



Wise Financial Thinking for Life

SAGICOR GROUP

Risk Management Committee Charter

February 2024

VERSION CONTROL

Policy ID:	Title Sagicor Group - Risk Management Committee Charter	
	Prepared by: Hope Wint / (Former) VP – ERM & Group Compliance	Date prepared: April 2015
Revision #:	Revised by:	Date revised:
1	Jason Bailey / (Former) Manager – ERM, Strategic & Operational Risks	February 2020
2	Ricoye Williamson/ Manager – ERM, Financial Risks	February 2024
	Reviewed By: Caren Scott-Dixon / VP, ERM & Group Compliance Sagicor Group Risk Management Committee	Date reviewed: February 2024 5 March 2024
	Approved by: Sagicor Group, Board of Directors	Date approved: 30 April 2024

This Charter shall be reviewed every two years or as needed based on significant developments/ changes to the mandate of the committee. Revisions shall be documented and summarized in the table below:

REVISION DATE	SUMMARY OF REVISIONS
April 2015	<ul style="list-style-type: none"> • Document creation.
March 2020	<ul style="list-style-type: none"> • Refreshed members and attendees • Reworded key terms for precision and accuracy • Explicit inclusion of non-financial risk management • Updated schedule of meetings and coverage for precision and accuracy <ul style="list-style-type: none"> ○ Management’s risk responses and risk response tactics included.
February 2024	<ul style="list-style-type: none"> • Explicit inclusion of two-year review period • Refreshed members and attendees

TABLE OF CONTENTS

1.0 DEFINITIONS.....4

2.0 COMMITTEE PROTOCOL.....4

3.0 PURPOSE OF THE COMMITTEE & SCOPE OF RESPONSIBILITIES7

4.0 REPORTS8

5.0 INDEPENDENT ADVISORS.....8

SCHEDULE 1 – MEETINGS & COVERAGE9

SCHEDULE 2 – MEMBERS & ATTENDEES..... 10

1.0 DEFINITIONS

In this Charter, unless the context otherwise specifies or requires:

- 1) “**Board**” means the Board of Directors of the Company;
- 2) “**Committee**” means Risk Management Committee of the Company hereinafter referred to;
- 3) “**Company**” means Sagicor Group Jamaica Limited;
- 4) “**Group**” means Sagicor Group Jamaica and its subsidiaries;
- 5) “**Independent Director(s)**” means a director who is not:
 - a) An employee of Sagicor Group Jamaica Limited or its subsidiaries;
 - b) A person holding five per centum or more of the shares of the company or a connected person in relation to the company; or
 - c) A party to a significant economic or other relationship that is inconsistent with that Director being considered as independent of the Group.

2.0 COMMITTEE PROTOCOL

2.1 Establishment of Committee

The Committee is hereby established as a committee of the Board. The existence of the Committee will not preclude management from discussing related business with the Board.

2.2 Composition of Committee

The Committee shall be comprised of not less than three directors, the majority of whom shall be independent directors within the meaning of “Independent Director(s)” as in the above definitions.

2.3 Appointment of Committee Members

Members of the Committee shall be appointed by the Board on the recommendation of the Corporate Governance and Ethics Committee and shall, in the normal course, serve a minimum of three years.

Each member shall meet skill and experience requirements of applicable industry and securities regulation and such additional requirements as may be determined from time to time by the Board on the recommendation of the Corporate Governance and Ethics Committee, however:

- i. At least one member of the committee shall have risk management expertise;
- ii. Each member shall have financial management expertise or be financially literate, having a working familiarity with basic finance and risk management practices, or access relevant training programs within a reasonable period of time after appointment to the Committee;
- iii. Meet skill and experience requirements in line with applicable industry and securities regulation;
- iv. Meet any other requirements as may be determined from time to time by the Board on the recommendation of the Corporate Governance and Ethics Committee;

- v. The Board may fill a vacancy that occurs on the Committee at any time.

