

**SAGICOR FINANCIAL COMPANY LTD.
INVESTMENT AND RISK COMMITTEE CHARTER**

1 DEFINITIONS

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

- (a) "Board" means the board of directors of the Company;
- (b) "Chair" or "Chairman" means the chairman of the Board or the chairman of the Committee, as the context requires;
- (c) "Committee" means the Investment and Risk Management Committee;
- (d) "Company" means Sagicor Financial Company Ltd.;
- (e) "Group" means the Company and its subsidiaries; and
- (f) "Secretary" means the secretary of the Committee.

2 COMMITTEE AND PROCEDURES

2.1 Establishment of Committee

2.1.1 A committee of the directors to be known as the "Risk Management Committee" is hereby established as a committee of the Board. The establishment of the Committee will not preclude management from discussing any business related to investment and risk management with the Board.

2.2 Composition of Committee

2.2.1 The Committee should be composed of not less than three directors.

2.2.2 None of the members of the Committee should be an officer, employee or affiliate of the Company or its subsidiaries.

2.2.3 All directors who are members of the Committee should be independent within the meaning of "independence" as contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* under Canadian securities laws.

2.3 Appointment of Committee Members

2.3.1 Members of the Committee should be appointed by the Board on the recommendation of the Corporate Governance and Ethics Committee.

2.3.2 Members shall be appointed for a three year term.

2.3.3 Each member should 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.

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

2.4 Chairman and Secretary

- 2.4.1 The Board should designate one member of the Committee as the Committee Chair. In the absence of the Chairman the members present should choose one of their number to act as Chair. The Committee should appoint a Secretary who need not be a director.

2.5 Meetings

- 2.5.1 The Committee should meet quarterly or more frequently as the Committee may determine. The time and place of meetings of the Committee and the procedure at such meetings should be determined from time to time by the members thereof, provided that:
- (a) A quorum for meetings shall be a majority of the members appointed to the Committee at the relevant time.
 - (b) A member may participate in a meeting of the Committee by means of any electronic communication facilities as permit all persons participating in the meeting to hear each other and a member participating in such a meeting by such means is deemed to be present at the meeting.
 - (c) Notice of the time and place of every meeting should be given in writing, in person or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting. Notice of a Committee meeting shall be deemed to be duly given to a member of the Committee if it is given to such member verbally (including in person or by telephone) or otherwise communicated or sent to such member by post, facsimile, email or other electronic communication at such member's last known address or in accordance with any other instructions given by such member to the Company for this purpose.
 - (d) The affirmative vote of a majority of the members of the Committee participating in any meeting of the committee is necessary for the adoption of any resolution of the Committee.
 - (e) A resolution signed by all of the members of the Committee, which may be in counterparts, shall be as valid as if it had been passed at a Committee meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by the last member of the Committee.

2.5 Reporting to the Board

- 2.6.1 After every meeting the Committee should report to the Board on matters reviewed by the Committee.
- 2.6.2 The Committee should submit a report annually to the Board on the work of the Committee during the year in carrying out its role.

2.7 Evaluation of Effectiveness and Review of Mandate

- 2.7.1 The Committee should annually, if appropriate:
- (a) Review and assess the adequacy of its mandate and, where necessary, recommend changes to the mandate to the Board for its approval.
 - (b) Evaluate its effectiveness in fulfilling its mandate.
 - (c) Report the results of the performance evaluation to the Board.

- (d) Be guided by feedback from the Board and its Chairman.

2.8 Relationship with Management

- 2.8.1 The Committee is expected to establish and maintain free and open communication with members of management relevant to its operation.

3 ROLE

- 3.1 The role of the Committee is to direct and oversee enterprise risk management of the Group.
- 3.2 The Committee should seek to ensure that the Company's origination and management of risk, whether at the transaction, portfolio, or enterprise level, is consistent with stated risk philosophy, risk policies and processes, legal and regulatory requirements, and with management authorities.
- 3.2 The Committee should understand the significant risks to which the Group is exposed and the policies, procedures and controls used by management to assess and manage these risks. The Committee should review actions taken to maintain a consistently sound risk profile.

4 SPECIFIC ROLES

- 4.1 The Committee should:

4.1.1 Risk Policy and Management

- (a) Review and approve the Company's risk philosophy risk appetite and its Enterprise Risk Management policy.
- (b) Review and approve risk management principles and policies recommended by management, including policies concerning credit risk, market risk, liquidity risk, pricing risk, operational risk and other risks to which the Company is exposed.
- (c) Review on an annual basis the effectiveness of Company structure and processes for originating and managing risk.
- (d) Discuss with management at least annually the Company's major risk exposures and the steps management has taken to monitor and control such exposures.
- (e) Obtain on a regular basis reasonable assurance that the Company's risk management policies for significant risks are being adhered to.
- (f) Evaluate, on a regular basis, the effectiveness and prudence of senior management in managing the operations of the Company and the risks to which the Company is exposed.
- (g) Review financial transactions (and policies related to those transactions) to entities of which a director of the Company or his or her spouse is also a director, which have been entered into as an exception to the Company's credit policy.
- (h) Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities, including but not limited to loans, investments, divestments, acquisitions, and derivatives.
- (i) Review reporting on significant Group risks, including the amount, nature, risk characteristics, concentration and quality of the investment portfolio, as well as all

significant exposures to financial risks, through reports on significant risk exposures presented to the Committee.

4.1.2 Liquidity, Funding and Capital Management

- (a) Review and approve at least once a year the liquidity and funding management policies and capital management policies recommended by the Company's management.
- (b) Review on a regular basis the liquidity, funding and capital position and liquidity, funding and capital management processes.
- (c) Obtain on a regular basis reasonable assurance that the Company's liquidity and funding management policies and capital management policies are being adhered to.

5 **DIRECTORS' REPORT**

- 5.1 The Committee should prepare an annual report of its activities for inclusion in the directors' report distributed to shareholders, as may be required by applicable laws or rules of applicable securities regulatory authorities or stock exchanges.

6 **INDEPENDENT ADVISORS**

- 6.1 The Committee has the authority to retain such independent advisors as it may deem necessary or advisable for carrying out its mandate and to set the terms of the retainer. Expenses related to any such engagement should be reported to the Board and paid by the Company.

7 **GENERAL**

- 7.1 Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Group's compliance with applicable laws or regulations.
- 7.2 In contributing to the Committee's discharges of its duties under this Charter, each member of the Committee shall be obliged only to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.
- 7.3 The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Group or their shareholders for any purpose whatsoever. The Board by resolution may, from time to time, amend or waive the terms hereof, either prospectively or retrospectively, and no provision of this Charter is intended to give rise to civil liability of the Company or any of its directors, officers, advisors or employees to shareholders, other securityholders, lenders, customers, suppliers or employees of the Group or any other liability whatsoever, except as expressly provided herein.