



Wise Financial Thinking for Life

SAGICOR CORPORATE POLICY ON INSIDER TRADING

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Sagicor Corporate Policy on Insider Trading



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SAGICOR FINANCIAL CORPORATION

CORPORATE POLICY ON INSIDER TRADING

1 Introduction

- 1.1 The Board of Directors and Senior Management of Sagicor Financial Corporation are committed to honesty, integrity and ethical conduct in all areas of business. We are committed to governing in compliance with law, avoiding actual or apparent conflicts of interests and disclosing the same when they arise, acting in good faith and objectively and confidentially where the need arises. In pursuance of these principles, a Sagicor Group Corporate Policy on Insider Trading has been developed to ensure the highest ethical standards of corporate conduct.
- 1.2 Insider trading rules are designed to promote fair and equitable securities markets and for the protection of investors who are not insiders. The basis of the rules is the need for timely disclosure of material information which gives all investors equal opportunity to consider all material facts and changes in reaching informed investment decisions. The rules are intended to ensure that anyone who has access to material non-public information in relation to securities does not participate, or assist others in participating, in any transaction involving those securities to the disadvantage of investors generally. The rules therefore prohibit trading by insiders when they have knowledge of specific unpublished information, which if generally known, might reasonably be expected to affect materially the price of an issuer's shares.
- 1.3 References in this Policy to:
- (i) "dealing" means buying, selling, trading or participating in any manner, whether as trustee or for a person's own account, in any transaction involving Sagicor's securities and includes and off-market transactions;
 - (ii) "Prohibited Period" means a period during which an insider is in possession of price sensitive information as hereinafter defined, or a Black-out Period as hereinafter defined;
 - (iii) "Sagicor" means Sagicor Financial Corporation and its subsidiaries;
 - (iv) "Sagicor securities" includes any bond, debenture, share, stock, unit, participation certificate or right or option to acquire any such interest issued by Sagicor;
 - (v) the singular includes the plural and the masculine gender includes the feminine and neuter genders.
- 1.4 If this Policy conflicts with the insider trading policy or rules of any other subsidiary of Sagicor, this Policy shall prevail.

2 Who is an Insider?

- 2.1 Insiders fall into three broad categories:
- (i) those who have a special relationship with Sagicor,
 - (ii) those who are the recipient of price-sensitive information from an insider; this activity is called "tipping", and
 - (iii)
 - (iv) those contemplating a take-over bid or other business combination or arrangement in relation to Sagicor.

2.2 An insider is:

- (i) a director or officer of Sagicor;
- (ii) an employee of Sagicor whose position may reasonably be expected to give him access to price sensitive information and which it would be reasonable to expect a person in this position not to disclose except in the performance of his duties;
- (iii) a person (or the director or officer of a person) who owns or who exercises control or direction over more than 10% of Sagicor's voting securities;
- (iv) a person engaged in a professional or business relationship with Sagicor whose position may reasonably be expected to give him access to price sensitive information and which it would be reasonable to expect a person in this position not to disclose except in the performance of his duties;
- (v) any person described in (i), (ii,) (iii) and (iv) above who within the last 6 months has been knowingly connected with Sagicor;
- (vi) the recipient of price sensitive information from a person described above and who knows or ought reasonably to know that the informant is an insider;
- (vii) a person contemplating or who has contemplated a take-over bid, amalgamation, merger or similar business combination.

3 What is Price Sensitive Information?

3.1 Price sensitive information is specific, unpublished information, which if generally known, might reasonably be expected to affect materially the price or value of Sagicor's securities.

3.2 It is a significant or material fact or change in relation to Sagicor which has or is likely to have an impact on the market for its securities.

3.3 The following list of examples of price sensitive information is by no means exhaustive:

- (i) Interim and annual financial performance
- (ii) Changes in financial results:
 - o a significant increase or decrease in near-term earnings prospects
 - o unexpected changes in financial results
 - o shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
 - o changes in value or composition of assets
 - o material change in accounting policy
- (iii) Changes in corporate structure:
 - o changes in share ownership that may affect control
 - o major reorganizations, amalgamations or mergers
 - o take-over bids, issuer bids or insider bids
- (iv) Changes in capital structure:
 - o planned repurchase or redemption of securities
 - o planned share splits, share consolidations, share exchanges, stock dividends, offerings of warrants or rights to buy shares
 - o changes in dividend payments or policy
 - o possible initiation of a proxy fight
 - o material modification to rights of security holders
- (v) Changes in business operations:
 - o changes to the board of directors or executive management, including departure of the issuer's CEO, COO or CFO or persons in equivalent positions

