CORPORATE GOVERNANCE MANUAL OF POLICIES AND PROCEDURES

Sagicor

Wise Financial Thinking for Life

	Title ***Corporate Governance Manual***	
Revision ***V1*** ***V2*** ***V3*** ***V4*** ***V5*** ***V6*** ***V7*** ***V8***	*Prepared By:* ***Janice Grant Taffe, SVP,* General Counsel & Corporate Secretary**, Group Legal Trust & Corporate Services ***Chantal Davis, Assistant Manager,*** Group Legal Trust & Corporate Services ***Chantal Davis, Assistant Manager,*** Group Legal Trust & Corporate Services ***Chantal Davis, Assistant Manager,*** Group Legal Trust & Corporate Services ***Chantal Davis, Assistant Manager,*** Group Legal, Trust & Corporate Services Janice Grant Taffe, Corporate Secretary ***Chantal Davis, Manager,*** Group Legal Trust & Corporate Services ***Courtnie Brady, Manager,*** Group Corporate Secretarial and Registrar Services & ***Peta-Kaye Campbell, Manager,*** Group Corporate Secretarial and Registrar Services	*Date Prepared* ***May 2017*** ***June 2019*** ***August 2021*** ***October 31, 2021*** ***January 2022*** ***September 2024*** ***August 2026***
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This Manual shall be reviewed every two years or at such frequency as the Board shall determine. Revisions shall be documented and summarized in the table below:

REVISION DATE	SUMMARY OF REVISIONS
September 2024	▪ Amendment to include summary table of revisions and to document the frequency of review of the Manual. "This Manual shall be reviewed every two years or at such frequency as the Board shall determine." ▪ Amendments of Part 1 – Group Corporate Governance Policy ▪ insertion of phrase "This policy is consistent with the PSOJ Corporate Governance Code." ▪ 1.2.1 Amendment of the Scope of the Group Corporate Governance Policy. This Policy is applicable to all directors, officers and employees of SGJ and all its subsidiaries. Exceptions to this Policy shall only be granted, in writing, by the Board, on the recommendation of the Corporate Governance Committee. All exceptions will be recorded and the reason for the exception clearly stated. ▪ 1.3.4 Insertion of definition of the term Disclosure as it relates to section 3.4 – Oversight of Communications and Public Disclosure: "Disclosure" means information that is made available to the public regardless of whether the information is deliberately or inadvertently revealed, and notwithstanding the medium use to reveal the information. ▪ Amendment of Section 4.1.6 – Subsidiary Governance ▪ 4.1.6.1 Background subsection (v) - insertion of new clause(i) (i) in the case of any subsidiary financial institution, regulatory obligations hold the parent company accountable for the actions of the subsidiary. ▪ Insertion of new Appendix 10 – Director Remuneration Policy
August 2026	▪ Amendment of President/CEO's name to include pre-nominal title and post nominal letters on page 5 of the Manual and page 26 of Appendix 1- Sagicor Code of Business and Ethics ▪ Insertion of a new Pillar 10 - **Technology and Responsible Innovation** under Part 3, section 3.6 ▪ Amendment of Part 4- Section 4.1.3.2 - Board core competencies subsection (iii) to clearly state the relevance of the Board's core competencies, particularly in relation to the nature and scale of the business. ▪ Amendment of Part 4 – Section 4.1.3 – Board Composition subsection (vi) to detail Representation and Diversity ▪ Amendment of Part 8- Section 8.1.1 to include four new policies: AML/CFT/CPF Policy, Outsourcing Policy, Responsible Use of AI Policy and Succession Policy

INTRODUCTION

To Directors, Management, Staff and Advisors of the Sagicor Group

At Sagicor, we consider Corporate Governance as the task of the Company's Board providing leadership, guidance and oversight to the Company for maximizing wealth within the bounds of law and community standards of ethical behaviour. This task, however, is only achievable if the Board is effectively positioned, and if management has the capability to deliver and the mechanisms for effectively engaging the Board.

These are challenges faced by most, if not all public companies. Effective corporate governance is not an option anymore; with the increasing incidence of corporate disasters around the globe, a high level of accountability is being demanded of companies, particularly their boards, to operate in the best interests of their stakeholders. Consequently, we see a steadily increasing amount of regulation, guidance and supervision directed at public companies and a higher level of intervention coming from investors and shareholders.

On the other hand, good governance is not just a matter of complying with rules and regulation but is simply a common-sense business management necessity. That is how we in Sagicor intend to build our governance architecture. The Management team takes the view that the Company's chances for success are enhanced with an informed and engaged Board. Equally, the Board of Directors feels that an empowered, confident and resourceful management team is vital to good governance.

This Manual contains the structure and processes through which Sagicor intends to implement its corporate governance architecture. The information is for the use of directors, officers and staff and advisors, to enhance their understanding and personal contribution to the Company's governance goals. Adoption and implementation of the Manual take immediate effect. Success in achieving our governance goals will require not only resources, structures and processes but three essential human qualities:

1. *Personal Commitment* – the will to achieve through taking pride and responsibility for making positive things happen at every opportunity.
2. *Leadership* – not necessarily vested leadership but all those who see and grasp the opportunity to show the way and to inspire others to do the right things.
3. *Teamwork* – the sense of collective purpose and acting together unselfishly to achieve the common good.

It is everyone's responsibility to contribute toward development of this architecture, and we urge you to take this responsibility seriously. It will take a few years to fully realize our governance goals, but we have made a bold start by defining the direction and scope of our endeavour and by adopting the determination to implement programs and processes for giving effect to that virtual architecture.

We hope you will join us in recognizing the potential which corporate governance has for making Sagicor Group Jamaica a long-term success and we look forward to your commitment and endeavour to make that success a reality.

Peter K. Melhado	Hon. Christopher W. Zacca, OJ, CD, JP
Chairman	President & Chief Executive Officer
Sagicor Group Jamaica Limited	Sagicor Group Jamaica Limited

Part 1

GROUP CORPORATE GOVERNANCE POLICY

1.1 POLICY SUMMARY

1.1.1 This Policy sets out minimum requirements for the governance of Sagicor Group Jamaica Limited ("SGJ" or "the Company"), the holding company of the Sagicor Jamaica Group of Companies. The purpose of the policy is to establish the external and internal framework for the operation of corporate governance within the Company in particular and the Group in general. This policy is consistent with the Jamaica Corporate Governance Code.

1.2 SCOPE

1.2.1 This Policy is applicable to all directors, officers and employees of SGJ and all its subsidiaries. Exceptions to this Policy shall only be granted, in writing, by the Board, on the recommendation of the Corporate Governance Committee. All exceptions will be recorded and the reason for the exception clearly stated.

1.3 DEFINITIONS

1.3.1 "Board" means the board of directors of Sagicor Group Jamaica Limited and, where the context so admits, includes board Committees.

1.3.2 "Company" means Sagicor Group Jamaica Limited.

1.3.3 "Corporate Governance" means the task of a company's board in providing leadership, guidance and oversight to the Company for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour.

1.3.4 "Disclosure" means information that is made available to the public regardless of whether the information is deliberately or inadvertently revealed, and notwithstanding the medium used to reveal the information.

1.3.5 "Group" or "Sagicor Group" means Sagicor Group Jamaica Limited and its subsidiaries.

1.3.6 "Group Office" means the system of functional units directly managed by the President and CEO of SGJ.

1.3.7 "Policy" is a generic term for any rule or set of rules that declare the manner in which an issue that is material to the Company will be managed. The rule may be anywhere from abstract and directional to concrete and procedure-oriented, e.g. "it is every team member's duty to protect the Company's reputation" and "all Company cheques must be signed by two officers." The purpose of policy is to establish rules for guiding behaviour critical to the achievement of some managed objective and is to be considered binding on all applicable team members, officers and directors.

1.3.8 "Procedures" means specific methods employed to implement or operationalize a policy and are binding on all applicable team members, advisors, officers and directors. While policies deal with "what", procedures are concerned with "how".

1.3.9 "SGJ" means Sagicor Group Jamaica Limited.

1.4 SIGNIFICANT RISKS ADDRESSED BY POLICY

1.4.1 Corporate Governance Risk

1.4.1.1 The Board fails to provide proper direction and oversight for the institution's affairs, thereby limiting the enterprise's potential for sound and safe operation and exposing it and its directors to stakeholder sanctions and penalties.

1.5 COMPLIANCE REQUIREMENTS

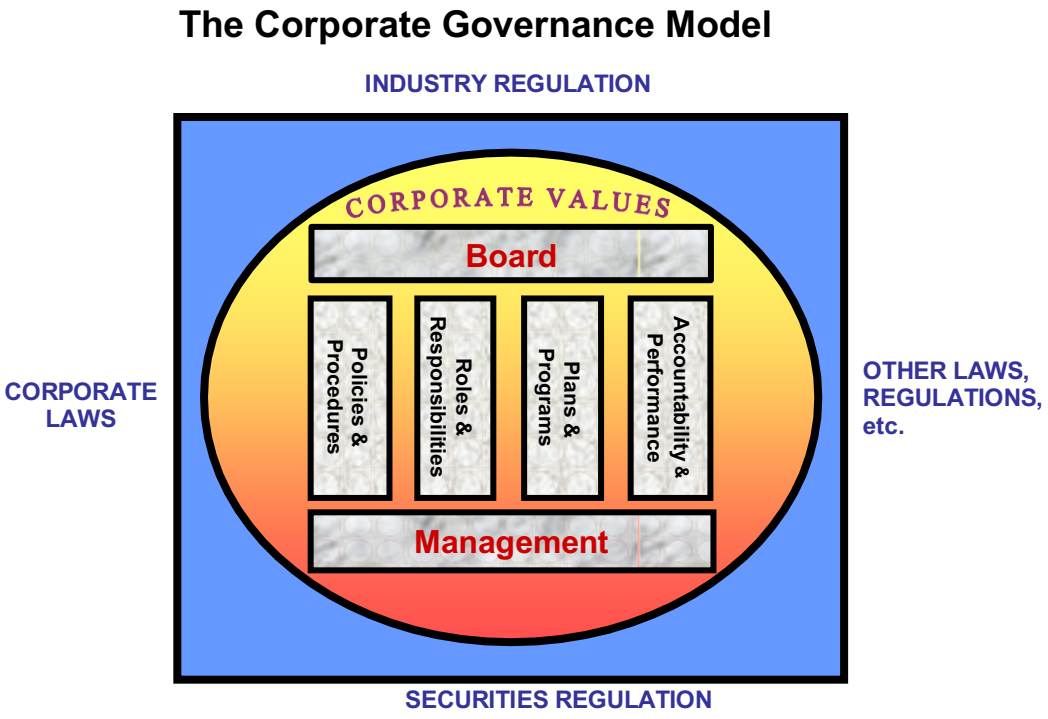
1.5.1 General

1.5.1.1 Each incorporated entity within the Sagicor Group will govern its affairs with a formal set of corporate governance policy and procedures. For this purpose, each entity is required to adopt the Group Corporate Governance Policy and procedures and apply these to its particular circumstances, considering its institutional scale, market and public accountability, and local laws and regulations.

1.5.1.2 Subsidiaries operating in foreign jurisdictions are to submit to the Group Corporate Secretary its Corporate Governance Policy and Manual for review, including comments to support the rationale for any significant departure from the Group approach.

1.5.2 Corporate Governance Model

1.5.2.1 The Group's Corporate Governance General Policy is supported by a framework, the model of which is illustrated below. The model and its components are described in the Group Corporate Governance Manual, which forms an integral part of this policy.



1.5.3. Scope

1.5.3.1 The Corporate Governance framework must include:

(i) Provisions for dealing with the external environment of laws and regulations that govern the Sagicor Group Jamaica entities, including securities regulations and their disclosure requirements.

(ii) The ethical and business values that shape and guide the Sagicor Group Jamaica entities.

(iii) Policies and procedures governing essential undertakings and operations, in particular the management of risk within the Sagicor Group Jamaica entities.

(iv) The structure, composition and internal operation of the Board.

(v) The respective roles and responsibilities of Board and Management in supervising and running the company respectively.

(vi) Plans and programs that form the essential subject matter for the operating relationship between Board and Management.

(vii) Issues of accountability and performance for both the Board and Management in the way they discharge their respective responsibilities.

1.5.4 Reporting

1.5.4.1 The Corporate Governance Committee of the Board shall report annually to the Board on the effectiveness of the Company's Corporate Governance General Policy and its supporting procedures, the effectiveness of compliance with the policy and procedures, and recommendations for updating the policy and procedures, if any.

1.6 ROLES AND RESPONSIBILITIES

The respective roles of the board of directors, management and corporate secretary are:

1.6.1 **Board of Directors -**

(i) Approve this policy and update it from time to time as required in response to external requirements and best practice.

(ii) Assure itself that all incorporated entities within the Sagicor Group operate with corporate governance policies that are aligned to this Group policy.

(iii) Ensure that the Board, its Committees and directors comply with the policy as applicable.

(iv) Ensure that Management of the Company complies with the policy as required.

1.6.2 **Management -**

(i) Ensure that the policy is well communicated and understood by team members and officers.

(ii) Ensure that Management complies with policy requirements for supporting the Board in its governance of the Company.

(iii) Ensure that the Company conducts its operations in a manner that facilitates and supports effective subsidiary governance.

(iv) Participate with the Board in its annual review of the adequacy of this policy as a prerequisite for re-approving it.

1.6.3 **Corporate Secretary -**

(i) Reporting to the Board Chairman, responsible for supporting the Board in the management and administration of this policy, including the procedures supporting it.

1.7 TRANSITION

1.7.1 This policy shall be implemented in phases, subject to the accumulation of human and technical resources. The policy must be substantially implemented by December 31, 2016 and fully implemented within 12 months of Board approval.

1.8 OWNERSHIP AND RESPONSIBILITY

1.8.1. This policy is owned by the Board, which shall sign off its approval, together with the President and CEO of the Company on behalf of Management. It is the responsibility of the Board to initiate review of the policy and for re-approving it annually.

1.9 EXCEPTIONS

1.9.1. Director requests for exceptions to this policy, including the requirements of the corporate governance procedures are to be submitted to the Chairman of the Corporate Governance Committee, with a detailed explanation for the request. In the case of Management, the request must be made through the President and CEO to the Committee Chairman.

Part 2

External Control Environment

2.1 INTRODUCTION

2.1.1 Sagicor's operation is foremost bound by the laws and regulations governing the Group in all manifestations of its existence. Compliance is a matter not of discretion but of compulsion; everything else the Company does is a matter of choice.

2.1.2 The external control environment is the context of compliance requirements governing:

(i) incorporated entities

(ii) applicable laws

(iii) industry membership

(iv) industry regulators.

2.2 INCORPORATED ENTITIES

2.2.1 These are the various provisions governing the operation of corporations as individuals and the rights and obligations of the legal entity itself, its directors and board, officers and shareholders.

2.3 APPLICABLE LAWS

2.3.1 These are general laws as a whole relating to the countries in which we operate.

2.4 INDUSTRY MEMBERSHIP

2.4.1 Given that Sagicor decided to enter certain markets to sell products and services, it is committed to the laws prevailing on members of these industry sectors. Applicable acts and laws include Insurance, Banking, Securities, Mutual Funds and Asset Management.

2.5 INDUSTRY REGULATORS

2.5.1 These industry watchdogs, existing in every country in which Sagicor does business, apply varying levels of supervision and scrutiny over the affairs of the holding company and its subsidiaries. What they all have in common is the requirement of a regime of management that is essentially risk-based and investor sensitive, on the one hand to assure the long-term stability of the entity and on the other to practice social responsibility.

2.5.2 Non-compliance with the laws of the land can result in severe penalties, legal action and even loss of license, while failure to comply with industry regulation can lead to operating constraints and sanctions. Generally, failure to comply with law and regulation exposes the Group to direct financial and non-financial consequences. The most severe consequence is the damage to reputation and the implications for investor and consumer confidence.

2.5.3 It is incumbent on the board and management to ensure that significant regulatory and legal compliance risks are identified and effectively managed.

Part 3

Corporate Values

3.1 INTRODUCTION

3.1.1 Corporate Governance is the task of a company's board in providing entrepreneurial leadership, guidance and oversight to the company for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour. The direction and momentum assumed by the Governance process must be driven by a value system that permeates the enterprise to ensure business priority alignment between board and management. The Sagicor value system comprises the following five elements and the Code of Business Conduct and Ethics.

3.2 SAGICOR GROUP VALUES

3.2.1 Our Values dictate who we are, our S.C.R.I.P.T. guides our action:

SERVICE

- We will always remember that the customer is the reason for our work.
- We will always make every effort to go above customer expectations.
- We will always support our colleagues, because exceptional service i.e. a team effort.
- We will always 'do it right, do it fast, and do it now'.

COMMUNICATION

- We will always share information.
- We will always encourage and accept feedback.
- We will always listen and seek to understand the needs of others.
- We will always facilitate open discussion.

RESPECT

- We will always be courteous and polite.
- We will always be open to the views of others.
- We will always challenge ideas, not people.
- We will always maintain confidentiality.
- We will always respect other people's time.

INTEGRITY

- We will always deliver on our word.
- We will always do what is ethical.
- We will always lead by example.
- We will always accept responsibility and hold ourselves accountable.

PERFORMANCE

- We will always be passionate about exceeding expectations.
- We will always embrace creativity.
- We will always meet deadlines.
- We will always recognize good work.

TEAMWORK

- We will always invite collaboration.
- We will always value diverse values.
- We will always support others to achieve their goals.

3.3 CORPORATE VISION

To be a great Company committed to improving the lives of the communities in which we operate.

3.4 STRATEGIC OBJECTIVE

Our Strategic Objective is set out in our Strategic Plan.

3.5 CORPORATE GOVERNANCE

3.5.1 Corporate governance is about entrepreneurial leadership for maximizing and balancing stakeholders' interests and is best achieved through harmonious combination of the supervisory role of directors with the executive function of management

3.6 BUSINESS MANAGEMENT VALUES

Pillar 1: Values and Standards - Sagicor establishes ethical values and standards of performance for meeting its obligations towards its various stakeholders – shareholders, investors, regulators, customers, team members, communities, suppliers. These values and standards are contained in various Sagicor policies and procedures and are manifested in their entirety in the Code of Business Conduct and Ethics.

Pillar 2: Corporate Governance - Sagicor is managed through the integrated efforts of the board, elected by shareholders, and senior officers appointed by the board to carry out Sagicor's business mandate. Each party is a seamless extension of the other and Sagicor's sustained prosperity is assured through teamwork in which the board assumes responsibility for supervising the management of the Company and management executes the overall enterprise plan agreed with the board.

Pillar 3: Strategic and Business Planning - Sagicor uses a rigorous approach for anticipating the future of business risks and opportunities and deciding how it will position itself for growth and prosperity. The Company's strategic planning process is both top-down (strategic enterprise objectives) and bottom-up (SWOT), enterprise-wide, and integrated. A high degree of awareness is stimulated across the enterprise in terms of long and medium-term direction to secure ownership and commitment. Implementation of strategic plans is integrated with annual business plans and is continually monitored.

Pillar 4: Enterprise Risk Management - We are in the business of taking risks for reward and our first caution is to ensure the safety and soundness of capital against the explicit and implicit risks we assume. We understand the various inherent risks the enterprise is exposed to, we have defined our risk appetite, established risk limits, allocated capital across our various operating units, and established prudent processes and systems for originating, assessing, administering, and reporting risks throughout the enterprise. Managing risk is vital to our existence and is everyone's responsibility.

Pillar 5: Market Management - Sagicor operates a dynamic market management system attuned to customer needs and satisfaction. We survey customers, create what they need, and deliver it to them at a price and place and in a style that meets their expectations. We use cutting-edge technology to develop and deliver our products and services, and we maintain top-notch customer-interface systems to render ongoing service satisfaction to them. Our salespeople are professional and ethical in their selling style and the Sagicor brand is well established in the markets we serve.

Pillar 6: Human Resource Management - Success in all things depends on people and their inherent competencies and integrity, whether they are directors, officers or team members. We recruit the best people and provide them with continuous training and development to enhance on-the-job performance. Development of leadership and managerial skills receives particular emphasis. We identify our high-performers and chart their careers, ensuring succession planning that is dynamic and anticipatory.

Pillar 7: Performance and Accountability Management - We are a performance-driven institution. We maintain a strong accountability ethic in which performance measures play a vital role for business units, team members, officers and directors. Operating units are measured against their return on allocated capital and individuals against performance measures linked to enterprise goals for revenue generation, cost management, asset quality, customer satisfaction, team member satisfaction, and business management. Linked to performance assessment are monetary payments and identification of opportunities for personal development.

Pillar 8: Internal Controls Management - A strong internal control framework reinforces attention to the right things. Controls are built into operational processes at the outset in the form of checks and balances, reconciliation, segregation of duties, and hierarchical approval authorities. Business units are also trained to perform their own risk and control self-assessments for the purpose of maintaining control effectiveness. In addition, the enterprise subjects itself to robust internal auditing that is risk-based, correction-focused, and independent of management.

Pillar 9: Investor Relations - Recognizing the growing trend for shareholders and other investors to demand higher accountability of boards, Sagicor maintains a dynamic system to involve and inform shareholder, investors and security analysts. This includes making directors more accessible to the outside, inviting major stakeholders into direct communication forums, keeping investors more informed through written communication, and being highly responsive to stakeholder queries and concerns.

Pillar 10: Technology and Responsible Innovation – Sagicor recognizes technology, including artificial intelligence and other emerging technologies, as an increasingly important component of the Group's operations, strategy and risk environment. The Group is committed to the responsible adoption and use of such technologies in a manner that supports its strategic objectives while maintaining appropriate standards of governance, risk management and ethical conduct.

The development, procurement and use of artificial intelligence and other emerging technologies within the Group should be subject to governance and controls proportionate to the nature and materiality of the associated risks. Such governance should have regard, as appropriate, to:

(a) responsible and ethical use;

(b) protection of confidential, personal and proprietary information;

(c) appropriate human oversight and accountability, particularly where technology is used to support material decisions;

(d) accuracy, reliability and transparency appropriate to the intended use;

(e) information security and operational resilience;

(f) identification and management of material risks, including the potential for bias or unintended outcomes; and

(g) compliance with applicable laws, regulations and regulatory guidance.

The Board shall maintain appropriate oversight of material technology-related risks and opportunities, including those arising from artificial intelligence and other emerging technologies, and Management shall ensure that appropriate policies, controls and reporting arrangements are established and maintained.

3.7 CODE OF BUSINESS CONDUCT AND ETHICS

The Code of Business Conduct and Ethics is contained in *Appendix 1*.