2.4 Chairperson and Secretary

The Board will designate one member of the Committee as the Committee Chair. In the absence of the Chairperson the members present shall choose one of their members to act as Chair for the meeting.

The Committee shall appoint a Secretary who need not be a Director.

2.5 Meetings

Standard Meetings: The Committee shall meet semi-annually or more frequently as the Committee may determine. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof, provided that:

- i. A quorum for meetings shall be a majority of the members;
- ii. A member shall attend scheduled meetings in person; or participate by means of any electronic communication facilities which allows all persons participating in the meeting to hear each other clearly;
- iii. Notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee, at least 72 hours prior to the time fixed for such meeting. Provisions shall be made for the exceptional emergency meeting, with 24 hours' notice prior to the time fixed for such emergency meeting;
- iv. The affirmative vote of the majority of the members of the Committee participating in any meeting is necessary for the adoption of a resolution;
- v. In the absence of a meeting, a resolution adopted by written consent of majority of the members, given in person or by electronic communication, is valid, provided that each member has received notice of the matter to be decided upon;
- vi. The Committee may request any officer or employee of the Company or independent Advisors to attend a meeting of the Committee.

Private Meetings: The Committee may have separate private meetings with the VP, Enterprise Risk Management and Group Compliance and/or Management, through the CEO, to discuss any matters that the Committee or the person(s) wishes to discuss.

2.6 Evaluation of Effectiveness & Review of Mandate

The Committee is required on an annual basis to:

- i. Review and assess the adequacy of its mandate and, where necessary, recommend changes to the mandate to the Board for approval;
- ii. Evaluate its effectiveness in fulfilling its mandate and report the results of the performance evaluation to the Board;
- iii. Be guided by feedback from the Board and its Chairperson.

2.7 Relationship with the CEO

2.8 The Committee is expected to establish and maintain free and open communication with the CEO. **Role of Management**

Management is responsible for:

- i. Identifying, assessing and managing the key risks impacting the Group;
- ii. Applying effective risk management practices and instilling a risk management culture within the Group;
- iii. Ensuring compliance with regulatory requirements under the respective laws and regulations governing the Group;
- iv. Ensuring persons considered for appointment to Management functions possess the requisite knowledge, skills and experience to fulfill their mandates and that they also meet the standards set by the regulators for persons in such positions.

2.9 Role of Enterprise Risk Management

Risk Management is a functional role which supports Management in independently identifying, assessing, monitoring and reporting on risks across the group to ensure its viability. Enterprise Risk Management:

- i. Oversees and manages the risk taxonomy within the Group;
- ii. Complements management's risk management efforts with an enterprise-wide / group perspective and in so doing identifies, monitors and reports on any additional risks within the Group by leading enterprise risk management efforts;
- iii. Reviews the effectiveness of controls associated with Company and Subsidiary risks, and conducts periodic assessments of the stated controls to determine effectiveness, in conjunction with Group Internal Audit;
- iv. Implements and maintains appropriate risk management policies to ensure transparency, arm's length dealings and prudent exposure limits for the Company and across the Group.

3.0 PURPOSE OF THE COMMITTEE & SCOPE OF RESPONSIBILITIES

The purpose of the Committee is to oversee Management's effectiveness in fostering a strong integrated risk management culture within the Group. The Committee is responsible for directing and overseeing the Groups' management of risk, ensuring that the subsidiaries have in place policies and processes to identify and manage the key risk exposures, and ensure compliance with applicable laws and regulations.

The Committee shall review the Group's key risks that have been identified for completeness within an enterprise risk management framework and assure itself that the management team of each subsidiary has in place policies, internal controls and processes to manage these risks, including but not limited to financial, operational, strategic, regulatory and insurance risks.

The Group's risk appetite shall be managed through the use of tolerances, limits and standards aligned to subsidiary policies, which the Committee shall monitor. In particular, this Committee shall concern itself with enterprise-wide financial and operational stability, which it shall routinely monitor.