- any development affecting resources, technology, products or markets
 - significant change in capital investment plans or corporate objectives
 - major labour disputes or disputes with major contractors or suppliers
 - significant new contracts, products, patents or services or significant losses of contracts of business
 - the commencement of or developments in material legal proceedings or regulatory matters
 - waivers of corporate ethics and conduct rules for officers, directors and other key employees
 - any notice that reliance on a prior audit is no longer permissible
 - de-listing of securities or their movement from one quotation system or exchange to another
- (vi) Acquisitions and mergers:
- significant acquisitions or divestments of assets, property or joint venture interests
 - acquisitions of other companies, including take-over bid for, or merger with, another company
- (vii) Changes in credit arrangements:
- the borrowing or lending of a significant amount of money
 - any significant encumbering of company assets
 - defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or other creditors
 - significant new credit arrangements
- (viii) Changes in ratings by rating agency.

4 What is an Insider Prohibited from Doing?

4.1 An insider is prohibited from dealing during a Prohibited Period.

4.2 Dealing with Knowledge of Price Sensitive Information

4.2.1 An insider is under a duty to keep non-public price-sensitive information confidential. He must not communicate such information to anyone until it is disclosed publicly unless he discloses the same in the necessary course of business in the proper performance of the functions attaching to his position in Sagicor.

4.2.2 An insider is prohibited from dealing in Sagicor's securities if he has information which:

- (i) he holds by virtue of being connected with the Sagicor Group, and
- (ii) it would be reasonable to expect a person so connected and the position by virtue of which he is so connected not to disclose except for the proper performance of his duties, and
- (iii) he knows is price sensitive information.

4.2.3 The same prohibition applies to dealings in relation to the securities of any other issuer if, in addition to section 4.1.2 above, the information which the insider has relates to a transaction or contemplated transaction involving Sagicor and that other issuer or either of them.

4.2.4 An insider with price-sensitive information is also prohibited from counseling, procuring or otherwise advising any person to deal in Sagicor's securities or the securities of any other issuer.

4.2.5 An insider who acts as a trustee is also subject to the above prohibitions and should ensure that his co-trustees are aware of the fact that he is an insider and may be prohibited from dealing in Sagicor's securities or the securities of any other issuer.

4.3 Dealing during Black-out Periods

4.3.1 Provided there is no specific insider information within his knowledge, an insider is accorded certain limited windows within which to deal in Sagicor's securities. He may, however, not deal during Black-out Periods.

4.3.2 **Sagicor's Black-out Periods start fifteen days after the end of each quarter and end 24 hours after the announcement or release of interim or final financial results.** The delay in dealing until after 24 hours have elapsed is to place investors on an equal footing with insiders by giving the investors the

opportunity to absorb and analyze the results and make an informed decision as to whether or not to deal in Sagicor's securities.

4.3.3 By way of example, let us assume that financial results are published as follows:

- Final year-end results are published on March 31
- 1st quarter interim results are published on May 25
- 2nd quarter interim results are published on August 25
- 3rd quarter interim results are published on November 25.

Under the above scenario, insiders would be prohibited from dealing in Sagicor's securities between the following dates:

Start of Black-out Period	End of Black-out Period
× January 15	April 1 (provided 24 hours have elapsed since release of the final year-end financial results.)
× April 15	May 26 (provided 24 hours have elapsed since release of the first quarter interim financial results.)
× July 15	August 26 (provided 24 hours have elapsed since release of the second quarter interim financial results.)
× October 15	November 26 (provided 24 hours have elapsed since release of the third quarter interim financial results.)

4.4 Summary – When is Dealing Permitted?

4.4.1 Applying the scenario described above, and provided he does not otherwise hold specific price-sensitive information, a Sagicor insider may deal at any time between:

- √ April 1 and April 14
- √ May 26 and July 14
- √ August 26 and October 14
- √ November 26 and January 14

5 Exceptions

5.1 Notwithstanding anything in Section 4, an insider is permitted to deal in the following situations:

- (i) Where there is financial hardship or a pressing financial need or commitment, which cannot otherwise be satisfied, and the insider's motive is not to make a profit or to avoid a loss; in this case the insider must obtain prior clearance to sell, and cannot purchase.
- (ii) In the course of the exercise, in good faith, of his functions as a liquidator, receiver or trustee in bankruptcy.
- (iii) Where a broker or trader who receives the information in the ordinary course of his business acts in good faith in the course of that business.
- (iv) Where the insider acts in order to facilitate the completion or carrying out of a transaction.