Part 4

Board of Directors

4.1 GOVERNANCE CONSTRUCTS

4.1.1 Size of Board

4.1.1.1 The optimal size for Sagicor Board is a prudent balance between two opposing needs: a business need for strong geographical, professional and industry representation, and a need to be small enough to facilitate open and effective dialogue and decision making. To balance these opposing needs, the Company has set out in its articles that the number of Directors shall not be less than eight and not more than 30. Currently, 15 Directors have been appointed to the Board.

4.1.2 Board Committee Structure

4.1.2.1 The Board operates with four mandatory Committees, although other committees may be established as required.

(i) **Audit Committee -** This statutory Committee is responsible for ensuring:

(a) The quality and integrity of the Company's accounting and reporting practices and controls and the completeness and accuracy of its financial statements and disclosures.

(b) The Company's compliance with legal and regulatory requirements.

(c) The qualifications and independence of the external auditor and the appropriateness of his methodology and accounting approach; and,

(d) The quality of internal controls as reported by the internal audit function and independent auditors.

(ii) **Risk Management Committee -** The purpose of this Committee is to foster a strong risk management culture within the Group and to direct and oversee the management of risk. The Committee annually reviews the Group's significant risks within an enterprise risk management framework and assures itself that management has in place policies and processes to manage these risks, including statutory, legal and regulatory risks. The Group's appetite for risk is managed through the use of tolerances, limits and standards aligned to policy which the Committee monitors on a regular basis. In particular, the Committee concerns itself with enterprise financial stability, which it routinely monitors. The Committee is also responsible for approving financial transactions outside of management's delegated authorities.

(iii) **Corporate Governance and Ethics Committee-** This Committee is responsible for establishing the framework of corporate governance principles, policies, and procedures for the Group and for overseeing practice consistent with requirements. It develops standards of performance for the board, directors and senior officers and routinely evaluates performance against these standards, including compliance with the Group's Code of Business Conduct and Ethics. The Committee is also responsible for developing policy and procedures and for overseeing:

(a) the director nomination and re-appointment;

(b) director's compensation;

(c) shareholder relations, including evaluation of their proposals;

(d) committee structure, operation and performance; and,

(e) communication processes between management and the board.

(iv) **Human Resource & Compensation Committee –** This Committee oversees:

(a) Senior management succession planning;

(b) Identification and development of high potential people in the Company;

(c) Senior management performance plans and evaluation.

(d) Setting executive compensation;

(e) Aggregate performance and motivation of the Company's team members; and,

(f) Operation of the Company's pension plans.

4.1.3 Board Composition

4.1.3.1 The quality and number of skills and experience on the Sagicor Group Board is critical to its Corporate Governance effectiveness, and in consequence, to the quality of supervision over Company management. Board composition, therefore, must be subject to specific rules or controls to ensure the right directors are taken into the board.

4.1.3.2 The composition of the board is as follows:

(i) **Executive Directors -** Not more than two directors, including the President and Chief Operating Officer of the Company, may be officers or team members of the Company or its affiliates.

(ii) **Non-Executive Directors -** Non-executive directors must qualify in six essential dimensions for appointment to the Board of directors.

(iii) **Board Core Competencies -** The Board must be able to provide effective oversight of the Group's operations, collectively possessing an appropriate balance of skills, knowledge and expertise relevant to the nature, scale and complexity of its business. These competencies comprise the following critical and minimum functional expertise:

(a) Business management experience at the leadership level, preferably in the financial services sector.

(b) Financial accounting expertise sufficient to competently chair the Audit Committee.

(c) Corporate finance expertise relating to investment banking, mergers and acquisitions, etc.

(d) International perspective in related business sectors.

(e) Information technology expertise relating to enterprise systems architecture.

(f) Expertise in strategic marketing at a leadership level.

(g) Expertise in corporate law.

(h) Expertise in human resource management.

(i) Other Board competencies may be added from time to time based on the strategic circumstances in which the Company finds itself at any given time. It should be noted as well, that a director may have more than one competency.

(iv) **Director Core Competencies -** The people who sit around the Board table must be able to leverage their experience to contribute in meaningful ways, to understand the issues, ask the right questions, demand the right information, and make the best possible decisions. This is a committee participation style that is separate but complementary to the knowledge and experience that directors possess. With this in mind, Sagicor expects that all its directors will possess certain core competencies or inherent operating styles of which the following comprise minimum standards:

(a) High personal standards consistent with the Company's Code of Business Conduct and Ethics

(b) Commitment to business leadership

(c) Courage to express and to defend a position

(d) Decisive and willing to be held accountable

(e) Effective intervention and decision-making style

(f) Contributes to team synergy

(g) Mature and thoughtful perspective on business.

(v) **Knowledge and Experience -** Directors must possess **s**pecific knowledge and experience commensurate with the business requirements of the Company. This expertise is determined for each new director in the context of the prevailing requirements of the Board when a vacancy is to be filled. (See "Director Nomination Process").

(vi) **Representation and Diversity** – As a Group of companies scattered throughout the Caribbean and USA, Sagicor is mindful that its Board of Directors reflect the business, social, economic and cultural jurisdictions from which it draws customer patronage. However, in balancing the need for geographic representation against the imperative of director skills and expertise, the Company is committed to ensuring that skills and expertise remain the paramount consideration. Sagicor recognizes the value of having a Board whose composition reflects an appropriate diversity of skills, experience, perspectives and backgrounds relevant to the nature, scale and complexity of the Group's business.

In considering the composition of the Board and the nomination and re-appointment of directors, regard should be had to diversity in its broadest sense, including professional and industry experience, skills and competencies, geographic and cultural background, age and gender, as appropriate. The objective is to promote a breadth of perspectives and constructive challenge in Board deliberations and decision-making.

All appointments to the Board shall be made on merit and against objective criteria, having regard to the skills, experience, integrity and competencies required by the Board from time to time.

(vii) **Time Commitment -** Directors must have sufficient time available to devote to performance of their Board duties and the following standards will apply, unless exceptional circumstances warrant otherwise:

(a) Directors must demonstrate that they have the time to commit to their directorial responsibilities.

(b) The Board Chairman is not to be chairman of any other listed company.

(c) Directors who are executives are not permitted to take on more than one non-executive

directorship in a listed company nor the chairmanship of such a company.

(d) Other non-executive directors will be limited on the number of other listed company boards they sit on, as follows:

i. If the director is the CEO of another company, 2 other boards;

ii. If the director is employed full-time but not as CEO, 3 other boards;

iii. If the director is retired from full-time employment, 5 other boards.

(viii) **Independence:** Directors, new and existing, must meet Sagicor's independence criteria as stated in the Director Independence Policy.

4.1.3.3 The application of these rules is found in the Director Nomination section of the Corporate Governance Manual.

4.1.4 Director Independence

4.1.4.1 No less than one-third of the membership of the Sagicor Group Jamaica's board will be independent as determined by this policy. The mandatory Committees will comprise a majority of independent directors.

4.1.4.2 No director qualifies as independent unless the board of directors affirmatively determines that the director has no material relationship with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). These determinations must be disclosed by the Company.

4.1.4.3 **Definitions** - For the purposes of this Section, the following words and expressions have the following meanings:

(i) "affiliate" means an entity in which in which SGJ exercises direct or indirect control;

(ii) "beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares (i) voting power, which includes the power to vote, or to direct the voting of such security, or (ii) investment power, which includes the power to dispose, or to direct the disposition of such security;

(iii) "Company" means Sagicor Group Jamaica, SGJ, or the Sagicor Jamaica Group of Companies, including its various subsidiaries;

(iv) "compensation" does not include remuneration for acting as a member of the Board or any Board committee, or fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service;

(v) "control" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

(vi) "credit obligations" includes loans, committed credit facilities, investment in securities including commercial paper, acceptances, other debt securities, margin loans, mortgages, preferred stock and exposure through derivative instruments;

(vii) "entity" means a corporation, limited liability company, partnership, trust, fund or any other type of entity;

(viii) "immediate family member" of a director means the director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone (other than domestic team members) who shares the director's home;

(ix) "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Indirect material relationships shall include material relationships as a partner, shareholder or officer of an organization that has a relationship with the Company;

(x) "not in good standing", in respect of a loan, means a loan in respect of which (i) any payment of principal or interest is 90 days or more overdue, (ii) interest is not being accrued on the books of the Company because it is doubtful whether the principal or interest will be paid or recovered, or (iii) the rate of interest is reduced by the Company because the borrower is financially weak;

(xi) "officer" means an entity's president, chief officer, principal financial officer, principal accounting officer or controller, vice-presidents, or any other officer who performs a policy making function. Officers of subsidiaries may be deemed officers of the entity if they perform such policy making functions for the entity;

(xii) a person has a "significant interest in a class of shares of the Company" if the aggregate of shares of that class beneficially owned by that person and by entities controlled by that person exceeds 10% of outstanding shares of that class of shares of the Company;

(xiii) a person or company is a "subsidiary" entity of another person or company if the entity is under the control of the other;

(xiv) a person has a "substantial investment" in an entity if the person and any entities controlled by the person together beneficially own shares (i) to which are attached voting rights exceeding 10% of the voting rights attaching to outstanding voting shares of the entity, or (ii) which represent ownership of more than 25% of the shareholders' equity of the entity;

4.1.4.4. **Situations in which a Director is NOT Independent**

(i) The director or an immediate family member is or was in any of the last three years (unless the board can argue a case for independence) a team member or officer in the Sagicor Group.

(ii) The director participates in the Company's share option or a performance-related pay scheme, is a member of the Company's pension scheme (unless the board can argue a case for independence).

(ii) The director or the director's spouse has a significant interest in a class of SGJ's shares (unless the board can argue a case for independence).

(iv) External Auditor:

(a) the director or an immediate family member is a current partner of a firm that is the internal or external auditor within the Sagicor Group;

(b) the director is a current team member of such a firm;

(c) the director's immediate family member is a current team member of such a firm and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or

(d) the director or an immediate family member was within the last three years a partner or team member of such a firm and personally worked on the Company's audit within that time.

(v) A director who is an executive officer or a team member, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of US $0.5 million, or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold.

(vi) The Company beneficially owns 5% or more of any class of equity securities of an entity.

(a) controlled by the director,

(b) in which the director has an investment equal to 15% or more of the director's net worth,

(c) for which the director is an officer or has a similar position, or;

(d) for which the director could reasonably be deemed to have a material influence on the management of such entity.

(vii) The director holds cross-directorships or has significant links with other Company directors through involvement in other companies or bodies (unless the board can argue a case for independence).

4.1.4.5 **Conflicts of Interest**

(i) Directors will not put themselves in a position where their interests' conflict or may be perceived to conflict with those of the Company. The decision to undertake external activities is a matter for individual non-executive directors to decide, bearing in mind their personal responsibilities and commitments, including those to the Company's boards. The Chairman of the Corporate Governance and Ethics Committee is available to all members of the Board to discuss possible, actual or perceived conflicts. Directors must take care with respect to any external activities to avoid difficulties in this regard. If Directors have any doubts about conflicts, they should consult the Chairman or Corporate Secretary, in the case of non-executive directors or the Group President and Chief Executive Officer, in the case of Executive Directors, before doing anything that might compromise the Group.

(ii) Guidance is to be found in the Company's Code of Business Conduct and Ethics for conflict of interest situations. Directors are required to notify the Corporate Secretary of any potential conflicts through other directorships or shareholdings.

4.1.4.6 **Director Independence and Conflict of Interest Evaluation**

(i) New directors are required to submit a self-assessment of their compliance with independence and conflict of interest requirements.

(iii) Existing directors are also required to perform annually a self-assessment of their compliance with independence and conflict of interest requirements. Please refer to Appendix A.2.3 - Corporate Governance and Ethics Committee Charter containing the Director Nomination Process, including the process for the re-election of existing Directors.

4.1.5 Corporate Governance Risk and Control Framework

4.1.5.1 The purpose of this exercise is to arrive at a rational identification of controls for ensuring successful operation of the Corporate Governance machinery and their relative emphasis. This determination is made based on risk and control assessments.

4.1.5.2 **Corporate Governance Objective -** To provide entrepreneurial leadership, guidance and oversight to the Company (for maximizing shareholder wealth within the bounds of law and community standards of ethical behaviour).

4.1.5.3 **Macro Corporate Governance Process –**

(i) Selection of directors

(ii) Directors initial and ongoing education

(iii) Formation of Board and management committees

(iv) Operation through collective consensus

(v) Operation through decision-making on critical current and future events/issues

(vi) Operation through review of critical performance status and measures

(vii) Communication and record of feedback to management

(viii) Reporting to shareholders on key proposals and performance

(ix) Periodic self-assessment of directors' performance

(x) Communicating with investors and shareholders

4.1.5.4 **Inherent Corporate Governance Risks -** Given directors' objective to provide entrepreneurial leadership, guidance and oversight to the Company and their scope and content of work, the following emerge as key inherent threats that could obstruct the objective from being met**:**

(i) **People Risk -** The inherent risk that management officers and directors do not perform as expected due to inadequate competencies or capabilities, non-commitment, dissatisfaction, negligence, lack of care, fraud or misconduct.

(ii) **Alignment Risk -** The inherent risk that the Board's priorities and focus are misaligned with the way the company really operates.

(iii) **Decision-Making Risk -** The inherent risk that the board fails to participate with management in making decisions essential for the strategic direction and operation of the enterprise. (This risk excludes the impact of People Risk, i.e. the right directors are on the board.)

(iv) **Performance Monitoring Risk -** The inherent risk that the board fails to critically monitor the enterprise's operating performance against decided strategies, programs and risks.

(v) **Shareholder Relations Risk -** The inherent risk that the board fails to generate and sustain shareholder/investor satisfaction in the way it communicates with them.

(v) **Control Framework -** Combining the guidance offered by the Macro Process and the Inherent Risks, Key Controls are identified and prioritized for ensuring an effective corporate governance system. Decisions reached under "Relative Impact of Control on Board Performance" drive the amount of attention to be given for managing various aspects of the corporate governance architecture.

Inherent Risk	Strength of the Inherent Tendency	Relative Impact on Board Performance	Quantity of Risk	Key Controls for Mitigating Inherent Risks (Directors and Management)	Relative Impact of Control on Board Performance
People Risk	H	VH	VH	Code of Conduct and Ethics	M
				Nomination/Recruitment	VH
				Orientation and Development	M
				Performance Evaluation	H
				Compensation	H
				Succession	VH
				Liability Insurance	M
Alignment Risk	H	VH	VH	Effective Engagement in the ten Pillars Comprising the "Business Management Frame-work"	VH
Decision-Making Risk & Performance Monitoring Risk	H	VH	VH	Committees Structure & Role	H
				Meeting Frequency & Duration	H
				Schedule of Company Priorities	H
				Board Responsibilities Defined	VH
				Board Meeting Agenda	VH
				Director Preparation	VH
				Boardroom Dynamics	VH
Shareholder Relations Risk	M	H	M+	Required Disclosures	M
				Director Availability	M
				Shareholder Involvement	M

Notes:

1. *"Strength of the Inherent Tendency" in the normal course of events, before application of controls.*
2. *"Relative Impact on Board Performance" as distinct from Company performance.*
3. *"Quantity of Risk" is the product from combining the first two measures.*

4.1.6 Subsidiary Governance

4.1.6.1 Background

(i) Parent boards must be aware of all material risks and other issues that may ultimately affect the organization. As some of these risks may originate in subsidiaries, it is necessary that Sagicor Group Jamaica be able to exercise adequate oversight over the activities of its operating subsidiaries.

(ii) The corporate governance responsibilities of boards of SGJ subsidiary financial institutions are the same as those of Group Board. Regardless of the composition of the board of the subsidiary, Group Board must exercise adequate oversight of the activities of subsidiaries to ensure that the parent board can meet its responsibilities. At the same time, this does not suggest that boards of subsidiary institutions should replicate all corporate governance activities of Group Board or that Group Board should assume responsibility for the performance of specific duties of subsidiary boards, bearing in mind the legal autonomy of boards of incorporated entities.

(iii) The degree of Group oversight of a subsidiary should first take into account the subsidiary's materiality on the Group in terms of:

(a) bottom-line contribution

(b) reputational risk, or

(c) regulatory or legal risk.

(v) Insofar as reputational, regulatory and legal risk is concerned, it should be borne in mind that the impact on the parent could be far out of proportion to the subsidiary's economic contribution to Group bottom-line and more, not less, supervision is required.

(v) Group Board should pay special attention to the performance, composition and activities of subsidiary boards, especially where:

(a) the subsidiary operates in a far-off geographic area;

(b) The operating language and governing culture is different from the parent's;

(c) the jurisdictional requirements for legal and regulatory governance are substantially different;

(d) the subsidiary's activities are significantly different or independent from the parent's core business;

(e) special expertise is required to provide oversight of the subsidiary's activities;

(f) risk origination is decentralized to local individuals;

(g) minority shareholders sit on the subsidiary Board;

(h) there is the potential for conflicts of interest between the various stakeholders of SGJ and the subsidiary;

(i) in the case of any subsidiary financial institution, regulatory obligations hold the parent company accountable for the actions of the subsidiary.

4.1.6.2 **Subsidiary Oversight**

(i) Group Board can significantly increase its assurance that the subsidiary is operating in accordance with requirements by ensuring the following steps:

(a) Populate subsidiary boards with a sufficient number of directors who lead and oversee subsidiary affairs within the context of Group objectives and plans, without compromising the long-term interests of the subsidiary.

(b) Staff senior management positions in subsidiaries, especially for enterprise leadership and management of key risks, with individuals having the ability and willingness to operate with a Group perspective.

(c) Establish corporate governance policies, procedures and practices in the subsidiaries aligned to Group Board, allowing for local differences. The Audit Committee in particular, should comprise competent leadership and membership, operate with a proper level of independence and supervise the work program of external and internal auditors.

(d) Establish a strong Group Office to supervise and monitor Group-subsidiary alignment relating to:

i. Strategic plans;

ii. Key policies and procedures;

iii. Risk management;

iv. Regulatory compliance;

v. Financial reporting;

vi. Internal auditing; and,

vii. Corporate governance.

(e) Foster a dynamic system of communication and interaction between Group Office and subsidiaries to shape and preserve a culture of oneness.

(f) Treat the human resource base of the entire Group as a single pool and move people around to build Group loyalty, as well as to disseminate best practices.

(g) Establish a written service level agreement between Group Office and each subsidiary with respect to services provided by Group Office, e.g. transaction review, internal auditing, advertising. Tailor the services in line with subsidiary capabilities and charge an appropriate quarterly fee for Group Office provision of the services.

4.2 BOARD OPERATIONS

4.2.1 Boardroom Dynamics

4.2.1.1 Introduction

(i) This subject deals with leadership and interpersonal styles in the boardroom. The objective is to establish a set of written standards for guiding interactions among directors that lead to constructive dynamics and effective decision-making. Notwithstanding these guidelines, boardroom harmony and productivity will be difficult to achieve if any of the following prerequisites is not present:

(a) Appropriate director behavioural skills and functional knowledge.

(b) Proper balance of functional skills around the boardroom.

(c) A Chairman with the right leadership and team-building skills.

(d) A President and CEO committed to assisting the Board in carrying out its mandate.

(e) Processes that facilitate director understanding and engagement of board issues.

4.2.1.2 Standards for Boardroom Decision-Making Conduct

(i) The Chairman must manage boardroom time consistent with Agenda priorities yet elicit diverse views and guide and energize dialogue.

(ii) The Chairman's duty is to consistently bring dialogue on critical issues to timely and clear closure and to achieve consensus.

(iii) The Chairman and President/CEO, as vested leaders in the boardroom, have a responsibility to create a climate of open discussion and participation among other directors.

(iv) The President and CEO, having the benefit of full company information, must be positively responsive to directors' need to know.

(v) Directors are expected to knowledgably participate in board discussions and avoid creating distractions by attempting to learn on the spot what they should have otherwise prepared themselves in.

(vi) Directors are expected to keep boardroom discussions at a sufficiently high level and not pursue granularity that is invasive of the President and CEO's domain nor that is time-consuming, unless there are compelling reasons to do so.

(vii) All directors are expected to participate in boardroom discussions and no one director should dominate discussions or decision-making.

(viii) Directors are expected to constructively challenge and engage each other as necessary to reach informed judgment and not to converge their attention on the President and CEO.

(ix) Directors are to treat dissent among themselves as a healthy and necessary feature of debate and decision-making.

(x) Directors must accord to the Chair the respect due to the role.

(xi) Directors are expected to operate with the deserved mutual trust and respect towards each other.

(xii) Directors must leverage the deep and diverse experience and knowledge in their group to exploit the synergy therein.

(xiii) Directors are to strive for objectivity in dealing with boardroom issues and not to allow themselves to be influenced by boardroom politics.

4.2.2 Director Education

4.2.2.1 New Director Orientation Program

(i) **Objective -** It is regulatory requirement, but more importantly, good business sense to ensure new directors become effective as soon as possible in the Sagicor boardroom. The objective of the new director induction program is to assist the new director in developing a high level of institutional, boardroom and interpersonal comfort in order to expedite his/her effectiveness as a director. The accountability is on the Board Chairman to ensure directors receive all the information they require to provide the guidance, leadership and oversight demanded of their role. The induction consists of two levels, one comprising documentary information and the other, interpersonal communication.

(ii) **Essential Documents -** The following items should be packaged and given to the director on the first day of his/her appointment, together with a letter signed by the Chairman of the board welcoming the new director, encouraging study of the material sent (in particular the Board Charter and Role of the Director), and setting out the agenda comprising part two induction below.

(a) Corporate Governance Manual

(b) Current and previous two year's shareholder annual reports.

(c) The most recent securities offering memorandum published by Sagicor

(d) Group Strategic Plan

(e) Group Business Plan

(f) Group Risk Profile

(g) Minutes of Board meetings for the last three to six meetings

(h) If the director is joining a committee, a copy of minutes for meetings for the previous 12 months

(i) Annual Audit Management Letter to Directors (current and prior year)

(j) Active regulatory advisories, cautions, or inspection reports

(k) Pending litigation issues

(l) Group organization chart

(m) Annual Board Meeting Schedule

(n) Published guidance on corporate governance specifically for directors.

(o) A copy of "The Rise of the Phoenix", describing Sagicor's institutional beginning.