The Committee must understand the key risks to which the Group is exposed, and the policies, procedures and controls used by Management to assess and manage these key risks.

The Committee shall review actions taken by Management and the respective Risk Management Committee for each subsidiary to maintain a consistent and sound risk profile across the Group.

This Committee shall:

1. Approve the Group's Enterprise Risk Management framework and philosophy;
2. Provide oversight of the risk management committee of each subsidiary and ensure that risk management policies, standards and procedures are in place to effectively manage the key risks associated with each subsidiary;
3. Review the effectiveness of the Group's Enterprise Risk Management programme, structure, framework, mandate and philosophy;
4. Obtain reasonable assurance from the risk management committee of each subsidiary that risk management policies are being adhered to;
5. Evaluate the effective compliance of Senior Management in managing the operations of the subsidiaries and the risks to which the Group is exposed;
6. Review the Group's key exposures to financial and non-financial risks, including the amount, nature, characteristics, concentration and quality of the investment and credit portfolios, liquidity, funding and capital management positions and processes;
7. Review key risk exposures against the established risk appetite and risk tolerance limits, where breaches are identified ascertain the proposed corrective actions and timelines;
8. Review all financial and non-financial risk management governance documents recommended by management;
9. Review the effectiveness of Management's risk responses and response tactics to key risks. That is; decisions taken to either accept, avoid, pursue, reduce, share, review business objective or review strategy in response to key risks.

4.0 REPORTS

The Chairperson shall report to the Board on matters reviewed and ratified by the Committee at each meeting.

The Chairperson shall also submit an annual self-assessment to the Board on the performance of the committee during the year in carrying out its responsibilities.

5.0 INDEPENDENT ADVISORS

The Committee has the authority to retain such independent Advisors as it may deem necessary or advisable for carrying out its mandate, to set the terms of the retainer, and to terminate any Advisor arrangement. Expenses related to any such engagement shall be paid by the Company.

SCHEDULE 1 – MEETINGS & COVERAGE

	COVERAGE / AGENDA ITEMS	Q1	Q4	REPORTER
1.	Enterprise Risk Management framework, policy, philosophy, mandate, and risk taxonomy for approval.	✓	✓	VP, ERM & Group Compliance
2.	Enterprise Risk Management strategic priorities.	✓		VP, ERM & Group Compliance
3.	Business continuity and disaster recovery plans, updates, and plan performance.	✓	✓	VP, Corporate Services
4.	Key financial and non-financial risk exposures across the Group	✓	✓	VP, ERM & Group Compliance
5.	Data Security & Key Technology risk exposures across the Group	✓	✓	VP, Innovation & Data
6.	Financial and non-financial group risk policies for approval.	✓	✓	VP, ERM & Group Compliance

SCHEDULE 2 – MEMBERS & ATTENDEES

MEMBERS (DIRECTORS):

Mr. Paul Hanworth (Chairperson)

Mr. Peter Melhado

Mr. Peter Clarke

INVITEES:

President & CEO, Sagicor Group

EVP – Strategy & Business Development, Sagicor Group

VP - General Counsel & Corporate Secretary

VP, ERM & Group Compliance, Sagicor Group

VP, Innovation & Data, Sagicor Group

SVP, Group Technology & Sagicor Life Operations

VP, Corporate Services, Sagicor Group

AVP, Group Internal Audit, Sagicor Group

Chief Risk Officer, Sagicor Financial Corporation

CEO, Sagicor Bank

CEO, Sagicor Investments

CEO, Alliance Financial Services

Chief Revenue Officer, Insurance

Chief Technical & Insurance Operations Officer

Chairperson – Sagicor Bank, Investment & Risk Management Committee

Chairperson – Sagicor Investments, Investment & Risk Management Committee

Chairperson – Sagicor Life, Investment & Risk Committee

END OF DOCUMENT