Executive Officer of the Company shall provide a confidential report to the Executive Compensation Committee, recommending succession in the event of the unexpected inability of the Company's Chief Executive Officer, and/or the Company's President, to continue to serve. The Chief Executive Officer of the Company shall present an updated report to the Executive Compensation Committee, at least annually, but more often in the event of changes of circumstances which would affect the recommendations. In light of these updated reports, the Executive Compensation Committee will reconsider its succession plans, policies and principles as appropriate. The Board retains the ultimate authority in approving decisions regarding succession and the selection of the Chief Executive Officer.

The Company will comply with the FDIC regulations concerning director and executive management changes in accordance with Part 303 Subpart F - Change of Director or Senior Executive Officer.

## **12. Annual Performance Evaluation**

The Committee will conduct an annual peer to peer assessment in order to assist the Board in determining whether members of the Board and its committees are serving effectively. The Committee

will receive comments from all directors and report annually to the Board a summary of the assessment results following the end of each fiscal year.