(iii) **Interpersonal Induction -** Aside from the receipt of objective information, every new director needs to experience early bonding with the institution to enhance his/her sense of belonging, loyalty and commitment. The induction must also remove the facelessness of the enterprise and reveal to the director key players who create boardroom events. The new director must be quickly assimilated in board processes and hit the ground running, which a dynamic and personalized induction can accomplish. The following program contemplates an entirely new director to Sagicor's business. The actual program may need to be customized depending on the director's background. In any event, the program should be implemented with momentum but not haste, covering a period between one and four consecutive weeks:

(a) **Board Chairman -** to generate new director comfort in the boardroom. This will include a brief boardroom profile of each director, how the agenda is set, board-room dynamics, and how the Chairman expects the new director to add value, e.g. studying material received prior to meetings, keeping sensitive to environmental issues affecting the enterprise, provide information about the nature of the agenda, the structure of committees, etc. In this meeting, not only is the new director oriented to board composition and dynamics, but the Chairman gets the opportunity to lay down some ground rules for effective participation. One to two hours.

(b) **Committee Chairmen** – interviews with each standing Committee Chairman to develop an operational understanding of the Committee's role and empathy for Committee challenges. One hour.

(c) **Group President and CEO** - to create director awareness about the strategic positioning of the enterprise. This discussion should include some historical organizational development that has led the company to its present strategic position, described in terms of key strategies and objectives. The picture is painted within the context of regional and global forces, including the regulatory, business and competitive environments. Key constraints and opportunities are

identified, especially those which are likely to occupy the attention of the board in the forthcoming months. Again, while the new director gets an education, the CEO uses the opportunity to sell ideas and build consensus. One to two hours.

(d) **Group Chief Financial Officer** - to understand the enterprise's financial condition and prospects, with particular emphasis on how the Group makes money and generates cash, i.e. product, division, geography, subsidiary, cost management, margin management, etc. The discussion should address the enterprise's long-term financial strategy and objectives, the essential measures of financial success utilized by the Company, (e.g., cash flow, debt/equity, capital ratio, the capital structure objective, ROE, ROA, the productivity ratio, and historical stock price sensitivity to financial performance). A three-year perspective of actual results against current and long-term goals should be employed. One to two hours.

(e) **Group Chief Risk Officer –** to understand the inherent significant risks threatening the Company. These risks should be enterprise-wide and include acts of God, systemic, industry, product, and operational risks. The discussion should reflect the consensus of the Group, including the framework in place to manage risks and the current level of exposure to key risks.

(f) **President/CEO, Sagicor Life Jamaica Limited, Sagicor Bank Jamaica Limited, Sagicor Investment Jamaica Limited, -** to understand important business management issues relating to each entity, in particular, its principal business risks, strategies, sources of profit, investment techniques, cost management challenges, and the economic impact of the subsidiary on the Group, both in terms of profit generation and risk exposure. Two hours each.

(g) **Group Head, Human Resources –** to understand Human Resource strategies and challenges, in particular, initiatives for identifying and expediting the development of high potential people. One hour.

(h) **Group Head, Compliance** – to understand compliance issues posing significant inherent risks to the Company, and management processes for gathering compliance intelligence, complying with requirements, supervising Group compliance, and reporting and following-up compliance deficiencies.

(i) **Corporate Secretary –** to understand the essentials of conduct expected of the new director, i.e. Insider Trading Policy, Code of Conduct, and Conflict of Interest; protocol, procedures and dress code at meetings; and, administrative matters relating to the appointment, e.g. compensation, reimbursement of expenses, director liability insurance, technical support, attendance, and internal communications.

(vi) **Program Management** - The New Director Induction Program is owned by the Corporate Secretary; whose responsibilities are as follows:

(a) Update these guidelines as necessary.

(b) Customize these generic guidelines to the needs of directors, given their individual context.

(c) Direct individuals to prepare/revise induction agenda and review same for effectiveness.

(d) Schedule and set up the induction meetings for each new director.

(e) Obtain director feedback for the effectiveness of his/her orientation.

(f) Maintain an appropriate file for examination by auditors, security analysts, regulators, etc.

4.2.2.2 **Director Ongoing Education**

(i) **Objective -** Operating in a sensitive role in a complex and dynamic business, directors must be mindful of carrying out their duties in compliance with their fiduciary and oversight responsibilities on an ongoing basis. To do so effectively, not only should they have a sound grounding in the structure and dynamics of Sagicor's business, but they should endeavour to continually upgrade their capabilities in line with evolving events and trends in their business environment.

(ii) **Approach -** Ongoing director education relies on an effective induction program being in place, as continuing business education leverages the foundation building blocks. Director education, however, must be extended beyond internal company understanding and take in at least two other components: business management trends and governance trends.

(iii) **Business Intelligence -** This is an extension of the induction program and should be carried out as follows:

(a) **Information Requirements -** Directors need to formally refresh their understanding annually of the business context in which important decisions are made and the key decisions which underpin day-to-day operation of the Company, as these relate to directors' responsibilities, i.e.

i. significant risks that threaten the enterprise both in its static and dynamic operation and measures of risk management performance;

ii. the nature of the external environment of threats and opportunities and the Company's strategic and operational response to them;

iii. measures of financial performance and success within the context of business plans;

iv. the nature of regulatory risk exposure, including compliance requirements of securities exchanges and commissions; and,

v. top management compensation – what drives enterprise performance evaluation and what are the prevailing trends and best practices.

(iv) **Annual Update -** Care is to be exercised that the information referred to in 3.1 is provided through the various processes established for informing the Board (whether by management or external advisors) in the annual exercises relating to the Enterprise Risk Profile, Strategic Planning, Business Planning, Compensation Planning etc. The foundation established in the New Director Induction Program is to be continually reinforced and embellished each year to ensure director ongoing comprehension and application.

4.2.2.3 **Corporate Governance**

(i) The Company is to ensure that it provides directors with sufficient documentation in the form of policies, procedures and guidance to enable them to effectively operate as directors. This documentation is to be updated on an ongoing basis and directors' education supplemented as follows:

(a) **Initial Understanding** - The Board Chairman is to ensure that directors fully understand the Company's corporate governance requirements as documented in its various policies, procedures and guidance. There must be a process directed by the Chairman and implemented by the Company Secretary to ensure directors receive all applicable Company corporate governance documentation and that they understand the requirements pertaining thereto.

(b) **Ongoing Awareness -** Directors are to be updated by the Company Secretary each time external events emerge that have a material impact on director operation or legal exposure. Such event should be communicated in writing and followed up with formal presentation and discussion, depending on complexity and materiality.

(c) **General Education -** At the Company's expense, directors are to be given the opportunity to attend education sessions offered by universities, conference providers, professional organizations, law firms and accounting firms to understand their governance role and responsibilities. This may be at the director's option or based on the Chairman's or Company Secretary's recommendation. In particular, directors should be encouraged to fully understand the legal risks to which they are exposed as directors and how such risks should be managed.

(d) **Committee Chairmen -** Directors occupying specialized Committee chairmen roles would require suitable external guidance. In particular, these include the governance and audit committees, the more so the latter, given its statutory and highly regulated role. Directors occupying these positions are to be encouraged to properly understand their responsibilities, at the company's expense.

4.2.2.4 **Performance Assessment**

(i) The annual assessment of board and director performance is to include questions relating to director comprehension of the subject matter of their induction and ongoing training.

4.2.2.5 **Roles and Responsibilities**

(i) The **Board Chairman** is accountable for ensuring directors receive initial and ongoing education to enable them to fulfil their fiduciary and oversight responsibilities.

(ii) The **Chairman of the Governance Committee** is responsible for ensuring that an appropriate operating infrastructure exists for educating directors and that directors receive education as required.

(iii) The Group **President and CEO** is responsible for ensuring that management is sufficiently responsive to directors' knowledge requirements with respect to Company operations.

(v) **Directors** have a responsibility to understand their governance duties and obligations, to identify their education requirements and to request information and knowledge resources.

(v) The **Corporate Secretary** is responsible for ensuring the adequacy and currency of governance policies, procedures and guidance, keeping directors apprised of new governance developments, and for identifying and supervising directors' education requirements.

4.2.3 Shareholder/Investor Relations

4.2.3.1 While directors' legal duties are to the Company, directors should nonetheless recognize that as ultimate owners of the Company, shareholders have a need to know and the Board should therefore keep them well informed about Company affairs. Institutional investors have a continuing need to understand present and future performance of the Company and directors should be sensitive to the issues that would concern them, including:

• Company Strategy • Recent Acquisitions • Recent Divestitures • Business Units Lacking Strategy Fit • Share Price Performance • Chairman/Director Nomination • CEO Performance	• Tainted Directors • Directors' and Officers' Compensation • Conflicts of Interest • Dividend Policy • Political Orientation • Social Responsibility • Corporate Values

4.2.3.2 While directors should pay attention to what investors and their spokespersons (investment bankers, equity analysts, rating agencies, credit analysts, and governance analysts) are saying, they nonetheless must remind themselves of their foremost duty to secure and preserve the long-term well-being of the corporation and not be goaded into over-emphasizing short-term results or supporting investors' self-interest.

4.2.3.3 The framework of the guidance that follows draws on the recommendations of the UK Combined Code on the subject of relations with shareholders.

4.2.3.4 **Dialogue with Institutional Shareholders**

(i) **Policy -** As a matter of general policy, the Board is to ensure the Chairman and other directors as appropriate, maintain sufficient contact with major stakeholders, in particular shareholders and investors to understand their issues and concerns.

(ii) **Shareholder Views -** Shareholders are to be encouraged to submit their views and concerns to the Company. Every communication received from a shareholder is to receive a responsible response within a reasonable period of time. A database is to be maintained to track governance-related communication with shareholders.

(iii) **Company Relations -** The Chairman, together with other directors, the President and CEO, and senior management officers, should initiate governance and strategy discussions with major stakeholders at least once annually outside of the Annual General Meeting and follow-up AGM's. They should also attend meetings requested by major shareholders. The objective is to listen to shareholder views in order to develop a balanced understanding of the issues and concerns of major shareholders. The Company should record significant shareholder issues emanating out of these meetings.

(v) **Target Audience -** The Company will target its major stakeholders and those who influence investment decisions for attending its communication meetings. Specifically, the meetings will focus more or less on the 20% of shareholders with about 80% shareholding impact, major holders of Company bonds, the Company's major banks, stock analysts, rating agencies, regulators, and the media, as appropriate. Ideally, the Company should aim at attracting to information sessions chief decision-makers – Presidents, CEOs, Chief Operating Officers, and Chief Financial Officers. The Company should maintain a record of individual attendance, including attendees' position titles.

(v) **Follow-up -** Where invitees to communication sessions cannot attend or fail to show up, a package of relevant information will be forwarded to them. Following meetings, news reports in the media are to be scanned for inaccuracies or key omissions and followed up for correction or clarification.

(vi) **Board Reporting -** The Board is to receive at minimum a quarterly narrative summary of all communications with shareholders and the outcome of stakeholder meetings, as these relate to governance matters. The Board reserves the discretion to request from management a copy of actual communication between the Company and specific shareholders or investors.

(vi) **Disclosure -** The Board should state in the Company's annual report the steps it has taken to ensure that its non-executive members develop an understanding of the views of major shareholders about their company, e.g. through direct face-to-face contact, analysts' or brokers' briefings and surveys of shareholder opinion. At the same time, directors should be vigilant about not communicating information which is not otherwise made available to the public.

4.2.3.5 **Constructive Use of the Annual General Meeting**

(i) **AGM Follow-up -** Follow-up meetings will be conducted at the Company's remaining significant geographic locations to communicate with major shareholders and investors.

(ii) **Notice of Meeting -** The Company should arrange for the Notice of the AGM and related papers to be sent to shareholders at least 20 working days before the meeting. (The minimum notice of an AGM required by the Companies Act is 21 calendar days.)

(iii) **Company Attendance -** All Group directors are expected to attend the AGM, together with the Chief Financial Officer. For follow-up meetings, required attendance is for the Group Board Chairman, Group

President and CEO, Group directors domiciled in the particular geography, and Group Chief Financial Officer. Other senior officers will be invited as appropriate.

(iv) **Shareholder Participation -** Shareholders are to be encouraged to ask questions at the AGM and appropriate process and facilities should be set up for this purpose. A record is to be maintained of issues raised by particular shareholders.

(v) **Voting Procedures -** There is to be a separate resolution for each substantially separate issue. (This requirement is intended to prevent the practice of combining two or more issues, one 'popular' and the other more controversial, into a single resolution.). Publish on the Company's website, as soon as is reasonably practicable, the outcome of voting on the various resolutions.

(vi) **Interaction -** Sufficient opportunity should be provided after the AGM for directors and officers to interact informally with shareholders to develop communication and mutual understanding.

4.2.3.6 **Investor Relations Program**

(i) In the interest of developing and maintaining good shareholder communications, the following program shall be followed:

(a) A database is to be maintained to identify and profile major shareholders.

(b) A schedule shall be developed annually to plan presentations to existing and potential investors, other stakeholders, security analysts, rating agencies and the press.

(c) Investor briefings should be held in geographic locations where the Company has a significant presence of shareholders.

(d) Provide major shareholders and key stakeholders with the full text of releases after public dissemination.

(e) Where appropriate, arrange site visits for major shareholders.

(f) Facilitate shareholder proxy voting by e-mail in the long-term.

(g) Maintain a dynamic website with features that include the following:

i. Structural and demographic information about the company.

ii. Recent financial performance.

iii. Information on recent company developments, including success stories.

iv. Calendar of important events, including dividend payment dates.

v. E-mail facility for contacting the Company's Investor Relations department.

(ii) Implement a Group-wide survey to assess shareholders/investors' satisfaction regarding the Company's efforts to keep them informed about Company affairs.

Part 5

ROLES AND RESPONSIBILITIES

5.1 BOARD

5.1.1 Board Charter

1.0 Introduction

1.1 The Board of Directors is responsible for the management of the business and affairs of Sagicor Group Jamaica Limited (SGJ). The most difficult situation for the Board is understanding and applying its decision-making dynamics in relationship to management and fulfilling the responsibilities attached to its role in harmony with management. As a rule, the SGJ Board will not directly manage but will supervise the management of the enterprise and rely on appointed officers to manage its day-to-day affairs, in accordance with the plans and policies agreed with the Board. The Board, however, reserves the power to intervene in management's decisions when required.

2.0 Role of the Board

2.1 The core objective of Sagicor Group Jamaica as a business corporation, its raison d'être, is to create and increase shareholder value. The role of the Company's Board of Directors as representatives of its owners, the shareholders, is to provide leadership, guidance, and oversight for the management of the company to achieve this fundamental purpose to grow shareholder wealth.

2.2 The Board performs its role essentially through decision-making and oversight. The decision-making function is exercised through formulating with management and approving corporate policy and strategic goals, and taking action, mostly in fulfilment of its statutory mandate, but otherwise in relation to its reserved powers.

2.3 The oversight function concerns the review of management decisions, ongoing monitoring of corporate business performance, plans and strategies, risk assessment, management compliance with legal requirements and corporate policies, and the quality of financial and other reports to shareholders.

2.4 In carrying out its role, the Board is guided by its statutory limitations, industry responsibilities, regulatory requirements, and best practices for complying with these.

2.5 The Board has established formal delegation of authorities, defining the limits of management's power and authority, and delegating to management certain powers to manage SGJ's business. The delegation of authorities conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to management. Any responsibilities not delegated to management remain with the Board of Directors and its committees.

3.1 Overall Board Responsibilities and Activities

The Board makes decisions, reviews and approves key policies and decisions of the Company in particular in relation to the following matters:

3.2 Strategic Planning

3.1.1 Scope

- Review and approve a Strategic Planning Policy for formulating, approving and administering a consolidated Group Strategic Plan.
- Collaborate with management in formulating the Company's strategic direction and articulating its Vision and Strategic Objective.

- Approve the Company's annually revised strategic plan, including operating and capital expenditure programs and plans, the operational structure of the Company and its subsidiaries, and the Company's lines of businesses.
- Review and approve the Company's corporate financial objectives and operating plans and actions.
- Approve business decisions having a significant impact on the Company's strategic or operating equilibrium.
- Review regular input from management on the ongoing development of the Company's strategic plan.
- Regularly review the effectiveness of Strategic Plan implementation.

3.1.2 The consolidated Group Strategic Plan is built from bottom up, after considering the broad strategies of subsidiaries. Following Board approval of Group Strategic Plan, subsidiaries align themselves to the Group Strategic Plan and develop more detailed plans for review by Group Board.

3.1.3 Management develops the Group Strategic Plan in collaboration with the Group President and the Board of Directors. The Board 's task is to collaborate with management by providing constructive and insightful inputs into management's proposals for the annual strategic plan. A draft plan is eventually presented to the full board for review and discussion, an event for which a full day is set aside off-site.

3.2 Enterprise Risk Management

3.2.1 Scope -

- Review and approve SGJ's Enterprise Risk Management Policy dealing with structures and processes for comprehensive and integrated management of enterprise risks.
- Review and have a working understanding of the Company's inherent risk profile and internal control priorities.
- Review management's plans for fostering a strong risk culture in the Company.
- Review and approve SGJ policies for identifying, originating, administering, monitoring and reporting the Company's significant risks.
- Review and approve major capital expenditures, raising capital, allocations of capital among lines of business, transactions within the Board's reserved power, organizational restructurings, and other major financial activities.
- Regularly review the effectiveness with which key enterprise risks are managed.
- Review management's supervision over risk management to ensure the control system is adequate, independent and objective.
- Review the processes that ensure compliance with applicable regulatory, corporate, securities and other legal requirements.

3.2.2 Risk is managed in a uniform, integrated and comprehensive system across the Group, supervised by the Chief Risk Officer who reports directly to the President and CEO. The Company's approach to enterprise risk management is to use the same methodologies throughout the Group for identifying and labelling inherent risk, mitigating the likelihood of adverse effects, measuring and reporting risk, and for setting aside risk reserves. The Risk Management Committee of the Board is responsible for ensuring an effective risk architecture is in place to address identification and management of risk. The Committee also monitors performance against policy requirements and plans. The Audit Committee monitors the effectiveness of risk management through internal audit procedures. Both the Risk Committee and the Audit Committee receive reports on regulatory compliance matters.

3.3 Succession Planning and Performance Evaluation

3.3.1 Scope -

- Review and approve the Company's Succession Planning Policy, Performance Evaluation Policy, and Compensation Policy.
- Review and approve the Company's succession planning process, including identifying requirements, selection, and appointment and development of the President and CEO; review and approve in the case of other senior officers.
- Review and approve annual performance targets for the President/CEO and other executive officers in alignment with Company targets, evaluate performance annually and approve compensation.

- Review and approve the process within the Company for identifying high potential officers forming the bedrock for the succession planning chain. 3.3.2 The Company's policy is to hire the best, train and develop, and use its people base to source placements. This approach, however, is not inconsistent with other policy in which the Company regularly endeavours to enrich its gene pool by recruiting outsiders to fill positions when new skills and experience are required. The policy to promote from within makes succession planning a priority, which necessitates an integrated HR program that emphasizes performance management and talent recognition. The Human Resource Committee is primarily charged with the responsibility for succession planning for the President and CEO and other key officers, reviewing SGJ's plans for the development of senior talent, and fostering depth in management by identifying people with long term potential for senior positions. The Committee reports to the Board annually on succession planning matters. The President/CEO has a written objective that makes succession planning a priority.

3.4 Oversight of Communications and Public Disclosure

3.4.1 Scope -

- Review and approve a Company Communications Policy (for facilitating stakeholder communications) and a Public Disclosure Policy to govern the release of information about the Company.
- Review the Company's communications program, including measures for receiving feedback from stakeholders.
- Review the control infrastructure for ensuring accurate, timely and full public disclosure of disclosable events, transactions, and conditions.
- Review due diligence processes and controls for certifying Company financial statements.
- Review all financial reports and related materials of the Company prior to release and ensure that financial reports reflect the financial condition of the Company with accuracy and transparency.
- Approve disclosure items prior to disclosure in accordance with Policy.
- Review feedback directed to the Board from stakeholders via shareholders proposals.
- Review the effectiveness of communications and disclosure programs against Policy.

3.4.2 Stakeholder communications and public disclosure have catapulted into serious issues of governance and will continue to command attention by regulators and stakeholders, particularly institutional investors. Directors must have empathy for the public's need to know; they must ensure that appropriate communications channels are opened and that the right information is disseminated. This implies that directors themselves must have good knowledge of what is to be disclosed or communicated and that they are satisfied the Company is acting in accordance with law and regulations. The Corporate Governance and Ethics Committee oversees the Company's relationship with stakeholders while the Audit Committee supervises public disclosure management.

3.5 3.5 Internal Controls

3.5.1 Scope -

- Review and approve the Company's Code of Conduct and management's plans for instilling the right value system in the Company.
- Review and approve the Company's Internal Control Policy.
- Review management's plan for ensuring the Company is operating within an appropriate internal control framework.
- Review the effectiveness of the Company's internal controls and management information systems.
- Review external and internal audit plans for evaluating the effectiveness of internal controls.
- Review the Company's financial statements and oversee its compliance with applicable audit, accounting and reporting requirements.
- Review the Company's compliance with applicable legislative, regulatory and internal policy requirements, and ensure that systems are in place for achieving compliance on an ongoing basis.
- Establish a basis for reliance on independent oversight functions (internal audit, compliance, risk management) by ensuring they are independent, have the authority to carry out their responsibilities, and have direct access to the Board.

3.5.2 As a matter of policy, internal controls are to be routinely bolted onto enterprise structures and processes in recognition of their function as risk mitigation techniques. Throughout the enterprise, sensitivity must be shown towards the need, where applicable, for independence, objectivity, avoidance of conflicts of interest, checks and balances, limits of authority, tolerance levels, and reconciliations. Internal controls are foremost the subject of policies and procedures within the risk management framework. The Audit Committee oversees the effectiveness of the internal control framework and regularly reviews internal and external audit reports on control effectiveness.

3.5.3 It is incumbent on every director, as part of the commitment underlying his/her directorship, to be familiar with the key compliance requirements governing our operation. Such knowledge must come from director orientation, management interaction, and director will to know. It is management's responsibility to consistently alert the board of key compliance requirements through policy formulation, regular compliance reporting, and internal audit reports.

3.6 Corporate Governance

3.6.1 Scope –

- • Develop and maintain corporate governance policies and guidelines and a code of ethics consistent with regulatory and legal requirements, industry best practices, and Company needs.
- • Establish such Board Committees as required by law, regulation and necessity to assist the Board in carrying out its responsibilities. Each Committee shall be composed entirely of independent directors and shall report to the Board after each Committee meeting. Members of management and non-independent directors may be invited to Committee meetings but shall not participate in the in-camera sessions of any Committee.
- • Establish and approve a Charter for each standing Committee and require each Committee to annually review its performance against the Committee Charter and report to the board.
- • Establish appropriate structures and procedures to allow the Board to function independently of management.
- • Establish procedures for effective teamwork with management.
- • Establish criteria for Board composition and director nomination and apply these standards to ensure board vibrancy and balance.
- • Set expectations and responsibilities for directors, including attendance at, preparation for, and participation in meetings.
- • Undertake annual performance evaluation of the Board, its Chairman, Committees and members in the context of their defined expectations.
- • Establish the protocols for subsidiary supervision.