- (v) By a person who acquires securities through employee profit sharing or share ownership plans established for all employees and provided any sale or purchase of such securities by any one employee or director does not exceed 0.5% of Sagicor's issued capital over a one year period.
- (vi) Where Sagicor securities are purchased or sold under a regular automatic acquisition or disposition program, provided the insider:
 - (a) does not enter into, carry out the first dealing under, or cancel or vary the terms of the plan during a Prohibited Period;
 - (b) enters into the plan in good faith and not as part of a scheme to evade insider trading prohibitions;
 - (c) obtains clearance under Section 6 before entering into, carrying out the first dealing under, canceling or varying the plan.

5.2 Grants made under employee profit sharing or share ownership plans during a Prohibited Period are permitted if the grants are part of an award regularly made under such plan.

6. Notification and Clearance

6.1 Subject to Section 6.3, an insider is prohibited from dealing in Sagicor securities without first notifying the Corporate Secretary.

6.2 If the Corporate Secretary determines that the trade is about to occur during a Prohibited Period and is not an exception, the Corporate Secretary shall immediately so advise the insider.

6.3 An insider is prohibited from dealing in Sagicor securities under the exceptions set out in Sections 5.1(i) and 5.1(vi) without advising the Corporate Secretary in advance and receiving clearance. The Corporate Secretary shall obtain clearance from the Chairman. In the case of the Chairman, clearance shall be obtained from the Corporate Governance and Ethics Committee.

6.4 The Corporate Secretary shall keep a record of notices received and clearances given under to this Section and the dealings of all insiders.

7. Selective Disclosure

7.1 Disseminating price sensitive information to selected persons in advance of its release to the general public is viewed as selective disclosure, which is not conducive to a fair and equitable securities market. It further facilitates insider trading.

7.2 Sagicor does not condone selective disclosure and, to the extent that it hosts investor briefings for analysts, institutional investors and investment dealers and other market professionals, care is taken to ensure that any information disclosed in these sessions is already in the public domain or will immediately be publicly disseminated.

7.3 The following practices by Sagicor minimize the risk of selective disclosure to, and insider trading by, recipients of price-sensitive information:

- (i) Disclosures are made as soon as possible and are generally done by news releases or notices to relevant securities commissions, stock exchanges and the public. The annual report is posted to all shareholders. All financial and other selected information is placed on the Group's website.
- (ii) The number of persons authorized to make public disclosures is limited and, wherever possible, information is disclosed by Corporate Communications.

8 Policy Violations

- 8.1 Violations of this Policy shall be reported by the Corporate Secretary to the Corporate Governance and ethics Committee and the Group Compliance Officer.

9 Criminal and Civil Liability

- 9.1 Securities legislation provides the legislative framework for insider trading and makes it an offence to commit a breach of the provisions relating to dealings by insiders. Heavy monetary fines and/or terms of imprisonment may be imposed on conviction.
- 9.2 Under Companies legislation, an insider is liable for any direct loss suffered by any person and is accountable to Sagicor for any benefit or advantage gained as result of insider trading.
- 9.3 Certain limited defences are available to an insider facing criminal or civil proceedings.

10 Role of Sagicor's Legal Department

- 10.1 The role of Sagicor's Legal Department in insider trading is to ensure compliance with, and interpret, the Group's Insider Trading Policy. This includes filing insider reports as required by law or the rules of any stock-exchange or self- regulatory organization.
- 10.2 This Policy is to be viewed as a guide and should not be taken to be an exhaustive list of rules on every situation, which if followed closely, will avoid breaches of the law. Before dealing in Sagicor's securities, persons to whom this Policy applies should consult this Policy and all relevant legislation and rules or should seek advice from the Legal Department or their legal adviser.
- 10.3 The Department is committed to treating with the utmost confidentiality all information received in relation to insiders. Insiders should, however, be aware that insider trading reports are required to be filed with securities regulators and stock exchanges disclosing shares held and traded by insiders.
- 10.4 If you are in any doubt as to:
- the interpretation of any part of this Policy
 - whether you are an insider, or
 - when Sagicor's Black-out Periods begin and end,

you may consult:
Sandra Osborne, QC
Corporate Secretary
Legal Department
Sagicor Financial Corporation
Phone: (246) 467-7514
Fax: (246) 426-7907
E-mail: sandra_osborne@sagicor.com.

11 Amendments to Policy

- 11.1 This Policy may be amended from time to time by the Board of Directors of Sagicor Financial Corporation.

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