3.6.2 Our corporate governance structures must comply with statutory, industry, regulatory, and company best practices. Where there is conflict, we must first obey the laws of our land and the regulators who granted our operating licenses. It is incumbent on directors to take initiative for educating themselves not only as to their legal governance duties and responsibilities but as set out in the Company's corporate governance policies and guidance. In particular, directors must understand the Company's business and its industry as a pre-requisite for contributing to good governance. Governance matters fall within the Corporate Governance and Ethics Committee, which works with management to ensure effective collaboration.

3.6.3 Objective –

To provide entrepreneurial leadership guidance and oversight to the Company (for maximizing shareholder wealth within the bounds of the law and community standards of ethical behavior).

4.0 Summary of Board Responsibilities

4.1 The Board's responsibility for providing the Company with entrepreneurial leadership is put in perspective with the following 10 questions that deal with outcomes:

4.1.1 Does the Board have the right President and CEO for the Company? Is the performance of the President and CEO consistent with Strategic and Business Plans? Is the Board providing this officer with maximum support for getting the job done? If not, does the Board have credible and actionable

succession plans in place? Regardless, has the Board identified anyone within the Company who can take the place of the President and CEO on very short notice, even temporarily?

4.1.2 Is the Board satisfied that the President/CEO's compensation elicits the right behaviour for the Company's short and long-term success? Does the board understand the components of this compensation and how they relate to Company performance? Is the right behaviour being compensated and at a level consistent with market practice?

4.1.3 Does the Board understand and accept the Company's strategy as a viable proposition for its long-term success? Is the Strategy aligned to Company Vision and Objective? Does the Board understand how the chosen strategy translates into wealth? Is the Board convinced that the strategy is the best long-term solution considering the external threats and opportunities surrounding the Company? Does the Board have a good grasp of these threats and opportunities?

4.1.4 Does the Board understand the dynamics of the Company's organic growth? Does the Board have a clear sense of the impact of organic growth on the Company's financial success, separate from the effects of acquisitions? Is the Board satisfied that organic operations are receiving adequate investments of capital to maintain competitive buoyancy or that effective organic operations are duly recognized for divestment or discontinuation?

4.1.5 Does the Board have a good sense of how to evaluate financial performance and health? Does the Board understand the true indicators of operating success, e.g. cash flow versus net income? Are operating units judged on a common playing field of allocated overhead costs, allocated risk-adjusted cost of capital, omission of extraordinary items, and adequate factoring of risk provisions into reserves? Does the Board assess the quality of Company performance by comparison with competitors?

4.1.6 Does the Board understand the root causes of financial performance? Does the Board understand the managed variables for making money in the Company's various businesses? Is the Board regularly informed about root causes when financial variance is explained in management reports?

4.1.7 Is the Board confident in the depth of the Company's human resource pool? Is the Board satisfied there is a disciplined and credible process for identifying high calibre people and for developing their potential and streaming their careers? Does the Company's succession plan reveal lines of qualified successors within the human resource base? Are sufficient new people being brought into the Company versus over-relying on internal promotions?

4.1.8 Does the Board regularly receive from management the unvarnished truth and in time? Is management sharing bad news with the board and doing so in a timely fashion? If not, why not?

4.1.9 Is the Board satisfied that its board sessions contribute to entrepreneurial leadership in the Company? Is the board adding value to the efforts of the President and CEO to manage the company? Does the Board regularly engage itself in critical Company issues and reach consensus for guiding the President and CEO? Is this consensus constructive and useful?

4.1.10 Is the Board satisfied that the Company has opened up effective channels for obtaining stakeholder feedback? Does the Board know what is being said by customers, staff, shareholders, investors, suppliers, and regulators regarding their respective satisfaction with the Company?

5.0 Independent Advisors

The Board shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Company.

6.0 Implementation and Review of Charter

It is the responsibility of the Corporate Governance and Ethics Committee to implement and review this Charter to ensure its relevance, completeness and workability, in addition to ensuring the Board and management comply with its stipulations. The Committee will conduct an annual review and assessment of this Charter in such matter as the Committee deems fit and submit its recommendations to the Board.

7.0 Board Agenda

The business of Board meetings must be consistent with the responsibilities and priorities inherent in its Charter. The meeting agenda and its momentum are therefore to be set in a manner that enables the Board to fully exercise its decision-making and review authority in discharging these responsibilities. Care has to be exercised that the Board does not dissipate its scarce time in micromanagement or in low-priority matters but keeps its focus on the Company's balanced performance for the long-term.

7.1 The following guidance is to be observed in planning the Board Agenda:

7.4.1 Ownership for setting the Board Agenda rests with the Chairman of the Board.

7.4.2 It is the duty of the Company Secretary to draw up and administer the Agenda on behalf of the Chairman.

7.4.3 In entering items for the Agenda, the Secretary initiates a draft that comprises scheduled items from the "Schedule of Critical Board Agenda Items" (see below), statutory and other applicable corporate matters, and matters arising from previous minutes, both of these to be determined by the Secretary. The Secretary proposes the sequence and duration time for each agenda item, guided by the "Processes Relating to Execution of Board Responsibilities" or by the nature of the item itself, and allocating time in proportion to Company priority. As a standard, presentations are to be limited to no more than half the time devoted to any topic and the balance of time is expressly reserved for discussion.

7.4.4 This Draft Agenda is sent to the Chairman, Committee Chairman (if applicable) and CEO at least 10 business days before Board meeting

7.4.5 The Chairman, Committee Chairman and CEO forward a response to the Secretary within five business days from receipt of the original Draft Agenda and requests amendments to the draft, if applicable. Once the Draft Agenda has been settled, the Secretary communicates the Final Agenda to the Chairman, Committee Chairman and CEO.

7.4.6 Material to be supplied by management in support of Agenda items is to be sent to directors by the Secretary at least five business days prior to the Board Meeting.

7.2 It is incumbent upon the Secretary to ensure that information obtained from management complies with the "Processes Relating to Execution of Board Responsibilities", in particular the requirement for Board Summaries. Equally important, it is the Secretary's responsibility to ensure the allocation of meeting time between Agenda items reflects the relative priority of the items and if there is a concern, this should be discussed with the Chairman.

7.3 As a rule, management is to be guided by the "Schedule of Critical Board Agenda Items" below and it is to ensure regularly that matters as scheduled are boarded in a timely fashion. If, for some reason management cannot deliver as scheduled, it shall advise the Corporate Secretary as soon as possible so that the Draft Agenda is prepared, and the Chairman alerted accordingly.

7.4 **Schedule of Critical Board Agenda Items**

The purpose of this Schedule is to render to the Board and management certainty regarding the focus of the Board in carrying out its duty to supervise the management of the Company and to facilitate proactive planning of the Board Agenda. The Schedule reflects and operationalizes Board responsibilities and is intended to be as permanent as the Board Charter. It is not however, a checklist of every Board activity; it emphasizes business

management activities and internal Board governance, while relying on the Corporate Secretarial function to schedule statutory and routine events.

7.4.1 The items to be included in the Schedule are non-recurring, structural, significant and are not likely to change. The timing of the events is built around the Company's yearend, i.e. closing off one year and planning for the next. For a number of the issues below, the content and process for Board decision-making and review are covered in the section "Processes Relating to Execution of Board Responsibilities".

7.4.2 The extension of a topic from one quarter to the next does not necessarily mean the matter will require two quarters but that its consideration may commence in the earlier quarter and, in any event, be concluded by the next quarter.

7.4.3 For the sake of avoiding complexity, no distinction is made between matters dealt with directly by the Board and Committees.

7.4.4 To avoid scheduling conflicts in Q4 with year-end and next-year issues, some matters which logically would have been aligned to Q4 have been re-assigned to earlier quarters, e.g. Enterprise Risk Profile.

7.5 **Annual Schedule of Critical Board Agenda Items**

BOARD ENGAGEMENT	**MEETING**			
	Q1	**Q2**	**Q3**	**Q4**
STRATEGIC PLANNING AND IMPLEMENTATION				
Review and approve the Company's Strategic Direction and Strategic Plan			x	x
Review and approve the organization structure, subsidiary structure, lines of business and capital allocation, in line with the Strategic Plan.			x	x
Review and approve the Company's capital structure against policy.				x
Review performance against key strategies as per the Strategic Plan.	x	x	x	x
RISKMANAGEMENT				
Review the Enterprise Risk Profile against enterprise risk appetite and policies.			x	
Review performance indicators, as per policy, relating to risk management effectiveness for: Credit Risk, Liquidity Risk, Market Risk, Pricing Risk,	x	x	x	x
Review the Annual Internal Audit Schedule for coverage of critical risk areas consistent with the Enterprise Risk Profile.	x			
Review procedures designed to promote compliance with laws and procedures and setting an ethical tone at the top, as per the Code of Business Conduct and		x		
FINANCIAL PLANNING & PERFORMANCE & SHAREHOLDER REPORTING				
Review and approve the Annual Business and Capital Expenditure Plans				
Review Quarterly Financial Performance from a business management perspective.	x	x	x	
Review and approve the firm of external auditors and their annual engagement program.				

Review the external auditor assessment of the effectiveness of controls relating to accounting, financial reporting and disclosures, according to policy.		x		
Review the external auditor Management Letter				x
Review and approve Annual Report contents and interim financial performance, as per Communications Policy.	x	x	x	x
HUMANRESOURCES				
Review summary results of team member's annual satisfaction survey against pre-determinedgoals.			x	
Review summary results of team member annual performance evaluation and cost of performance rewards relative to Budget.		x		
Review performance for the President/CEO and other Designated Officers along pre-determined performance measures and decide compensation.	x			
Review and approve succession and management development plans for the President and CEO and Designated Officers.	x	x	x	x
Review the list of High Potential Officers against pre-determined criteria.		x		
Review and approve the Company's team member compensation (regular and incentive).			x	
BOARDOPERATION				
Review and approve directors' compensation program.				x
Review investor correspondence/feedback to the Board	x	x	x	x
Evaluate performance for the Board, directors, Chairman, and Committees and determine director eligibility for re-nomination.				x
Review management's effectiveness in keeping the Board informed.				x
Recommend director candidates for election by shareholders.	x			
Review Company Secretary effectiveness along predetermined measures.	x			
Ensure directors annually review and sign-off Code of Business Conduct and Ethics.	x			

8.0 Board Reserved Powers

The following matters specifically reserved to the Board for decision are as follows:

1. <u>Regulatory/Legal Requirements</u>	
1.1	Approval of the interim and preliminary company results.
1.2	Approval of any interim dividend and recommendation of any final dividend.
1.3	Approval of the Annual Report and Accounts, Summary Financial Statements of the Company and any interim statement published or issued to shareholders.
1.4	Appointment and removal of the Company Secretary
1.5	Receipt of declarations of interest from Directors.
1.6	Approval of listing particulars
1.7	Approval of the annual report on Directors' remuneration contained in the Annual Report and Accounts

	1.8	Approval of capital structure, including material changes in composition of capital, reduction of capital, share issues, share buy backs and use of treasury shares.
2.	***Legal and Capital Structure***	
	2.1	Capital structure including material changes in composition of capital reduction of capital share issues, share buy-backs, use of treasury shares.
	2.2	Legal and corporate structure
	2.3	Changes to the Company's Articles of Incorporation
3.	***Organisational Structure and Operations***	
	3.1	Management and control structure of the Company, including subsidiary alignment
	3.2	Corporate structure of the Group, including subsidiary rationalization.
	3.3	Delegation of authorities to the President/CEO and to senior officers.
	3.4	Relocation of Company operations likely to have a material effect of the Company.
	3.5	Outsourcing of operations having strategic impact on the Company.
	3.6	Approval of all policies having or capable of having a material impact on the Company.
	3.7	Business mergers and acquisitions
4.	***Appointments, Training, Evaluation and Terms of Reference***	
	4.1	Appointment and removal of Directors.
	4.2	Appointment of any Director as Chairperson or Vice Chairperson of the Board or Senior Independent Director and ending such appointments.
	4.3	Determination of the independence of any Director or proposed Director.
	4.4	Apportionment of responsibilities to the Executive Directors of the Company including appointments to (and removal from) the positions of Chief Executive and Group Finance Director.
	4.5	Appointment and removal of the President and CEO and Designated Officers.
	4.6	Succession planning for Designated Officers.
	4.7	The scope and extent of delegation to the Chairperson, Vice Chairperson, and Chief Executive
	4.8	Approval of the terms of reference of all Board Committees.
	4.9	Performance evaluation of the Board at least once each year and reporting in the Annual Report and Accounts as to whether such performance evaluation has taken place and how it has been conducted.
	4.10	Approval of policy on Executive Director's remuneration.
	4.11	Approval by the Chairperson and Executive Directors of the remuneration and terms of appointment of Non-Executive Directors of the Company.
	4.12	Ensuring that a satisfactory dialogue with shareholders takes place.
5.	***Management and strategic direction***	
	5.1	Approval of the Company/Group Business Plan and capital expenditure budgets.
	5.2	Approval of long-term objectives and Company strategy.
	5.3	Approval of any significant changes to Company/Group Policies and Standards on financial and non-financial risks.
	5.4	Approval of the policy in relation to the provision of non-audit services by external auditors, as recommended by the Audit Committee.
	5.5	Approval of matters for the agenda of all Company Annual General Meetings.
	5.6	The review and approval of any material changes to the levels and nature of the insurance cover and other risk management programmes held by the Company/Group.

	5.7	Approval of, and significant changes to, the Company's Group's internal control system.
	5.8	Annual review of the effectiveness of the Company's/Group's internal control system and reporting to shareholders that this has been done.
	5.9	Approval of, on the recommendation of the Audit Committee, the Audit Engagement Letter.
	5.10	Review and approval of any plans to expand into functionally new products or geographic markets.
6.	***Transactions***	
	6.1	Approval of any significant transaction regarding the acquisition or disposition in one transaction or a series of transactions of real or personal property not carried on in the ordinary course of the company's business or any significant capital and revenue expenditure, including an acquisition or disposal of financial assets that exceeds 20% of total assets or such other limits as determined by the Board.
	6.2	Approval of the commencement by any Company in the Group, where such business has not previously been transacted and where the activity is expected to represent, in its first full year of trading, more than 1% gross income of the Group in the recent financial year.
	6.3	Approval of cessation, by any Company in the Group, of any activity previously conducted, representing more than 1% of gross expenses of the Group in the most recent financial year.
7.	**Guarantees/Indemnities/Securities**	
	7.1	Approval of the provision of any guarantee, indemnity, security by the company.
	7.2	Authorisation of payment of a commission on a share issue.
8.	**Subsidiaries / Associates/ Joint Ventures**	
	8.1	The Subsidiary Boards will approve their own list of matters reserved unless otherwise determined by that Subsidiary.
	8.2	The Company has the powers of a sole or majority shareholder to appoint or move directors and exercises indirect control over the activities of its subsidiaries by the retention of certain powers, subject to the legal rights of minority shareholders.
	8.3	The operations of associates and joint ventures will normally be governed by the provisions of detailed agreements or constitutional documents, the terms of which should determine the powers of the Board of the associate or joint venture, and the procedures for creating and approving business plans for the associate or joint venture.
9.	***Share Capital and Financing***	
	9.1	Approval of any increase/reduction in the issued share capital within the Authorised Share Capital approved by Shareholders.
	9.2	Approval of the issue or repayment of any share capital or debt securities or any other borrowings by any Group Company other than: a. Where such issue, repayment, subscription or borrowing is in the ordinary course of business and has been approved in the Group Business Plan; and/or, b. Any issue where any Group Company or its nominee will be or is the sole holder of those securities and the sum to be subscribed or paid does not exceed 20% of the total authorized share capital of that entity.
10.	***Human Resource Management – Officers and Team members***	
	10.1	Approval of Team member compensation and benefit policy.
	10.2	Approval of changes in the rules of the Company pension schemes and changes of trustees

	10.3	Specifying the duties of Designated Officers, who shall include the following: a. President and Chief Operating Officer b. Chief Operating Officer
11.	***Directors' Remuneration***	
	11.1	Approval of directors' fees.

9.0 Directors in General

9.1 **Purpose** - The director's purpose, in conjunction with the body of other directors, is to provide the Company with entrepreneurial leadership. The director achieves this purpose by helping the Board provide effective supervision over management of the Company.

9.2 **Responsibilities -** The director, acting collectively with other directors, provides effective supervision of the Company by:

9.2.1 Setting the Company's values and standards;
9.2.2 Setting the Company's strategic direction;
9.2.3 Ensuring effective management of risk;
9.2.4 Ensuring a system of effective controls;
9.2.5 Ensuring the necessary financial and human resources are in place;
9.2.6 Reviewing management performance; and,
9.2.7 Ensuring that obligations to shareholders, regulators, and other stakeholders are understood and met.

9.3 **Director Attributes -** Aside from the specific functional expertise a director brings to the boardroom, he/she was nominated on the basis of the following characteristics, which the director is obliged to manifest in his/her conduct as a director:

9.3.1 High ethical standards consistent with the Company's Code of Business Conduct and Ethics
9.3.2 Commitment to business leadership
9.3.3 Courage to express and to defend a position
9.3.4 Decisive and willing to be held accountable
9.3.5 Effective intervention and decision-making style
9.3.6 Contributes to team synergy
9.3.7 Mature and thoughtful perspective on business

9.4 **Director Core Competencies –** These competencies are collectively required of the Directors in order for them to carry out their fiduciary responsibilities and include but are not limited to:

a. Corporate Law
b. Human Resources
c. Information Technology
d. Financial Accounting
e. Business Management
f. Risk Management

9.5 **Director Reliance** - In discharging Board or Committee duties a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by any of the persons specified below.

9.5.1 One or more officers or team members of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports or statements

provided;

9.5.2 Legal counsel, public accountants, or other persons retained by the corporation as to matters involving skills or expertise the director reasonably believes are matters (i) within the particular person's professional or expert competence or (ii) as to which the particular person merits confidence; or

9.5.3 A Committee of the Board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

9.6 Director Operation - The director owes a duty of skill and care to the Company, meaning that he/she should not act negligently in carrying out his/her duties. As a consequence, the director has a duty to acquire and maintain an understanding and knowledge of the Company, sufficient for the director to properly discharge his/her duties. In this regard, the director is expected to:

9.6.1 Attend all Board and applicable Committee meetings unless there is a compelling reason for non-attendance;

9.6.2 Understand the Company's organization structure, objectives, strategies, key risks and controls, and its money-making operations;

9.6.3 Be sensitive to the external environment as it applies to the Company's business and strategies;

9.6.4 Prepare for each meeting of the Board by reviewing materials provided in advance of the meeting; preparation time required for each meeting will depend on the topics to be addressed;

9.6.5 Take decisions objectively in the interests of the Company;

9.6.6 Constructively challenge management and other directors and help develop proposals on strategy;

9.6.7 Scrutinize the performance of management in meeting agreed goals and objectives;

9.6.8 Satisfy himself/herself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.

9.6.9 With the approval of the Chairman of the Board, engage external advisors at the expense of the Group.

9.7 Conflict of Interest - The director owes a fiduciary duty to the Company, meaning that as the director is in a position of trust, decisions he/she makes must be in good faith and not for personal interest. In this regard:

9.7.1 The director is subject to conflict of interest guidelines for which the Company has established monitoring procedures. Directors must excuse themselves from a particular matter where there may be a perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.

9.7.2 Directors are required to complete annually an Independence and Conflict of Interest Questionnaire to confirm their compliance with policy.

9.8 Director Annual Evaluation -

9.8.1 A director's performance is evaluated through a written self-assessment exercise followed by a meeting with the Chair.

9.8.2 The director's qualifications in terms of independence and conflict of interest compliance are annually reviewed prior to the Board nominating that Director for re-election.

9.9 Director Remuneration -

9.9.1 The director's compensation is reviewed annually to ensure application of a compensation strategy that properly aligns the interests of directors with the long-term interests of the Company.

9.9.2 Directors do not obtain stock options as a form of compensation. Directors may elect to receive their compensation in cash or some equivalent form approved by the Board.

9.9.3 Directors are persuaded to hold an equity position in the Company upon joining the Board. The Company's common shares are considered equity for this purpose, while stock options are not.

9.10 Director Induction and Continuing Education - The Company provides an induction program for new directors, as well as an ongoing education program for all directors. As part of the program, directors' seminars, divisional presentations to the Board, induction and update materials, and on-site visits to the Company's operations assist directors to better understand the Company's strategies, operations and the external business and competitive environment.

9.11 Director Resignation - In the following circumstances a director is expected to submit his or her resignation to the Chairman of the Board for determination by the Board upon recommendation of the Committee. If any of these circumstances apply, the Board Chairman will first discuss the matter with the director and then request the director to submit a letter of resignation:

9.11.1 If the director is no longer qualified under the Company's Bylaws or applicable law.

9.11.2 If the director does not meet eligibility rules under the Board's independence and conflict of interest guidelines.

9.11.3 If the credentials underlying the appointment of such director materially change.

9.11.4 If the director's performance as a director is unacceptable.

9.12 Protection for Directors - The Company shall indemnify directors against losses that may arise from the appropriate exercise of their authority as directors and shall arrange for an adequate level of Directors and Officers Liability Insurance to supplement this indemnification.

10.1 Role of Chairman

10.2 Purpose - Creates the conditions for overall Board and individual director effectiveness, both inside and outside the Boardroom.

10.3 Specific Responsibilities -

10.3.1 Run the Board and set its agenda. The agenda should take full account of the issues and the concerns of all Board members. Agendas should be forward looking and concentrate on strategic matters rather than formulaic approvals of proposals which can be the subject of appropriate delegated powers to management;

10.3.2 Ensure that the members of the Board receive accurate, timely and clear information, in particular about the company's performance, to enable the Board to take sound decisions, monitor effectively

and provide advice to promote the success of the company;

10.3.3 Ensure effective communication with shareholders and ensure that the members of the Board develop an understanding of the views of major investors;

10.3.4 Manage the Board to ensure that sufficient time is allowed for discussion of complex or contentious issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the Board discussion. It is particularly important that non-executive directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision-making;

10.3.5 Take the lead in providing a properly constructed induction programme for new directors that is comprehensive, formal and tailored, facilitated by the Company Secretary;

10.3.6 Take the lead in identifying and meeting the development needs of individual directors, with the Company Secretary having a key role in facilitating provision. It is the responsibility of the Chairman to address the development needs of the Board as a whole, with a view to enhancing the overall effectiveness as a team;

10.3.7 Ensure that the performance of individuals and of the Board as a whole and its committees is evaluated at least once a year;

10.3.8 Build an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval;

10.3.9 Promote the highest standards of corporate governance and seek compliance with the provisions of applicable codes wherever possible;

10.3.10 Ensure a clear and effective structure and process for running Board committees;

10.3.11 Ensure effective implementation of Board decisions.

10.4 Chairman's Leadership Style -

10.4.1 Upholds the highest standards of integrity and probity;

10.4.2 Sets the style and tone of Board discussions to promote effective decision-making and constructive debate;

10.4.3 Establishes a close relationship of trust with the President and Chief Executive Officer, providing support and advice while respecting executive responsibility;

10.4.4 Provides coherent leadership of the company, including representing the company and understanding the views of shareholders;

10.4.5 Fosters and motivates teamwork and encourages active engagement by all the members of the Board;

10.4.6 Demonstrates commitment to director accountability and responsibility through example; and

10.4.7 Gains the trust and respect of fellow directors through thoughtful listening and responding.

11.0 Board Committees

11.1 **Mandatory Board Committees**

11.1.1 **Basic Purpose of the Board Committee -** These Board committees assist the Board in managing its

workload by carrying out specialized or recurring tasks and referring to the Board its recommendations for consideration by the Board. The Committee process can also be used to ensure a certain level of independence by excluding attendance of executives who are directors.

11.1.2 **The four mandatory Committees of the Board are:**

- Audit Committee
- Risk Management Committee
- Corporate Governance and Ethics Committee
- Human Resource Committee.

11.2 Committee Structure and Operation

11.2.1 **Appointment of Committee Members -** Members, including the Chairman of the Committee, are appointed by a resolution of the Board on the recommendation of the Board Corporate Governance & Ethics Committee, which reviews the composition of each Committee regularly.

11.2.2 **Committee Mandate -** The Committee mandate and the scope of its authority are set out in the Board resolution establishing the Committee. Each Committee must have a charter that sets out the following minimum information:

- Purpose and objectives;
- Responsibilities;
- Frequency of and attendance at meetings;
- Qualifications of membership;
- Appointment and removal procedures;
- Structure and operations;
- Reporting to the Board.

11.2.3 **Committee Charters –** The Charters of the four mandatory committees are contained in Appendix 2.

11.2.4 **Committee Size -** Committee membership is to be confined to as few members as is necessary to carry out Committee work with effectiveness and efficiency, but in no event will membership be less than three directors.

- **Committee Independence -** Committees are to be composed entirely of independent directors within the meaning of "independence" as defined in the Group's Director Independence Policy and the Banking Services Act. Committees will regularly hold in camera meetings without management present, where necessary.

- **Board Accountability -** Committees have no more authority than that delegated to them by the Board. "If the Board does delegate authority to a committee, it is not relieved of its responsibility with respect to the matters within the committee's mandate – it must continue to exercise the same oversight that it does when it delegates authority to management. If the committee makes recommendation to the Board, the Board must review the reports and recommendations of the committee as it would any other input it receives, ask the pertinent questions and make any further inquiries necessary to make an informed business judgment."[1]

- **Committee Powers -** Unless specifically authorized by the Board, **t**he Committee has no decision-making powers and it concludes its work with its Chairman making recommendations or providing reports to the Board at the end of each meeting.

[1] *"What Directors Need to Know: Corporate Governance" 2003 p. 82 Carol Hansell.*

- **Written Procedures -** Committees are to establish written procedures for the conduct of routine business, especially as it applies to relations with outside parties, e.g. management, external auditors, advisors, consultants. A copy of these written procedures is to be given to each director and compliance should be monitored by an audit committee of the Board.

- **Annual Agenda -** Committees are to prepare annual agendas of items to be considered, guided by the Schedule of Critical Board Agenda Items in the Board Agenda Preparation section of the Corporate Governance Manual and attached as an Appendix to this Charter.

- **Meeting Agenda -** The Committee agenda for a particular meeting is to be drafted by the Company Secretary for the Committee Chairman and is to be guided by unfinished business from the previous meeting, the Schedule of Critical Board Agenda Items, and ad hoc issues proposed by management and the Committee Chairman.

- **Communication of Agenda Information -** The agenda and material to be reviewed by the Committee are to be delivered to Committee members at least five business days prior to the meeting and the Company Secretary is to ensure that presentation of the information complies with requirements of the Board Processes for Engaging Critical Business Issues.

- **Meeting Minutes -** The minutes of meetings are to record the decisions taken and provide sufficient background to those decisions. All papers presented to the meeting should be clearly identified in the minutes and retained for reference.

- **Circulation of Minutes -** The minutes of all meetings (or a written summary thereof) are to be circulated to the Committee at least three (3) business days prior to the next meeting and members should take the opportunity at that meeting to ask questions thereon.

- **Meeting Attendance -** Committee members are expected to attend each Committee meeting, unless there are exceptional circumstances that prevent them from doing so.

- **Independent Advice -** Committees may engage independent expert advice at the Group's expense. (Individual directors may, with the approval of the Chairman of the Board, engage external advisors at the expense of the Group.)

- **Performance Evaluation -** Committees are to submit annually to a performance evaluation of its effectiveness in fulfilling its mandate responsibilities.

- **Basic Purpose of the Committee Chairman -** Operating in a task-oriented environment, the Committee Chairman plays an active role in leading and guiding the team of directors in analysing and assessing various matters and formulating clear and insightful recommendations for referral to the board.

11.3 Primary Responsibilities of the Committee Chairman –

11.3.1 Ensure, in cooperation with the Board Chairman and Chairman of the Corporate Governance and Ethics Committee, that director skills and experience on the Committee are commensurate with its responsibilities.

11.3.2 Plan the Committee's annual calendar of business to ensure most effective use of the Committee's time in relation to its mandate.

11.3.3 Collaborate with the Chairman of the Board and the Company Secretary to establish the frequency of committee meetings and the agendas for individual meetings.

11.3.4 Ensure that the Committee is provided information on a timely basis and in a form consistent with the

requirements outlined in Board Processes for Engaging Critical Business Issues.

11.3.5 As appropriate and in consultation with the Committee, retain, oversee and terminate independent advisers to assist the Committee or its members in fulfilment of their responsibilities.

11.3.6 Ensure Committee members receive appropriate induction to the Group and ongoing training and exposure to enable effective discharge of their responsibilities.

11.3.7 Ensure Committee work is in accordance with statutory/regulatory requirements and best practices.

11.3.8 Foster team-spirit and synergy within the Committee to bring the best out of members.

11.3.9 Foster a climate of constructive debate and challenge and strive for closure on issues based on consensus.

11.3.10 Manage Committee time to ensure meeting objectives are achieved without compromising opportunity for full member participation and debate.

11.3.11 Lead the Committee in annually reviewing and assessing the adequacy of its mandate.

11.3.12 Lead the Committee in assessing performance feedback of Committee effectiveness.

11.4 Reporting to the Board - Provide clear, insightful and decisive recommendations and reports to the full Board after each Committee meeting.

11.5 Other Board Committees - The Board in its discretion may operate other committees, including ad hoc committees, to the extent it deems necessary.

12.0Relationship between Board and Management

12.1 Role of Management

12.1.1 Corporate governance specifies the distribution of rights and responsibilities among the different participants making up the corporation, such as the board and management (as well as shareholders and other stakeholders). It is accepted that the Board's role is to supervise the management of the Company while the officers' role is to execute its management. In other words, the board is concerned with governing the Company to ensure it is properly run, while management attends to running the business.

12.1.2 The President/CEO and senior officers are responsible for managing the institution on a day-to- day basis, within the authorities delegated to them by the board and in compliance with applicable laws and regulations. In this regard, management's skills, competence, integrity and experience are critical factors in the safety and soundness of the institution.

12.2 Management Conduct

12.2.1 Management's undertaking is to support directors in the fulfilment of their responsibilities to the Company (the flip side of directors' obligation to management). Directors are under a legal duty of skill and care to the Company and it is management's function to ensure directors are able to carry out their responsibilities in a way that minimizes the burden on them to exercise skill and care. However, it is not part of the director's duty of skill and care to closely watch over management's shoulders, unless directors have reason to suspect management is dishonest or incompetent. If management appears competent and honest, directors may rely on the information they provide and question neither its reliability nor sufficiency.

12.2.2 Management and board may be operating in perfect harmony with information given and received,

neither side attentive or concerned about best practices, each endeavouring to be cooperative. Irrespective of whether management or the board is competent, and especially if they are not, it is in the best interests of the Company to ensure operating effectiveness, transparency, and regulatory compliance by institutionalizing best practices to govern the communications relationship between board and management.

12.2.3 Moreover, members of management should be aware that they are subject to the same fiduciary duty and duty of care as are directors of the Company and must discharge its responsibilities in accordance with these duties. Collaboration between management and the Board in running the Company and in ensuring good information flows provides a useful check and balance in this structure.

12.2.4 "Best practices" are those that support the board in carrying out its responsibilities described in the Board Charter. The tasks and process elements relating to these best practices are covered in the section "Processes Relating to the Execution of Board Responsibilities". In addressing its own role within these processes, management should reflect on the following premises governing its role within the institution.

12.3 Management Guidance Governing Board Information

12.3.1 **Corporate Role** - Management is responsible for ensuring the board is adequately informed to discharge its statutory, regulatory and leadership duties with care and skill. This premise considers the fact that management is expected to have full working knowledge of Company affairs whereas directors are not, deferring to management instead.

12.3.2 **President and CEO -** The board's primary interface with management is the President and CEO, who is ultimately accountable to the Board for Company performance. Directors may however, communicate directly with other officers and vice-versa without undermining the authority of the President and CEO.

12.3.3 **Oversight Functions -** The President and CEO ensures that critical oversight functions (internal audit, compliance, and risk management) that provide assurances to the Board are provided with adequate infrastructure for ensuring independence and objectivity.

12.3.4 **Board Information -** When management provides information to the Board, management does so ensuring the information is comprehensive, accurate, and relevant, and is not likely to mislead or overwhelm directors.

12.3.5 **Information Essence -** Directors expect to receive from management information in which the essence is disaggregated from distracting and ponderous details. If the Board is required to render a decision on a matter, management ensures that the information it supplies to the Board is distilled in a form that allows the board to easily understand the key considerations; that the proposition and arguments are concisely and clearly articulated; and, that the information is presented in a format that enables directors to readily absorb the key issues, formulate judgments, and gather useful insights.

12.3.6 **Information Lead Time -** Information required by directors to conduct their business shall be provided by management with sufficient lead time to enable directors to assimilate the information, taking into account the volume and complexity of the situation, the nature of the director's required response, and the assumption the director has other competing priorities on his/her time. As a general rule, information is to be provided to directors no less than five business days prior to their meeting.

12.3.7 **Management Reliance -** Directors are entitled to rely on the information they receive from management, but they may not accept management's assumptions, analysis, and recommendations without question if there is reason for doubt. "Good faith" reliance on management information does not mean directors blindly accept what they hear or read; they must decide if assertions are reasonable and test the basis of facts and analysis.

12.3.8 **Director Access to Management -** When directors review information supplied by management, it is the directors' responsibility to seek from them clarification or amplification where necessary and directors may do so through direct communication. Management shall respect the right of directors to make inquiries, which shall be dealt with professionally.

12.3.9 **Management Evaluation -** As part of its overall annual evaluation, the board will also assess management's effectiveness in providing it with information for discharging its responsibilities.

13.1 **Board Reserved Authorities**

13.2 **Management and Strategic Direction -**

13.2.1 Approval of long-term objectives and company strategy.

13.2.2 Approval of the annual business plan and capital expenditure budgets.

13.2.3 Expanding into functionally new product or geographic markets.

13.2.4 Business mergers and acquisitions.

13.2.5 Divestment or discontinuation of any business, operations or product lines.

13.2 Legal and Capital Structure

13.6.1 Capital structure, including material changes in composition of capital, reduction of capital, share issues, share buy-backs, use of treasury shares.

13.6.2 Legal and corporate structure.

13.6.3 Adoption, amendment or repeal of Company by-laws.

13.3 Organization Structure and Operations

13.3.1 Management and control structure of the Company, including subsidiary alignment.

13.3.2 Corporate structure of the Group, including subsidiary rationalization.

13.3.3 Delegation of authorities to the President/CEO and to senior officers.

13.3.4 Relocation of Company operations likely to have a material effect on the Company.

13.3.5 Outsourcing of operations having strategic impact on the Company.

13.3.6 Approval of all policies having or capable of having a material impact on the Company.

13.4 Human Resource Management – Officers and Team members

13.4.1 Team member compensation and benefits policy.

13.4.2 Changes in the rules of the Company pension schemes and changes of trustees.

13.4.3 Specifying the duties of Designated Officers, who shall include the following:

- President and Chief Operating Officer
- Chief Operating Officer
- Chief Financial Officer

- Chief Risk Officer
- Chief Internal Auditor
- Chief Information Officer
- Chief Compliance Officer
- Corporate Secretary

13.4.4 Reviewing the performance measures for Designated Officers.

13.4.5 Reviewing management's performance evaluation of Designated Officers.

13.5 Financial Reporting and Controls

13.5.1 Appointment, re-appointment and removal of the firm of external auditors.

13.5.2 Approval of preliminary announcements of interim and final results.

13.5.3 Approval of Company annual statement, report and accounts, including various disclosures.

13.5.4 Dividend declarations.

13.5.5 Approval of any significant changes in accounting policies or practices.

13.5.6 Remuneration of auditors and recommendations for appointment or removal of auditors.

13.6 Financial Asset Origination

13.6.1 Approval of a policy for originating financial assets, which would include consideration of:

- Country risk limit
- Single name limit
- Sectoral limit
- Product limit
- Transaction limit
- Portfolio or concentration limit

13.7 Expenditures

13.7.1 Capital projects exceeding an aggregate of an amount to be determined by Board.

13.7.2 Operating transactions exceeding an aggregate amount to be determined by Board.

13.7.3 Contracts for the supply of services exceeding an amount to be determined by Board.

13.7.4 Expenditures of any amount likely to have a material effect on the Company's reputation.

13.8 Remuneration

13.8.1 Remuneration policies for directors, senior officers and team members.

13.8.2 Remuneration payments for non-executive directors, subject to special resolution and shareholder approval.

13.8.3 Remuneration payments for Designated Officers and other team members

13.8.4 Allocation of executive incentive awards.

13.9 Board and Officer Appointments

13.9.1 Determining selection criteria for directors, Board Chairman, President and CEO and Designated Officers.

13.9.2 Succession planning for Designated Officers.

13.9.3 Appointment and removal of the President and CEO.

13.9.4 Appointment and removal of Designated Officers.

13.9.5 Appointment of directors, subject to shareholder approval of directors.

13.9.6 Appointment of members and chairmanship of Board committees.

13.9.7 Selection of Board Chairman.

13.9.8 Extending directors' appointments at end of term, subject to shareholder approval.

13.9.9 Appointments to boards of subsidiaries.

13.10 Board Structure

13.10.1 Changes to the structure, size and composition of the Board, subject to shareholder approval.

13.10.2 Board Charter.

13.10.3 Duties of Company Board Chairman, Vice-Chairman, and President and Chief Executive Officer.

13.10.4 Formation of Board committees and defining their powers and duties.

13.10.5 Committee operation and reporting.

13.11 Corporate Communications

13.11.1 Submit to the shareholders questions or matters requiring the approval of shareholders.

13.11.2 Approval of press releases concerning matters decided by the Board.

13.11.3 Receiving reports on the views of the Company's shareholders.

13.12 Board Operations

13.12.1 Corporate governance policy and board operating procedures and processes.

13.12.2 Orientation for new directors.

13.12.3 Continual updating of directors' skills.

13.12.4 Determining director independence.

13.12.5 Performance evaluation of board, committees, and directors.

13.12.6 Establishment of rules and procedures related to directors' dealings.

13.12.7 Engagement of independent professional advisors to assist directors in discharging their responsibilities.

13.12.8 Approval of the directors' report to shareholders.

13.13 Securities Listings and Dealings

13.13.1 Stock exchange listings.

13.13.2 Approval of all circulars and listing particulars.

13.13.3 Principal regulatory filings with stock exchanges and securities commissions.

13.13.4 Issuance of securities.

13.13.5 Authorization of payment of a commission on a share issue.

13.14 Other

13.14.1 Approval of the appointment of the Company's principal professional advisers.

13.14.2 Initiation or settlement of litigation in excess of an amount to be determined by Board or being otherwise material to the interests or reputation of the Company.

13.14.3 Approval of the overall levels of insurance for the Company, including directors' and officers' liability insurance (and indemnification of directors).

13.14.4 Interpretation of the meaning of any of the powers reserved for Board decisions as described in this schedule.

14.1 Management Independent Oversight Positions

The general descriptions of the offices set out in *Appendix 3* are intended solely for the guidance of directors to enable them to better understand their relationships with management officers from a governance point of view and to provide directors with comfort regarding the management of critical areas of Board responsibility.

The guidance deals with the following offices:

- Group President and CEO
- Chief Financial Officer
- Chief Risk Officer
- Chief Internal Auditor
- Chief Compliance Officer
- Corporate Secretary

Part 6

PLANS AND PROGRAMS

6.1 BOARD PROCESSES FOR DEALING WITH CRITICAL PLANS AND PROGRAMS

6.1.1 Introduction

6.1.1.1 Board's responsibilities are spelled out in its Charter. Carrying out these responsibilities however, relies on collaboration with management, but to ensure effective teamwork, in which neither side compromises its responsibility nor accountability, a basis of understanding must be reached for shared work processes involved. The objective of this document is to achieve such understanding.

6.1.2 Board Guidance on Information Requirements

6.1.2.1 **Policies -** Where the Board has direct supervision over an area of critical business activity in the Company as per its Charter, such activity is to be governed by policy approved by the Board.

6.1.2.2 **Board Approvals -** When the Board gives its "approval" to a proposal put to it by management, it is deemed that the Board had full opportunity to give serious consideration to the matter, it did in fact seriously consider the proposal and the decision implemented by management received active support from the Board.

6.1.2.3 **Board Monitoring -** To fulfil its responsibilities, the Board must periodically obtain information demonstrating how management operates the Company relative to key policies, statutory and regulatory requirements, strategic plans, performance of acquisitions, and capital expenditure programs.

6.1.2.4 **Board Reviews -** When the Board "reviews" a situation put to it by management, the Board is expected to assess it against some decided criteria and provide to management a clear response as to whether the Board supports the situation communicated by the information.

6.1.2.5 **Information Essence -** Directors expect to receive from management information in which the essence is disaggregated from distracting and ponderous details. If the Board is required to render a decision on a matter, management shall ensure that the information it supplies to the Board is distilled in a form that allows the Board to easily understand the key considerations; that the proposition and arguments are concisely and clearly articulated; and, that information is presented in a format that enables directors to readily absorb key issues, formulate judgments, and gather useful insights.

6.1.2.6 **Information Lead Time -** Information for director review or assessment shall be provided by management with sufficient lead time to enable the director to assimilate the information, taking into account the volume and complexity of the situation, the nature of the director's required response, and the assumption the director has other competing priorities on his/her time. As a general rule, information is to be provided to directors no less than five business days prior to their meeting.

6.1.2.7 **Management Reliance -** Directors are entitled to rely on the information they receive from management, but they may not accept management's assumptions, analysis, and recommendations without question if there is reason for doubt. "Good faith" reliance on management information does not mean directors blindly accept what they hear or read; they must decide if assertions are reasonable and test the basis of reported facts and analysis.

6.1.2.8 **Chairman's Information Role -** If the information received from management is contrary to the rules established herein, the Board Chairman has a responsibility to point out to management the necessity for improving its communication effectiveness.

6.1.2.9 **Director Access to Management -** When directors review information supplied by management, it is their responsibility to seek from management clarification or amplification where necessary and they may do so through direct communication.

6.1.2.10 **Outside Advisors -** If directors are not satisfied that they are able to reach an informed judgment with respect to an essential matter presented to them by management, they are to seek outside advice until the matter is resolved.

6.1.2.11 **Director Self-Reliance -** Directors have a professional duty to take positive steps to continually inform themselves about the Company's industry and its systemic environment in order to reduce director dependence on management and to enhance the objectivity of their information.

6.1.2.12 **Secretary's Information Role -** Under the direction of the Chairman, it is the Company Secretary's responsibility to ensure effective information flows within the Board and its Committees, and between management, the President/CEO and directors.

6.1.3 Critical Issues – Information Requirements and Process Flow

6.1.3.1 The critical enterprise issues which should occupy the attention of the Board are those which flow out of its responsibilities in the Board Charter. These are shown below together with their respective allocation to Board or committee mandates.

(i) Annual Strategic Plan approval process – Board Charter.

(ii) Policy formulation approval process – Risk Management Committee.

(iii) Annual Business Plan approval process – Board Charter.

(iv) Periodic Financial Performance review process – Audit Committee.

(v) Enterprise Risk Profile review process – Risk Management Committee.

(vi) Business Acquisition process – Board Charter.

(vii) Capital expenditure approval process – Risk Management Committee.

(viii) Director nomination process – Corporate Governance and Ethics Committee.

(ix) Board, Committee, Chairman, Director, Management performance evaluation process – Corporate Governance and Ethics Committee.

(x) Shareholder/Investor Relations - Corporate Governance and Ethics Committee.

(xi) Appointment and performance review of external auditors and actuaries – Audit Committee.

(xii) Branding Strategy - Corporate Governance and Ethics Committee.

(xiii) New Product Offerings - Risk Management Committee.

(xiv) Compensation Plans – Directors - Corporate Governance and Ethics Committee.

(xv) Compensation Plans - Officers and Team members – Human Resource Committee.

(xvi) Succession Planning – Officers - Human Resource Committee.

(xvii) Training and Development – Officers - Human Resource Committee.

6.1.3.2 Each of the activities is explained below in terms of the process required by the Board for it to have meaningful engagement in the approval or review of the activity. The processes are written from the perspective of the Board's oversight requirements and make no attempt to prescribe to management how it should manage its affairs to provide information to the Board. The Board however, may question the validity of assumptions and reasoning contained in management information, which may reflect on how well management manages.

6.2 BOARD PROCESSES

6.2.1 Policy Formulation

6.2.1.1 **Introduction -** The purpose of policy is to provide unambiguous guidance to directors, officers and team members as to right thinking and right conduct with respect to matters that have significant impact on Company goals. Policies have their genesis in Company Vision, objectives, strategies and risk appetite and they illuminate the path between action and purpose.

6.2.1.2 **Policy Formulation -** A policy must be maintained to address the matter of identifying and formulating Company policies.

6.2.1.3 **Roles and Responsibilities -** Management decides what policies it needs to run the business. As a rule, the Board expects that all management prohibitions or encouragement of behaviour likely to have a significant impact on the Company, including intangible outcomes, are to be covered in policy documents. The onus is on the Board however, to ensure that policies are created and implemented by management for business areas deemed critical by the Board. All policies developed by management, excluding those not deemed significant, but including all those identified in the list below, are to be submitted to the board for approval before they are implemented as policy.

6.2.1.4 **Policy Requirements -** The board requires the policies listed in *Part 8 Policies and Procedures* and such other policies as it may from time to time decide to be formulated by management.

6.2.1.5 **Policy Format -** Policy documentation must include the following features:

(i) Purpose – stated in terms of end-results that identify criticality of impact.

(ii) Background – optional; circumstances warranting the policy.

(iii) Scope – who is affected; people, group, subsidiaries.

(iv) Significant risks addressed by policy – identify the risk rationale for the policy.

(v) Compliance Requirements – the heart of the policy; clear and concise statements about what actions are to be taken and not taken by directors, officers and team members. Narrative is to be limited to requirements and should exclude peripheral discussion. The elements should address the risks shown in item d. above and should include:

(a) Limits and tolerances, where relevant;

(b) Authorities and responsibilities, including any process for delegating authority;

(c) Applicable reference to legal, regulatory and other compliance;

(d) Reporting Requirements – how compliance with the policy is assessed and reported.

(vi) Ownership and responsibility – who is responsible for interpreting and updating the policy.

(vii) Policy exception – the process for obtaining exceptions to requirements.

6.2.1.6 **Management Documentation for Directors -** Policies developed by management for approval by the Board are to be sent to directors at least five business days prior to Board meeting with a single-page Board Summary that includes the following information:

(i) Policy purpose.

(ii) Threats mitigated by the policy – significant things the policy will prevent or enhance.

(iii) Scope – who is directly governed by the policy.

(iv) Key controls – essential limitations or expectations of behaviour, including delegation of authorities.

(v) Monitoring – how will compliance with the policy be monitored.

(vi) Contact person – the person directors can contact if they have questions about the Board Summary.

(vii) Attachment of the full policy document.

6.2.1.7 **Director Review of Information -** Directors are to review management's Board Summary and prepare themselves for meaningful discussion with management on the matter on Board meeting day. In the event directors have questions arising from the Board Summary, they are expected to contact management to have them cleared up.

6.2.1.8 **Management Presentation to the Board -** Management makes a detailed presentation to the Board along the lines submitted to directors in the Board Summary, keeping the material at the level of essential information. Directors should focus on proactive discussion particularly with respect to:

(i) Adequacy of control measures for mitigating threats embraced by the policy.

(ii) Appropriateness of organizational placement within the enterprise for policy accountability.

(iii) Adequacy of allocation of authorities for managing the policy.

(iv) Adequacy of the process for communicating and implementing policy.

(v) Adequacy of monitoring and reporting policy compliance.

6.2.2 Annual Strategic Plan

6.2.2.1 **Policy Formulation -** A policy must be maintained to address the matter of identifying and formulating Company Strategic Plan.

6.2.2.2 **Roles and Responsibilities -** Management's role is to develop and propose the Company Strategy and the Board's role is to eventually approve it. The Board however, has a responsibility to understand the context of Company strategy as a pre-requisite for approving it, which the Board can best do by actively participating in its development. The over-riding principle underlying the process of teamwork between Board and management for formulating the Strategic Plan is that there must be a sharing of Plan ownership and accountability to ensure smooth governance in its implementation.

6.2.2.3 **Directors' Knowledge Requirements -** Directors' ability to contribute meaningfully towards development of Strategic Plan requires that they develop a good understanding of the Company's business, including how it makes money, its key risks, and the industry dynamics in which the Company operates. At the same time, it is to be recognized that a collaborative environment in which directors share responsibility with management for formulating the Strategic Plan is itself a profound learning experience for directors.

6.2.2.4 **Strategy Origination -** Ideally, Company Strategy should not originate in the Boardroom as a document; it should emerge from dialogue between Board and management in the spirit of collaboration. The President and CEO should personally take the lead in raising issues, drawing insights and posing questions relating to the Company's long-term success. Management's purpose should be to arouse Board awareness about the Company's future in the context of its present and impending external challenges and to engage directors' mind and attention with critical issues without offering them solutions at this time. (Open dialogue will be strained if directors sense the President and CEO has already made up his mind on the Company's strategic direction.) In this preliminary discussion, management and the Board should reach agreement as to the strategic questions and options that should be investigated by management and also agree that management will return to the Board with hard information supporting any position management is prepared to recommend along the lines discussed with the Board.

6.2.2.5 **Commencement of the Strategic Planning Process -** Strategic Planning is formally conducted on an annual basis and its commencement should be timed such that capital and operating budget implications of the Plan can be factored into the annual business plan, which itself requires Board approval. Best practice is to allow three to six months to bring the Strategic Plan to conclusion from start.

6.2.2.6 **Management Documentation for Directors -** Management develops its preliminary Strategic Plan and sends the document to directors at least five business days prior to Board meeting with a single-page Strategic Options document that includes the following information:

(i) **Company Vision -** the Vision is a value statement about the Company's aspiration for its place in society as a provider of financial services; the Vision Statement must be developed specifically as an internal guide for strategy development.

(ii) **Strategic Objective –** aligned to the Vision and giving concreteness to it. The Strategic Objective is a value statement whose impact is aimed at the Company's competitive position.

(iii) **Strategic Options –** descriptive statements of distinctly different strategic alternatives without arguments. (A strategy is a choice or set of choices the Company makes to maintain or enhance its competitive position in response to emerging industry opportunities or threats strong enough to shift the Company's competitive position.)

(iv) **Strategic Option Recommendation -** a simple proposition without arguments.

(v) **Analysis of Strategic Options –** each option, including the one recommended, is to be discussed in terms of: strategic fit, key external forces driving change, benefits, and costs.

(vi) **Names of persons -** whom directors can contact in the event they require clarifications.

6.2.2.7 **Director Review of Information -** Directors are to review management's Board Summary and prepare themselves for meaningful discussion with management on the matter on Board meeting day. In the event directors have questions arising from the Board Summary, they are expected to contact management to have them cleared up.

6.2.2.8 **Management Presentation to the Board -** The President/CEO and his team present the Strategic Options to the Board along the lines communicated to directors but adding sufficient detail to fill out the picture. It is incumbent on the Board, in fulfilment of its responsibility, to constructively challenge management's ideas, assumptions, reasoning and proposals in the context of: 1) the realities of the external environment; 2) the Company's long-term direction; 3) the potential for the strategy to sustain/enhance the Company's competitive position; and, 4) availability of human, financial, and operational and technical resources to implement the strategy. The meeting should end with agreements and understandings to enable management to advance formulation of a Draft Strategic Plan. Otherwise, the meetings are to continue until this threshold is reached.

6.2.2.9 **Draft Strategic Plan -** Management prepares a one-page Board Summary of the Draft Strategic Plan containing the following information and sends it to directors at least five business days prior to the Board meeting. (It should be borne in mind that the Board's role is to approve company strategy and not low-level plans and programs associated with implementing the strategy.)

(i) Company Vision and Strategic Objective

(ii) Group Strategy (or Strategies) – as agreed with the Board.

(iii) Rationale for strategy - identify environmental forces driving the enterprise, e.g. risks (flowing from threats); opportunities; and 3) consequences of not adopting the Strategy.

(iv) Implementation action plan – major actions/programs to be undertaken over the next three years.

(v) Key goals and targets – measures of success expressed in annual terms over a three-year period.

(vi) Resource requirements – capital and operating requirements of human, technical and financial resources required to implement the plan.

(vii) Risk management – adverse consequences associated with strategy implementation, and management response to avoid, transfer, control, or accept the risks.

(viii) An Appendix of the original Strategic Plan Options Paper.

(ix) The full Draft Strategic Plan document.

(x) Identify the person whom directors should contact for clarifications.

6.2.2.10 **Deciding the Strategy -** Management will arrange an off-site full-day Planning Session for the full Board to openly review and discuss the Draft Strategic Plan for the purpose of approving it. Considerations for conducting the full-day planning session may include:

(i) A facilitator to run the session.

(ii) A guest speaker to present big picture scenarios e.g. industry regulator, strategic planning expert, regional economist, best practice CEO.

(iii) Heads of key Sagicor subsidiaries may be invited to the planning session and may offer their observations and their insights (but their views will not detract from Group Board's responsibility to advance the Strategic Plan).

(iv) Breakout Teams may be formed to critically review different aspects of the Plan, e.g. environmental drivers, resource requirements, and risks to the Strategy. Teams should present their findings for critique by other participants.

(v) Management should present the Draft Strategic Plan just prior to the teams breaking out.

(vi) The session should end with agreement on what changes, if any, should be made to obtain a Final Strategic Plan.

(vii) A copy of the Final Strategic Plan is to be boarded for directors' information.

6.2.1.11 **Quarterly Review -** Management will provide the Board with a one-page quarterly progress review on the implementation of the Strategic Plan at least five business days ahead of Board meeting. The update will include:

(i) Progress against original plans (strategies and high-level programs only).

(ii) Actual expenditures against capital and operating budgets and progress achieved.

(iii) Strategic Plan – shown in an appendix.

6.2.3 Annual Business Plan

6.2.3.1 **Policy Formulation -** A policy must be maintained to address the matter of formulating the Annual Business Plan.

6.2.3.2 **Roles and Responsibilities -** Management is responsible for developing the Business Plan in alignment with the Company's long-term objective, strategy, policy, resources, and competitive and economic forces. Management's plan must also reflect balanced scorecard performance. The Board is responsible for ensuring management's plan is credible, taking into account the necessary internal and external alignments and performance requirements for maintaining competitiveness. The Board approves the Business Plan when it is satisfied it reflects optimum balanced performance with given resources.

6.2.3.3 **Management Documentation for Directors.** Management is to prepare and send to directors at least five business days prior to the Board meeting information as follows:

(i) A single-page board summary for the Group showing one-year historical, current year and three years of projection. Contents will include at a minimum:

(a) Financials:

i. Financial Performance Ratios: ROE, EPS, ROA, etc.

ii. Financial Stability Ratios: capital adequacy ratios, liquidity ratio, etc.

iii. Risk Management Measures: allocated capital by risk, allocated capital by product, credit loss provisions (included in actuarial liabilities) etc.

iv. Operating Measures: premium income growth, net investment income growth, other income growth, cash flow from operations, Operating leverage (net revenue growth rate less operating expense growth rate), yield on investments,

growth in funds under management, underwriting net profit; business line profitability; unit cost per policy, etc.

v. Adjusted Operating Performance: (Same as Operating Measures in (iv) above but excluding the impact of:
- unrealized gains/losses
- deferred taxes
- asset revaluation
- extraordinary Items
- change in actuarial assumptions

(b) An explanation of significant variances, both positive and negative, in terms of root causes, i.e. the ultimate business reasons for the variance and, where applicable, an explanation of changes in terms of volume and rate variances.

(a) Key planning assumptions (taken from more detailed assumptions within the report.)

(b) Key business initiatives having a significant impact on results.

(c) Major capital expenditures and their expected return or impact on performance, as applicable.

(ii) A single-page board summary capturing the same information above for each operating subsidiary on a fully allocated risk-weighted capital basis.

(iii) A single-page board summary showing items (i) (a) (iv) and (v) above for each business line.

(iv) A contribution summary demonstrating on a year-by-year basis, the revenue, profit and cost contribution to Group consolidated performance of each operating subsidiary and business line.

(v) Detailed financial packages to support the above summaries.

(vi) The name of the person whom directors may contact for clarifications.

6.2.3.4 **Director Review of Information -** Directors are to critically review the information prior to Board meeting and obtain their clarifications from management ahead of meeting date.

6.2.3.5 **Management Presentation to Board -** Management shall present the Business Plan at the same level as it communicated to directors in the Board Summaries, adding information as required to clarify and embellish. Directors should focus on proactive discussion intended to gain understanding and confidence in the Business Plan, ask questions and examine judgments, considering as applicable, factors such as:

(i) The impact of forecasted rates of interest, currency exchange, etc on performance.

(ii) The adequacy of ROE, ROA and capital adequacy targets.

(iii) The acceptability of significant revenue increases, considering resource requirements.

(iv) The acceptability of positive operating cost ratios.

(v) The impact of credit, market, liquidity, and pricing risks on margins and portfolio composition.

(vi) The impact of operational risk, e.g. management, specialized skills, technology, processing.

(vii) Market expansion and penetration assumptions.

(viii) Systemic factors, e.g. economics, regulation, competitors, natural disasters.

(ix) Alignment with the Strategic Plan.

6.2.4 Review of Periodic Financial Results

6.2.4.1 **Policy Formulation -** A policy must be maintained to deal with matters of accounting and financial reporting.

6.2.4.2 **Roles and Responsibilities (limited to this exercise) -** Management's role is to accurately and fully account for the Company's assets, liabilities, revenues and expenses according to policy and to package the information for board review (and ultimate public disclosure). The board's responsibility is to make sense of the financial results in order to assess the viability of company operations and management's effectiveness in running the company.

6.2.4.3 **Management Documentation for Directors -** Management is to prepare and send to directors at least five business days prior to the board meeting information a single-page board summary for Group showing the current period's performance compared to plan and to same prior year period in the respect of the same information mentioned in Section 6.2.3.3 above.

6.2.4.4 **Directors Review of Information -** Directors are to critically review the information prior to Board meeting and obtain their clarifications from management ahead of meeting date.

6.2.4.5 **Management Presentation to Board -** Management shall present the Financial Results at the same level as it communicated to directors in the Board Summaries, adding information as required to clarify and embellish. Directors should focus on proactive discussion intended to gain solid understanding of the financial results, ask questions and examine judgments, considering factors such as:

(i) The disaggregation of organic performance from the financial impact of acquisitions.

(ii) Disaggregation of the impact on performance of funds under management and mutual funds.

(iii) The adjustment of operating results from the impact of non-recurring items.

(iv) Comparing unit performance against a shared standard, e.g. allocated risk-based capital.

(v) The equitable allocation of Group overhead expenses to operating units.

(vi) The corollary effect of financial performance on customer satisfaction and team member motivation (as determined from surveys).

(vii) The implications of segmented financial performance on business line and geographic strategies.

6.2.5 Business Acquisitions

6.2.5.1 **Policy Formulation -** A policy must be maintained to deal with matters of acquisitions (divestitures and disposals).

6.2.5.2 **Roles and Responsibilities -** The acquisition strategy is a function of the Company's vision (its ultimate realization) and its strategic objective (an intermediate threshold for realizing the vision), both of which emanate from a Board-management consensus based on discussion, reasoning and debate. The acquisition strategy is proposed by management, discussed and debated with the Board

and finally approved by the Board. Specific acquisition proposals are developed by management and presented to the Board for its approval.

62.5.3 **Acquisition Criteria -** These form part of the Acquisition Strategy and are agreed upon between management and the Board. They attach some level of precision to the search for eligible prospects. Some items to consider in the criteria are:

(i) Risk profile

(ii) Stabilized investment return over stated period (in relation to cost of capital)

(iii) Geographic focus and concentration

(iv) Acquisition size

(v) Product focus

(vii) Public/private ownership

(viii) Technology competence

(ix) Operations strength

(x) Retail Network

(xi) Brand presence

(xii) Regulatory and legal fitness

(xiii) Quality of Management

(xiv) Due diligence requirements

6.2.5.4 **Management Documentation for Directors to Propose an Acquisition -** Management is to prepare and send to directors at least five business days prior to the Board meeting information as follows:

(i) A one-page board summary acquisition proposal to include the following information:
   (a) Group vision and strategic objective (previously agreed with Board).

   (b) Acquisition Strategy (previously agreed with Board).

   (c) Acquisition Proposal.

   (d) Long Term Advantages of the Acquisition, showing how the strategy fits (or does not fit) with the Acquisition Criteria and Company's long-term goals.

   (e) Impact on capital and regulatory risk ratios.

   (f) Risks to the Acquisition.

   (g) Acquisition Financing Strategy.

(ii) Detailed Acquisition Proposal (if available)

(iii) The nature, extent and depth of due diligence to be performed, when applicable.

(iv) Name of person directors can contact for clarifications.

6.2.5.5 **Directors Review of Information -** Directors are to critically review the information prior to Board meeting and obtain their clarifications from management ahead of meeting date.

6.2.5.6 **Management Presentation to the Board -** Management makes its formal presentation to the Board, communicating the essence of the deal to keep it in its strategic perspective. Directors should engage management in active discussion, questioning management's assumptions, analysis, reasoning and conclusions. In particular, directors should be satisfied with the answers given to questions such as:

(i) Does the acquisition fit in with the Company's long-term strategy?

(ii) What synergies can be exploited with this acquisition to benefit the Company and its subsidiaries, e.g. rationalizing Group operating cost, technology, distribution network?

(iii) What due diligence requirements need to be performed to obtain needed assurances?

(iv) What operating risks does the prospect appear to have and how will these be mitigated once the company is acquired?

(v) Does SGJ have the operating infrastructure of leadership, management, technology, process, and internal controls to absorb and lead the new company?

(vi) How will the new company be integrated into SGJ?

(vii) What will keep key team members from leaving the company once it is acquired?

6.2.5.7 **Ongoing Communication between Management and Board -** The acquisition decision-making process is likely to be a prolonged one. However, the fundamentals of the communication process between management and Board should always be the same, i.e. management prepares and disseminates to directors one-page Board Summaries at least 5 business days before Board meeting, makes a presentation to the Board of the key elements of the transaction and engages directors in discussion and debate about the merits of the deal.

6.2.5.8 **Making the Acquisition Decision -** If the Board supports the acquisition idea, management will develop and deliver to the Board at least five business days before meeting the following information:

(i) All-in acquisition costs, including transaction and start-up costs.

(ii) Financing details for the acquisition.

(iii) Latest 3-year audited financial statements for the entity (with Board Summary).

(iv) Strategy for managing the acquisition, including management retention/release, marketing, cost management, product distribution, branding.

(v) A three-year financial projection of balance sheet, income statement, cash flow statements and planning assumptions.

(vi) Risks to the financial projections and how they will be mitigated.

(vii) Due diligence reports.

(viii) Advisory and investment banker advice on the acquisition proposal.

6.2.6 Enterprise Risks

6.2.6.1 **Policy Formulation -** A policy must be maintained to address the matter of managing (identifying, assessing, evaluating, measuring, responding and monitoring) the Company's inherent enterprise risks. The Board approves such policy.

6.2.6.2 **Role and Responsibilities -** It is management's responsibility to identify and decide the enterprise's inherent risks and to develop directors' awareness of these risks. Directors' responsibility is to comprehend Company risks, constructively challenge the risks, and apply their knowledge in decision-making. It is in the Company's best interests that management spends the time and effort in helping directors acquire a working understanding of the Company's major risks.

6.2.6.3 **Management Documentation -** Management will annually provide the Board information on the Company's inherent risks along the following lines:

(i) Annual timing - the exercise will be done prior to the formulation of the Company's Strategic Plan, as the information about risks will assist strategic deliberations.

(ii) Event timing - **t**he material is to be presented to the Board at least five business days prior to Board meeting date to review the risks.

(iii) Information content - the information shall be communicated in a one-page Board Summary and will include the following:

(a) A listing of the key inherent risks to which the Company is exposed.

(b) A judgmental rating attached to each inherent risk of the probability of its occurrence, the likely business impact if the risk did materialize, and the quantity of risk (combination of these two assessments).

(c) A judgmental rating of management's best guess of the quality of internal controls relating to each inherent risk.

(d) A residual risk rating of each inherent risk, obtained by cross-tabulating the quantity of risk with the control effectiveness rating.

(e) A commentary section which explains the threatening nature of the risk in the Company's operation, the depth and extent of the comments being commensurate with the quantity and complexity of the risk and the need for control improvements.

(iv) The information in the paragraph above is to be gathered through a consensus process involving business and functional heads, as well as the Chief Internal Auditor, to achieve a credible Group perspective.

(v) The ratings should use an intuitively uncomplicated scale, such as high, medium and low.

6.2.6.4 **Director Review of Information -** Directors are to review the risk information with a view to understanding it prior to attending the Board meeting.

6.2.6.5 **Management Presentation to the Board -** Management will make a detailed presentation to the Board explaining the nature of the Company's key risks, and the main mechanisms for managing them, assessing control effectiveness and reporting to the Board. Directors may pursue questions such as:

(i) How effective is policy for regulating internal risk management behaviour?

(ii) What is the Company's risk appetite with respect to the level of overall exposure for a given risk?

(iii) What risk tolerances have been implemented for controlling specific exposure?

(iv) What are the key mechanisms of control actually implemented for managing risk?

(v) How competent are the people in charge of managing the respective risks?

(vi) What measures are in place for judging whether a particular risk is effectively managed?

(vii) How credible are management's ratings for control effectiveness and how and when will management have objective assurance that risk management controls are working reasonably well?

(viii) How does management intend to keep the Board informed as to how well risks are managed?

(ix) What kind of provisioning should management make for the likelihood of unforeseen losses?

(x) What contingency plans are in place for disaster recovery or business continuity of operations?

(xi) Is risk managed on a transactional basis or is it subject to an enterprise-wide discipline that cuts across organizational boundaries and processes?

(xii) Have policies been written to guide the management of specific risks?

(xiii) What role does the impact of risks have on strategic plan formulation?

(xiv) What provisions are made to ensure Internal Audit's annual audit schedule is aligned to the corporate profile of inherent risks and control effectiveness?

6.2.6.6 **Directors' Understanding of Risk -** The meeting should end with directors having a clear understanding of the nature of the Company's inherent risks, management's efforts for managing risk, and the manner in which the Board will be informed as to how effectively risk is managed. The Board should also obtain from management a schedule of the measures it proposes to use for assessing control effectiveness.

6.2.6.7 **Risk Update -** Management will update the board on a timely basis if and when the enterprise risk profile changes materially due to intervening events.

6.2.7 Capital Expenditure

6.2.7.1 **Policy Formulation -** A policy must be maintained to address the matter of developing capital expenditure proposals for approval. The Board approves such policy. Including hurdle rate, acquisition program for the year, dividend policy, rate of return, ratios.

6.2.7.2 **Capital Expenditure Strategy and Program -** This should be articulated in the Strategic Plan in terms of a 3-5-year plan, identifying hurdle rates, rates of return, financing strategy, dividend policy, etc. as the case may be.

6.2.7.3 **Budget Appropriation -** Amounts to be spent over the business planning period must be aligned to the Capital Expenditure Strategy and Program. (This process only deals with amounts lying within the Board's reserved powers.)

6.2.7.4 **Roles and Responsibilities -** Management's responsibility is to formulate the capital expenditure proposal and the Board's role is to review and approve it (assuming approval for the specific amount lies within the Board's reserved powers). The Board however, must understand the nature of the commitment and decide on its own if the investment is cost-justified.

6.2.7.5 **Management Documentation -** Management will prepare and submit to the Board at least five business days prior to the meeting a one-page Board Summary containing information such as the following:

(i) Project purpose.

(ii) Project description - include cost, scale, duration, components, and project management.

(iii) Project benefits – what is to be gained; what will change; how does the expenditure justify the costs; what is the bottom line impact of the investment.

(iv) Project risks and controls – what could go wrong with the project and what specific controls are to be put in place to mitigate costs and to achieve planned outcomes.

(v) Board reporting – a schedule to report project progress to the Board.

(vi) Director contact information – identity of individual who directors should contact to have their questions answered.

6.2.7.6 **Director Review of Information -** Directors are to review management's Board Summary and prepare themselves for meaningful discussion with management on the matter on Board meeting day. In the event directors have questions arising from the Board Summary, they are expected to contact management to have them cleared up.

6.2.7.7 **Management Presentation to the Board -** Management makes a detailed presentation to the Board along the lines contained in the Board Summary, underscoring the value of the project to the Company and project management controls. Directors are to satisfy themselves with the need for the project, its cost-benefit features, project management controls, and obtaining progress reports.

6.2.8 Investments

6.2.8.1 **Policy Formulation -** The requirements in this guidance must be supported by provisions contained within a Group Investment Policy, or similar policies, duly approved by SGJ's Risk Management Committee (in this Section 6.2.8 referred to as "the Committee").

6.2.8.2 **Business Approach -** The investment information presented to the Committee must be provided in form and substance that address key risks inherent in the exposure. This guidance uses a three-dimensional assessment approach to judge overall investment risk: assessment of the counterparty inherent risk; assessment of transaction (or instrument) risks and applying portfolio limits. Measurement of risk in this approach disaggregates inherent counterparty risk from the transaction risk itself to achieve a higher level of granularity for seeing and responding to investment risk.

6.2.8.3 **Roles and Responsibilities -** Management's responsibility is to ensure the investment proposal is sound, meets profitability requirements, is aligned to Sagicor's risk appetite and portfolio requirements, and has been subjected to appropriate sign-offs within the Company. The Committee reviews transactions (and may approve them) on the presumption that Management has conducted a thorough assessment of the transaction and recommends it to the Board without reservation.

6.2.8.4 **Management Approvals -** Prior to reaching the Committee for approval, the transaction must receive the following sequence of approvals, which must be evidenced in the documentation presented to the Committee (this constitutes minimum approvals and a higher standard may apply):

(i) **Entity Risk Management** – Within the originating entity, local Risk Management reviews and approves the deal recommended to it by Business Originators (by applying critical risk analysis, ensuring proper due diligence is performed on key assertions, and that the

transaction complies with policy. It is presumed that all Sagicor entities are applying standard risk assessment methodology governed by written policy.)

(ii) **Entity Management Investment Committee** – Internal entity approval by a committee whose membership and operation complies with a Group standard established by policy. The Committee reviews risk/reward alignment, transaction soundness, policy compliance, asset/liability alignment, and portfolio fit.

(iii) **Entity Board Investment and Risk Committee** - This step presumes that this is the current practice.

(iv) **Group Risk Management** – Assessment and acceptance independent of the Business Unit (to achieve a more objective assessment of transaction soundness, policy compliance, asset/liability alignment, and portfolio fit at Group level).

(v) **Group Management Investment Committee** – A management committee chaired by Group CEO that looks at the transaction from a variety of perspectives, including actuarial, asset/liability matching, portfolio, accounting and tax.

6.2.8.5 **Investment Origination -** Every request by Management for Board approval of an investment transaction must be accompanied by the original document used for obtaining successive approvals within Management (for example, the Investment Origination Request ("IOR")). The Board requires the following minimum information to be included in every IOR.

(i) Demographic Information - In addition to routine transaction information on the IOR face page, include the following:

(a) Counterparty Connection – Name of the business group to which the Counterparty belongs, if any. (Adding this perspective contributes to understanding overall counterparty financial strength, e.g. a potential investor will want to take into account the financial soundness of Sagicor Group Jamaica when considering the ultimate financial strength of the subsidiary

(b) Counterparty Current Exposure – Show all current exposure to Sagicor Group.

(c) Connection Current Exposure – Include all current exposure to Sagicor Group.

(d) Counterparty Risk Rating (CRR) - This is a relative measure of the of the counterparty's inherent riskiness:

i. Show a rating from an approved source (e.g. Moody's, S&P, Fitch, A.M Best, Caribbean Rating Service) if available but it is not sufficient to rely blindly on this rating and a proper analysis must be done on the counterparty along the lines described below when there is no external rating. The IOR and the approval request must follow the same procedure as outlined below when no external rating is available. If the external rating needs to be modified upwards or downwards, provide supporting rationale.

ii. Where no external rating is available, perform a risk assessment as explained below.

(e) Connection Risk Rating - This is a relative measure of the Connection's inherent riskiness. Use both internal and external ratings, if available. If no rating is obtainable, leave this section blank but comment as required in the body of the Investment Origination.

(f) Transaction Risk – A measure of funds recoverability (see below).

(ii) Collateral Security, Covenants, Conditions, etc. - Show current values in brackets for any quantity that is (required to be) expressed and whose value is to be monitored or is exposed to change. For example, if a first mortgage of $3,000,000 will be taken on a property, show the property's estimated market value, the dollar amount of other encumbrances on property title, and the unencumbered value of the property. Or, if a debt/equity ratio requirement is called for, show also the actual ratio at last financial statement assessment.

(iii) Risk Assessment - The section comprises three parts, (a) Counterparty Risk Assessment, (b) Transaction Risk Assessment and (c) Connection Risk Assessment:

(a) Counterparty Risk: Arrive at an overall CRR by conducting a detailed risk assessment that takes into account structural features that characterize inherent risk, such as the following:

i. Country risk

ii. Industry risk

iii. Competitive position

iv. Operational stability

v. Cash flow generation

vi. Balance-sheet strength

vii. Access to external source of funds

(A numerical scale from say, 1 to 10, can be used to attribute degrees of risk (reflecting probability of counterparty default), e.g. 1 means very low probability of default and 10 means certainty of default.)

(b) Transaction Risk: This is a measure of the degree to which funds could be recovered from the transaction or instrument in the event of counterparty default or market deterioration, as applicable. The measure is expressed as a percentage of recovery. (In making this judgment, consider that in distress situations, certain (collateral) asset values tend to shrink, e.g. receivables.)

Conduct a risk assessment by first identifying the key risks in the transaction and discuss what steps will be taken internally to manage these risks (which is different from a discussion of how the market may or not impact these risks.) Raise headings for each risk and in particular, discuss as applicable:

i. Investment liquidity

ii. Credit risk

iii. Interest rate risk

iv. Market risk

v. Currency risk

vi. Funding

vii. Loss provision

Specifically, discuss whether risk exposures will be hedged, insured, or assumed, as the case may be.

(c) Connection Risk: Discuss the underlying parent or connection risk, identifying whether or not a guarantee, letter of comfort or any other commitment has been obtained for the subject exposure. Report on whether the riskiness of the connection enhances or detracts from the subject counterparty risk rating.

(iv) Transaction Profitability - Calculate the transaction profitability and compare to target or plan, after taking into account funding cost (real or notional), the economic cost of capital, the notional loss provision, overhead costs, and operating costs. Annualize the return if front-end fees are obtained and express the profitability in terms of "Return on Risk-Adjusted Capital".

(v) Portfolio Compliance - Identify each portfolio limit applicable to this transaction (as articulated in policy) and confirm that the limit has not been exceeded. This may be done by the use of a table in which calculated values are reported to illustrate compliance.

6.2.8.6 **Investment Origination Board Summary –**

(i) Every IOR must be accompanied by its Investment Origination Board Summary, a covering page intended for Board enlightenment. The purpose of this document is to enable Directors to easily "see" the entirety of the deal and to form quick insights or raise in their mind constructive questions that they can follow-up in corresponding sections in the detailed Investment Origination Request. The Summary is a distillation of the detailed Investment Origination and not a downscaled model of it.

(ii) The Summary is not literally a "summary" of the detailed Investment Origination Request but is more a set of conclusions or impressions concerning the acceptability of the deal from a risk perspective. While the IOR is generally presented in the form of an argument regarding the pros and cons of the deal, the Summary contains the key outcome of these discussions. Directors generally, are less concerned with "proving" management assertions than they are with obtaining assertions that key risks in the deal are properly recognized and effectively dealt with.

(iii) An example of a Summary is provided below for securities that are essentially credit risk denominated with borrowing obligants, e.g. loans, bonds, loan participation, underwriting, and commercial mortgages (see below). Marketable securities and cash placements will require a lesser format but the approach will essentially be the same, i.e. identifying risks relating to the issuer or counterparty, the transaction, and the portfolio and providing assurance that these risks will be effectively addressed.

6.2.8.7 The Board Summary Content for Loans, Bonds, Underwriting, Participations, and Commercial Mortgages is set out in *Appendix 6.*

Part 7

PERFORMANCE AND ACCOUNTABILITY

7.1 BOARD

7.1.1 Corporate Governance Performance Evaluation

7.1.1.1 **Objective -** The practice of corporate governance in Sagicor Group Jamaica will be evaluated annually for the purpose of:

(i) establishing accountability in individuals for the effective performance of corporate governance;

(ii) providing a formal opportunity to refresh our awareness of the critical elements of governance.

7.1.1.2 **Background**

(i) While it is the collective Board that is accountable for its decisions, the dynamic of decision-making is actually affected by individuals who respectively resolve what shall be decided upon, control (or do not control) the communication process, control information required for informed decision-making, and control their own participation. No one person may be accountable for board decisions, but individuals are accountable for their specific inputs into the governance process-chain that spans from agenda preparation for the start of a meeting right through to the confirmation of minutes pertaining to that meeting.

(ii) For the reason explained above, the corporate governance performance evaluation focuses on processes versus outcomes for the purpose of isolating players who control the effectiveness of corporate governance so as to attribute to them the accountability they attract. This is a pre-requisite for implementing a performance monitoring system to identify opportunities for improving the practice of corporate governance.

7.1.2 Participants Evaluated

7.1.2.1 The evaluation focuses on individuals rather than processes or activities in order to detect and assign accountability. The people doing the evaluation will be limited to directors though management officers may be asked separately for their inputs. The key players responsible for the machinery of corporate governance are:

(ii) **Collective Board -** The assessment is concerned with structure and process outcomes, which are kept small in number so as to focus on processes (relating to key outcomes) and on individuals responsible for the processes.

(iii) **Board Chairman -** As driver of the corporate governance machinery, the Chairman is responsible for deciding through the agenda, where governance will be emphasized and through leadership in the boardroom, the quality of review and decision-making. For this reason, a large component of the evaluation of corporate governance practice is focused on the Chairman and not on the impersonal board.

(iv) **Committee Chairman -** Much of the directors' work is done within Committees, which operates like a mini-board. Issues of agenda content, independence, leadership and decision-making have a strong bearing on governance success.

(v) **Individual Directors -** The most critical element in the whole governance process is the commitment, energy and ability of the individual director to deliver entrepreneurial leadership. The survey delves into issues related thereto.

(vi) **President and CEO -** Evaluation is on this director as the lynchpin between board and management and in relation to the board's high degree of dependency on him.

(vii) **Management: (Excluding the President/CEO and the Corporate Secretary) -** Management provides much of the material that is the subject of Board review and decision-making. The timeliness and sufficiency of the information provided by management and their overall support for the work of the Board is critical to successful governance.

(viii) **Corporate Secretary -** This officer is the facilitator for ensuring the running and maintenance of the machinery of corporate governance.

7.1.3 Methodology

7.1.3.1 In conducting the performance evaluation, some important tenets should be kept in mind:

(i) The questionnaire must be directly aligned to the Company's corporate governance policy and cover all its important requirements.

(ii) The survey is not to be fragmented into separate evaluation of participants over time, as this could reduce the likelihood of achieving consistency of response.

(iii) The survey should be seen as a positive exercise for finding opportunities for improving the practice of corporate governance.

(iv) The utility of the survey is enhanced with director peer-assessments.

(v) The objectivity and quality of the survey is increased through the use of outside expertise to run it.

(vi) Feedback delivered in a constructive way to directors and others will contribute significantly to improving individual commitment and performance.

(vii) Collective commitment is best assured through a group focus session that endeavours to resolve deficiencies in the practice of governance.

7.1.3.2 **Practical Application of Methodology**

(i) **Project Responsibility -** The Corporate Secretary, under the direction of the Corporate Governance and Ethics Committee, is responsible for managing the project.

(ii) **Questionnaire Design -**

(a) The questionnaire must be directly aligned to the Company's corporate governance policy and cover all its important requirements.

(b) The questionnaire is designed in Excel to facilitate easy processing of participant responses.

(c) It is an integrated survey intended to be fully completed by each director in one sitting. This encourages the director to take a holistic and simultaneous view of the situation in responding to questions.

(d) The questions are put in positive form, i.e. they encourage thinking in terms of improvements versus deficiencies, ineffectiveness, etc.

(e) Directors individually perform self-evaluation as well as evaluation of their peers. In the first year however, they rate the other directors in aggregate only to establish a basis of comparison (and objectivity) while allowing for a period of director adjustment to the Company's corporate governance policy requirements.

(f) The questionnaire in most respects is designed to provide self-evident opportunities for improvement and does not require narrative explanations for each response. The intent is to follow-up the survey with a meeting of directors to work out solutions and reach consensus on specific high-impact issues.

(iii) **Questionnaire Follow-up Interviews -** Follow-up interviews are required in cases where directors' response begs elaboration. These interviews are also useful for discovering candid and relevant information which may not emerge in an open meeting.

(iv) **Response Analysis and Reporting -** With the use of Excel, the Consultant will input and analyse the response data, discern response patterns, make observations and write a report accordingly to the Chairman of the Corporate Governance and Ethics Committee on each of the seven components of the questionnaire (and copied to the Board Chairman and the President/CEO). The Consultant will also include recommendations for behaviour changes as appropriate and make a presentation to the Committee on the overall results of the survey.

(v) **Performance Evaluation and Discussions -** The people involved with giving feedback to survey participants are as follows:

Participant	Leader of Review	Other Reviewers
Board Chairman	Chairman, CG&E Committee	• Other CG&E Cttee. Members • President and CEO
Committee Chairmen	Board Chairman	• Chairman, CG&E Cttee. • President and CEO
Individual Directors	Board Chairman	• Chairman, CG&E Cttee. • President and CEO
President and CEO	Board Chairman	• Chairman, CG&E Cttee.
Corporate Secretary	Board Chairman	• Chairman, CG&E Cttee. • President and CEO
Senior Management (3-5 Officers + Pres. & CEO)	Board Chairman	• Chairmen of the four board Committees

(vi) **Delivery of Feedback -** The following rules apply to delivering feedback:

(a) All feedback is to be done face-to-face.

(b) Follow the sequence above, i.e. Chairmen first and directors before management.

(c) All sessions are to include the Corporate Secretary for keeping records.

(d) The individual director response of the Board Chairman and Committee Chairmen will also be taken into account when their leadership roles are discussed.

(e) Reviews are to be constructive and must focus on improvements, except where deficiencies are consistent over time and consequences need to be discussed.

(f) Members of the review team are to meet and discuss their approach among themselves prior to meeting with the participant.

(g) Each session should end with a commitment from the participant as to what specific improvements will be made.

(h) The Corporate Secretary is to record the areas of improvement discussed and the commitments given by the participant. A document setting out this information is to be sent to the participant after the meeting and signed by the review leader.

(vii) **Director Focus Group -** For the purpose of developing sound and consensus-based solutions for improving corporate governance structures and processes, the Consultant will lead a focus-group session with directors, beginning with a presentation of the overall survey results. The exercise should reinforce ownership of and commitment to the practice of good governance and provide useful feedback for improving the system of governance.

(viii) **Updating Corporate Governance Manual -** To the extent that the Manual needs updating following survey feedback, this will be attended to by the Corporate Secretary, who will communicate changes to other constituents across the Group.

7.1.4 Use of Survey Results

7.1.4.1 Survey results are to be used proactively for the following purposes:

(i) To provide constructive feedback to each of the participants for improving performance.

(ii) To identify opportunities for updating corporate governance structure and processes.

(iii) To assess director performance for deciding whether a director will be re-nominated for election, or in the interim, whether the director should be asked to resign.

7.1.5 Responsibility

7.1.5.1 Corporate governance performance evaluation is the responsibility of the Corporate Governance and Ethics Committee, which delegates responsibility to the Corporate Secretary for its administration.

7.1.6 Performance Evaluation Questionnaire

7.1.6.1 The Director Performance Evaluation Questionnaire is contained in *Appendix 4*.

7.1.7 Director Evaluation for Re-nomination

7.1.1.1 The process for the re-election of existing Directors is set out in the Director Nomination Process contained in the Appendix to the Corporate Governance and Ethics Committee Charter. The Director and Officer Independence and Conflict of Interest Questionnaire is required to be completed and is contained in *Appendix 5.*

7.2 MANAGEMENT

7.2.1 Management Performance

7.2.1.1 A major Board function is to review and assess management's performance in executing the plans and programs agreed on between Board and Management. This review covers the following areas:

(i) **Outcome of Critical Plans -**

(a) Strategic Plan - Performance against Plan Schedule

(b) Business Plan - Quarterly Financial Performance compared to plan

(c) Capital Expenditure Plan – Performance against plan

(d) New Acquisition – Performance against forecasts

(ii) **Financial Risk Management –** Reviewing performance against the critical risks identified in the Enterprise Risk Profile:

(a) Credit, liquidity, interest rate, foreign exchange, pricing risks – performance against pre-established thresholds, standards, and limits

(b) Risk management processes – internal audit reports specific to assessment of financial risks.

(iii) **Operational Risk Management -** Management and internal audit reports on:

(a) Legal and regulatory risk compliance

(b) Business continuity preparedness

(c) Shareholder relations

(d) Team members satisfaction

(e) Team member annual aggregate performance

(f) Customer satisfaction

(g) Competitive position and image

(h) Anti-money laundering compliance.

(iv) **Financial Controls –** Management and internal audit's report on the effectiveness of the system of financial controls.

(v) **Ad Hoc Reports -** Management's report on the status of correcting deficiencies reported by Regulators and External Auditors.

(vi) **Performance Evaluations –** on the President and CEO and Senior Management Officers.

Part 8

POLICIES AND PROCEDURES

8.1 POLICY REQUIREMENTS FOR GOVERNANCE

8.1.1 The following list identifies policies which the board requires management to develop for board approval. Others may be added from time to time.

• Policy for Formulating Policies
• Accounting and Financial Reporting Policy
• Actuarial Policy
• AML/CFT/CPF Policy
• Asset/Liability Policy
• Business Acquisition and Divestment Policy
• Business Continuity Policy
• Capital Management Policy
• Claims Settlement Policy
• Code of Business Conduct and Ethics
• Conflict of Interest Policy
• Corporate Communications Policy
• Corporate Governance Policy
• Corporate Social Responsibility Policy
• Credit Risk Policy
• Customer Complaint Policy
• Customer Relations Policy
• Dividend Policy
• Donations Policy
• Enterprise Risk Management Policy
• Environmental Policy
	• Financial Planning Policy
	• Human Resource Management Policy
	• Insider Trading Policy
	• Internal Control Policy
	• Investment Management Policy
	• Investor Relations Policy
	• Lending Policy
	• Liquidity Risk Policy
	• Market Risk Policy
	  ○ Interest Rate Risk
	  ○ Foreign Exchange Risk
	• Marketing Policy
	• Outsourcing Policy
	• Pricing Risk Policy
	• Privacy Policy
	• Procurement Policy
	• Product Information Disclosure Policy
	• Public Disclosure Policy
	• Reinsurance Policy
	• Reputation Risk Policy
	• Responsible Use of AI Policy (Artificial Intelligence and Machine Learning Policy)
	• Strategic Planning Policy
	• Succession Policy
	• Technology Management Policy
	• Underwriting Policy

8.1.2 The Policy for Formulating Policies is set out at *Appendix 7*.

APPENDIX 1 - SAGICOR CODE OF BUSINESS CONDUCT AND ETHICS

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MESSAGE

To Directors, Officers, Advisors and Team members of the Sagicor Group:

The very essence of the financial services industry demands that we consistently maintain the highest standards of ethical behaviour in dealing with our various stakeholders. In keeping with this objective, the Sagicor Group relies on the single philosophy of "duty" as the cornerstone for the system of ethics and behaviours that guide directors, officers, advisors and team members in the performance of our duties.

We recognize that as a corporate citizen pursuing economic objectives, we are obliged to be respectful of our responsibilities to stakeholders, on behalf of whom this Code has been developed. Such stakeholders include those:

- from whom we obtain the privilege to conduct business;
- who rely on corporate safety, soundness, and profit for the use of their capital;
- whose efforts transform into revenue and profits;
- who buy our products and services in good faith; and
- whose communities we share in the pursuit of our corporate objectives.

The duties above have been formulated into seven Guiding Principles, including the greatest duty of all, the one to self, that as individuals we operate with the highest level of integrity in fulfilling our obligations to those on whom we depend and to others who depend on us. It is this self-respect, more than any written Code of Conduct that has the most powerful influence on an individual's ethical behaviour. My hope is that this Code will define a proper infrastructure of corporate culture that will support people in the full realization of their self-respect and in the consistent practice of ethical conduct.

The Code of Business Conduct and Ethics which has been developed from this simple tenet of "duty" with its seven Guiding Principles is intersected by six core values reflecting Sagicor's commitment to PLEASE:

- **P**rofessionalism
- **L**egal conduct
- **E**thical conduct
- **A**ccountability
- **S**ocial responsibility
- **E**ntrepreneurial leadership

The foremost benefit of compliance with Code standards evolving from the seven Guiding Principles is the personal gratification of doing what is right, followed by the assurance that business obligations to others have been duly fulfilled. On the other hand, the consequences of not complying with a number of the guidelines can be serious, ranging from simple reprimand to fines or even imprisonment.

The reason for such drastic outcomes is simply that as directors, officers, advisors and team members, we all owe a fiduciary duty and a duty of care (statutory obligations) to comply with certain laws. Failure to comply as a result of ignorance or negligence will not absolve us from wrongdoing.

The guidelines that follow are intended to be instructive for guiding behaviour towards doing what is lawful, moral and ethical, with emphasis on deterring wrongdoing that could lead to fraud and misconduct. Several other ethical issues having to do with human resource management, customer relations, etc. have not been included in this Code but are dealt with in internal policies and procedures.

Finally, I doubt very much that we have covered in this Code all ethical scenarios with which you are likely to be confronted. This is neither practical nor necessary, but I do sincerely believe that if you internalize the single value of our business "duty" to others and make this your credo, your instincts will guide you towards consistently correct behaviour.

We know we can count on you to do your part; you have our commitment to do the same!

Peter K. Melhado
Group Chairman

Hon. Christopher W. Zacca, OJ, CD, JP
Group President and CEO

SECTION A - OVERVIEW

Sagicor Code of Business Conduct and Ethics ("Code") is intended to govern the behaviour of directors, officers, agents and team members of Sagicor Group Jamaica ("Sagicor", "SGJ", "the Company", "the Group") its subsidiaries and controlled affiliates. Third party business associates are also expected to abide by all applicable provisions of the Code and adhere to the principles and values set out in the Code when representing Sagicor to the public or performing service for or on our behalf.

The Code is meant to give assurances to our various stakeholders as to our good intent in the way we conduct business with them. These stakeholders include shareholders, regulators, customers, suppliers, team members, investors, and communities.

The Code is driven by seven Guiding Principles that reflect the duties we, as directors, officers, agents and team members of the Sagicor Group owe to others in the conduct of our business. The standards contained in this document emphasize deterrence of wrongdoing that could lead to fraud and misconduct, and addresses the following essential areas:

- Conflicts of interest
- Corporate opportunities
- Confidentiality
- Fair dealing
- Protection and use of company assets
- Compliance with laws
- Rules and regulations, including insider trading laws, and
- Encouraging and reporting of any illegal or unethical behaviour.

The individual standards in the Code have been extracted from various internal policies and procedures, which are more comprehensive in detail and procedures for guiding behaviour. References are shown as appropriate within the Code for obtaining additional information.

In Section C you will find guidance for administering the Code, with special emphasis on internal responsibilities, obtaining approvals, reporting irregularities, and escalation. In Appendix A you will find the sample certificate for confirming your compliance with the Code.

Ultimate accountability for the Code rests with the President and CEO of the Sagicor Group, who has delegated responsibility for its administration to the Group Compliance Officer. Outside of their reporting relationships, officers and team members first recourse for seeking approvals and guidance is the Company Compliance Officer; for directors, this resource is the Corporate Governance Committee.

The importance of this Code cannot be overemphasized. You are expected to be thoroughly familiar with its provisions and to conduct yourselves according to both the spirit and letter of the Code. Your cooperation in adhering to the Code is critical to the integrity of our industry and to maintaining the trust that our customers, shareholders, investors and other stakeholders have placed in the Sagicor Group of companies.

SECTION B - GUIDING PRINCIPLES

Seven Guiding Principles evolve from a single concept of duty to those upon whom we depend for the effective conduct of business and to those who depend on us for proper performance.

1. Duty To Self
Directors, officers, advisors and team members owe a duty to themselves for conscionable conduct in the performance of their business responsibilities.

2. Duty To Uphold The Law
Directors, officers, advisors and team members have a personal, civic, and business duty to comply with the law both in letter and spirit.

3. Duty To The Corporation
Directors, officers, advisors and team members owe a moral, ethical and legal duty to act honestly and in good faith with a view to the best interests of the corporation above all other persons.

4. Duty to Shareholders (and Investors)
Directors, officers, advisors and team members owe a duty to shareholders, as owners of the corporation, to maximize the wealth of the corporation for their ultimate benefit.

5. Duty to Customers
Directors, officers, advisors and team members owe a duty to customers to provide them with transparent service solutions that address their real needs and service entitlements, within an institutional environment that protects their confidentiality and privacy.

6. Duty to Team members
Directors, officers, advisors and team members owe a duty to their colleagues to respect their human and civic rights and to enhance their business well-being.

7. Duty to Society
Directors, officers, advisors and team members have a duty to harmonize the operation of the corporation with the aims of communities in which it operates.

1. DUTY TO SELF

Directors, officers, advisors and team members owe a duty to themselves for conscionable conduct in the performance of their business responsibilities.

You have been hired or retained by the Company on the presumption of your high moral character. In your employment with the Company, you are expected always to honour this trust in your integrity and be consistently guided by your conscience for choosing between right and wrong. The judgments you make must be independent of personal interests arising from other business dealings or obligations created by social relationships or personal favours.

1.1 Personal Integrity

The cornerstone of our system of values is the personal integrity of each director, officer, advisor and team member, which collectively defines the institution that we are. As a financial services institution, what we sell is trust, which must be backed by our institutional integrity to deliver. As such, the quality of your response to situations internally and externally must be beyond reproach.

- Know Company policies, rules, and compliance requirements, both internal and external, relating to your work;

- Base your actions on good information and judgment and accept responsibility for outcomes;

- Tell the truth in all communications, making every reasonable effort to provide full, fair, accurate, timely, and understandable disclosure in sales representations and advertising, reports, documents and communications, and avoid errors, omissions, or misunderstandings in statements issued on behalf of the Company;

- Ensure that all transactions, documents, agreements and dealings are recorded and maintained in an accurate and timely manner, and that such records are managed in accordance with records management policies.

- Avoid any conduct or association, either inside or outside of work, which could bring your honesty, integrity or trustworthiness into question, or which could be detrimental to the Company's security or to its reputation within the community.

- Voice concerns when Company policies are not being followed; use the reporting mechanism outlined herein in Section C under the head "Obligation to Report Code Violations".

1.2 Professionalism

Professionalism is about achieving excellence in our relations with others. It is about delivering the service and satisfaction that people expect, both in substance and form. It is about our tangible and intangible relations, including those in which we represent the Company externally, what we communicate, how we communicate and how we conduct ourselves in the presence of others. The words we use, our body language, listening skills, appearance and attire all contribute to our professionalism. Not least, the knowledge and skills we apply in the performance of our duties, our timeliness of response, our acceptance of accountability, and generally, our desire to please all reflect our professionalism. Indeed, the level of professionalism we seek in ourselves is a direct outcome of our self-commitment or duty to do the best that we can in the service of others.

1.3 Loyalty to the Corporation

You share responsibility for ensuring that honesty and integrity prevail within the workplace, and for protecting the rights and assets of clients and the reputation of the Company.

- If you become aware of any dishonest, fraudulent, or illegal activities, of any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest, of the falsification of records or returns by another team member, officer, advisor or director, of any breach or material waiver of this Code of Business Conduct and Ethics, or of any other serious infraction that has occurred either inside or outside the Company, report the matter following the guidelines outlined herein in Section C under the head "Obligation to Report Code Violations".

- Report also anything unusual that you might notice about a client's affairs that could adversely affect the Company.

2. DUTY TO COMPLY WITH THE LAW

Directors, officers, advisors and team members have a personal, civic, and business duty to comply with the law both in letter and spirit.

2.1 General

The Company's capacity to do business in its various forms is a privilege bestowed upon it by various Acts, Regulations and Conventions. These privileges remain available to the Company only to the extent that it

complies with applicable requirements. Failure to do so could result in significant adverse consequences for the Company directors, officers, advisors and team members.

Company directors, officers, advisors and team members are expected to comply first with the laws, rules and regulations of all countries in which they operate; compliance with the Code is subservient to local laws. These laws include, but are not limited to, company law, insurance laws, investment banking laws, securities laws and regulations, corruption laws, and employment legislation.

- You have an obligation to understand the laws relating to the corporate responsibility assigned to you.
- You are not to take any action that could violate any applicable law, rule or regulation. Seek the advice of internal counsel when in doubt.
- Report promptly to your Manager any actual or contemplated violations of law.

2.2 Inside Information

The nature of your work may cause you to be privy to confidential information concerning the affairs of the Company, a client, a potential client, a supplier, or other company whose securities are publicly traded on a stock exchange. This knowledge is referred to as "inside information" when two specific conditions are met:

- The information has not been generally disclosed to the public, and
- The information is "material" and could have a significant effect on the Company's investment rating, stock price or securities values.

Inside information might include knowledge of a potential merger or acquisition, a break-through product or technology, significant financial loss or gain, etc. Some Company positions are permanently deemed to be in possession of inside information. The individuals occupying these positions are identified and are under the strictest obligation to observe Company policy regarding the use of inside information.

- You are to scrupulously avoid using, sharing or disclosing non-public information about any SGJ company, its subsidiaries, affiliates or clients (both current and prospective), except in the legitimate course of doing business.
- Do not engage in the illegal practice of "tipping" - passing inside information to another person who has no right or need to have it.
- Do not trade in stock or securities, or recommend or advise others to do so, on the basis of inside information you have acquired through your job.
- Before investing in SGJ securities, familiarize yourself with Company guidelines on personal trading, including insider trading laws and SGJ's securities trading policies, as well as the effect that the perception of wrongdoing may have. If you have any doubts, refer to your immediate superior or to the Company Compliance Officer.

2.3 Copyright

Most printed, broadcast, recorded material or software is protected by copyright laws. The prior approval of the copyright holder may be required before making copies of such material. If in doubt, consult guidelines issued by the Company or seek the advice of your immediate superiors or the Company Compliance Officer.

- Understand and follow the specific terms of any licensing agreement with computer software providers.
- Do not copy any material covered by copyright protection without the prior approval of the copyright holder.

- Do not install or use any software not licensed for use by SGJ companies on any company-owned computer.

- Do not copy software programs licensed to SGJ companies for use by others, except as permitted by the copyright or licensing agreement. The use of any copies is to strictly comply with the licensing agreement and SGJ guidelines.

2.4 Workplace Health and Safety

The Company has a duty to its directors, officers, advisors and team members to ensure a safe and healthy work environment in compliance with laws and regulations and beyond. You have a duty also not to endanger the safety and health of your colleagues through wilful or inadvertent acts that expose them to physical harm. Know and observe company policies regarding consumption of alcohol, use of illegal drugs, misuse of premises, verbal abuse, etc. Consult your Human Resource Policy for additional information.

3. DUTY TO THE CORPORATION

Directors, officers, advisors and team members owe a moral, ethical and legal duty to act honestly and in good faith with a view to the best interests of the corporation above all other persons.

3.1 Fiduciary Duty

You owe a fiduciary duty to the corporation to act honestly and in good faith with a view to the best interests of the corporation. (This duty is owed to the corporation as a legal entity and not to individual shareholders.) The obligation to shareholders is a derivative of the reality that the corporation is owned by shareholders, but only to the extent that shareholders' interests coincide with what is in the best interests of the corporation. (In the fiduciary relationship, the beneficiary is the corporation and the fiduciary the directors.) In addition to the fiduciary duty, directors and officers have a duty of care to the corporation.

3.2 Duty of Care

Directors and officers have a statutory duty to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Due diligence refers to the review and investigation directors and officers must apply to situations before reaching a decision with respect to any particular matter. While directors are entitled to rely in good faith on information supplied by management, the duty of care imposed on them requires that they raise questions, follow up, or investigate situations where clarity or sense is reasonably lacking. It is ultimately the director's responsibility to ensure that he/she has the appropriate information necessary to exercise effective business judgment.

- Directors are not to turn a blind eye to an obvious problem in the corporation;

- Directors must apply whatever knowledge, education and experience they have to the business and affairs of the corporation. When particular skills or expertise is required that directors do not have, they are to seek out the experience and expertise of others.

- Directors and officers must avail themselves sufficient time to understand the issues and implications of information supplied to them for decision-making;

- Directors and officers must raise questions and follow up uncertainties, omissions, inconsistencies, and inaccuracies they discern in reports provided them for decision-making;

- Directors and officers must be satisfied that they receive information in a format that allows them to absorb the key issues and reach informed judgments.

3.3 Conflicts of Interest

A "conflict of interest" occurs when an individual's private interest interferes in any way – or even appears to interfere – with the interests of the corporation as a whole." *(Sarbanes-Oxley).* A conflict situation can arise when a team member, officer, agent or director takes actions or has interests that may make it difficult to perform his or her company work objectively and effectively. It is not a question of whether or not specific persons may act inappropriately, only that they are in a situation in which conflict is made possible.

Conflicts of interest damage the trust between you, the public and the Company. Even the appearance of a conflict may be harmful to the Company. Generally, avoid situations in which you or anyone personally associated with you, including friends and relatives, are exposed to self-enrichment at the expense of the Company.

- Directors shall declare their interest in any matter coming to the board for decision and shall not participate in debate or vote on such matter, unless otherwise approved by the Board.

- Any waiver of the Code for executive officers or directors is to be made only by the board and must be promptly disclosed to shareholders.

- Officers and directors shall not waive conflict of interest guidelines unless they have fully applied their duty of care and due diligence to satisfy themselves that the interests of the Company are not likely to be compromised.

- Any waiver of the Code must be accompanied by appropriate controls designed to protect the Company.

- Do not make a material investment in a business entity with or in which the Company transacts business or is considering making, intends to make, or has made an investment.

- Do not enter into any contract or transaction, directly or indirectly, for the provision of goods or services with the Company unless:

    - You have disclosed the situation in writing to the corporation;

    - You do not occupy (in the corporation) a position that makes decisions for the procurement or use of the goods or services, or that is responsible for accounting entries;

    - The situation is clearly fair and reasonable from the corporation's perspective at the outset;

    - Officers, advisors and team members obtain approval in writing for the contract or transaction;

    - The director abstains from participation in debate and voting on any resolution to approve the contract or transaction.

- Do not make any significant investment in any competitor, supplier or customer of the Company that could interfere with your objectivity or commitment in the performance of your duties with SGJ.

- Do not approve a loan, any other product, service request or transaction for yourself or for any client with whom you are personally associated, including friends and relatives. These situations are to be referred to your manager.

- Officers, advisors, team members or members of their immediate family are not to acquire any assets or property from a client's estate, either directly or indirectly, nor accept executorships (paid or unpaid) for the settling of a client's estate, unless you can clearly demonstrate that the assets, property or executorship appointment are totally independent of your employment status.

- You may accept other employment while employed by a SGJ company providing it:
    - is legal;
    - is not with a competitor;
    - does not expose you to a conflict of interest; or
    - will not interfere with your work performance in SGJ.
- You may work in the same unit or department with someone with whom you are personally associated, including friends and relatives, providing there is no conflict of interest, there is not a reporting relationship, and the work arrangement does not result in a potential security risk.

3.4 Corporate Opportunities

Arising from their inner familiarity with the corporation's business and dealings, directors, officers, advisors and team members are in a position to learn of economic opportunities available to or being contemplated by the corporation, creating the real possibility that they may usurp the corporate opportunity. On the other hand, team members, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

- Do not appropriate for yourself economic opportunities discovered through the use of corporate property, information, or position.
- Do not use corporate property, information, or position for personal gain;
- Do not use corporate property, information, or position to compete with the Company.

For example, if Sagicor is considering investing in a particular business, you may not use the knowledge of that opportunity acquired as a result of your relationship with Sagicor to take that opportunity away from the corporation and make the investment yourself.

3.5 Disclosure of Outside Information

As fiduciaries, directors and officers have an obligation to disclose to Sagicor any information in their possession that may affect "a vital aspect of its business". Officers and directors will not be conducting their relationship with the Company in good faith while having in their possession information about events and situations which could have a material adverse impact on the Company.

3.6 Payments, Gifts, Entertainment

You are encouraged to consider the motive behind business gifts and entertainment to yourselves or family and to ensure that these are given only in the spirit of business courtesy and relationship management and not to set up reciprocal expectations of business favour. As a guide, a modest value of approximately US $100 (or equivalent value) should be applied in assessing what is reasonable to accept. If in doubt, as to what is considered acceptable to give or to receive, seek guidance from your manager.

- You are not to be involved in any act that could be interpreted as seeking, receiving or dispensing a bribe, kickback or questionable payment;
- You may supply or accept modest gifts, favours, entertainment or services provided they:
    - do not consist of cash, bonds, or negotiable securities;
    - are unlikely to be interpreted as a bribe or other improper payment;
    - conform with generally accepted ethical and legal standards as well as public disclosure requirements;

- will not embarrass the Company or the recipient.

3.7 Confidentiality of Company Affairs

Your fiduciary duty requires that you protect information about the Company which is confidential or proprietary to the corporation and which could be useful to competitors and harmful to the Company or its customers. This is intended to prevent those competitors from having access to such information and using it to their own advantage at the corporation's expense. Confidential information includes: business plans, business forecasts, strategic initiatives, proposed acquisitions or divestitures, and current or proposed products.

You are responsible for protecting confidential information in your possession against theft, loss, unauthorized disclosure, access or destruction, or other misuse.

- Only disclose confidential information to others within the Company on a need-to-know basis or when authorized to do so.

- Control access to confidential information, for example, by not leaving it unattended in a conference room or discarding it in a public place.

- Exercise discretion when discussing company business especially in public places such as restaurants, airplanes, over public or mobile phones, the internet and fax machines.

- Do not disclose corporate information to outsiders, even if the outsider is a business associate, client, or customer of yours, as you are bound by a fiduciary duty not to do so.

- Extend the use of confidentiality agreements to part-time, temporary and contract team members, consultants, and vendors to the extent that they have access to confidential corporate information.

- Do not remove any proprietary information from company premises without permission from your manager.

- Do not give testimony about the Company or general industry policies or business practices in a court of law in matters not involving SGJ as a party without prior authorization from Sagicor's legal counsel.

- Should you leave the service of a SGJ Company, you are obliged to continue safeguarding for an indefinite period of time the privacy and confidentiality of the affairs of the Company, clients, directors, officers, advisors and team members. Specific client information – including names, lists, profiles, data, etc. – is not to be used in subsequent employment situations. Any client or proprietary information you have in your possession is to be returned to the organization when you leave the Company's employment.

You must also comply with the requirements related to the confidentiality of material non-public information contained in the Insider Trading Policy.

(These confidentiality provisions are in addition to those contained in Section 5 below, "Confidentiality and Privacy".)

3.8 Fair Dealing with Suppliers

Each director, officer, agent and team member must endeavour to deal fairly with the Company's suppliers. You should not take unfair advantage of suppliers through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Sagicor is committed to fair competition in all its dealings with suppliers, who are generally chosen on the basis of merit, competitiveness, price, reliability and reputation.

- You must not be associated in any way with agreements between the Company and suppliers in which you or a member of your immediate family have an interest, or which might result in your or your family member's personal gain.

- For relatively large contracts, use a bidding process and a committee assessment approach for choosing suppliers;

- Do not endorse a supplier's product or service using the Company name without approval from the Company Compliance Officer.

- Do not suggest or imply to a supplier that the Company's patronage depends on the supplier becoming a customer of the Company, or on the supplier continuing to do business with the Company.

3.9 Protection and Use of Company Name and Assets

All team members, advisors, officers and directors have a duty to protect Company assets and ensure their efficient use for legitimate business purposes only.

- The name "Sagicor" or any parts thereof, is to be used only for authorized company business and never for personal activities.

- Do not identify yourself with the Company while pursuing personal, political or not-for-profit activities, unless you obtain prior Company approval.

- Ensure that each use, acquisition or disposition of an asset by a person on behalf of the Company is undertaken with the general or specific authorization of management and is accurately and fairly recorded in reasonable detail in the Company's books of account and record.

- Company time, real property, intellectual property, financial assets, equipment, services, stationery, computers, communication equipment, and mail services are not to be employed in personal or non-business uses.

- You may not remove or borrow any Company asset without prior and proper permission.

3.10 Directorships in Outside Organizations

Team members and directors who are invited to sit on the boards of external organizations or to accept other appointments may do so, providing they observe the established SGJ guidelines. Keep in mind that accepting directorships in other entities may not only compromise your loyalty but demand of your time. In any event:

- Executives who are directors are not to hold more than one other significant external appointment or directorship. Consideration of such appointment is to be discussed with the Group President and CEO and Board Chairman and approved by the Board. (Unless the external appointment is taken up at the Company's request, it is usual for the Director concerned to retain the fees for such external appointment.)

- An executive who is a director is not to accept an appointment as a non-executive director of any other company where a Sagicor non-executive director is an executive director.

- For publicly traded, private for-profit, or venture capital entities/organizations, even where the organization or entity is connected to a SGJ company, refer to policy guidelines for required process and approvals.

- For not-for-profit organizations, obtain executive approval from the officer responsible for your unit or function.

- If you are a member of a public or quasi-public decision-making body such as a school board or town council, you should recognize that these institutions are often consumers of financial services and may be

actual or potential clients of SGJ companies. You are cautioned to assess the potential for a conflict of interest before accepting, and

- declare any such conflict to the institution and your manager;
- avoid being caught in situations where you are required to exercise judgment with respect to Sagicor's affairs.

3.11 Fraud and Misconduct

The fiduciary duty is imposed on every director, officer, advisor and team member to ensure that you are acting honestly and in good faith with a view to the best interests of the corporation, regardless of how colleagues may conduct themselves.

- The funds, property, information and services entrusted to our care belong to the Company and their clients alone. Using these assets carelessly, inappropriately, or for personal gain is a violation of this trust.
- SGJ Companies are obliged to safeguard the assets of their clients and member companies at all times, and to protect them from all forms of misuse.
- You must not, under any circumstances, misappropriate funds, property or other assets, or knowingly assist another individual to do so. (Misappropriation includes theft, fraud, embezzlement, unauthorized "borrowing", or "kiting" (taking advantage through any means of the time delay required for a cheque to clear at one financial institution and be charged back to another).
- You are not to convert any assets that do not belong to you or use them for the benefit of yourself or anyone other than the rightful owners. You are not to knowingly assist another in this pursuit.
- If you have access to a Company expense account, you are to claim only those expenses that are eligible for reimbursement under Sagicor's expense guidelines. Intentional use of expense accounts for personal purposes represents misappropriation of company funds.
- Do not compete with the Company.

3.12 Free Competition

SGJ companies are committed to free competition and do not support any agreements, actions or concerted practices that restrict or impede fair competition.

- Avoid any collusive, anti-competitive discussions and/or agreements with competitors, especially on pricing, product offerings, and target markets.
- Do not malign competitors; instead, promote the strengths of your own Company;
- Benchmarking with a competitor may be risky; obtain prior business and legal approval;
- Avoid discussing sensitive topics like price, costs, or marketing plans at trade associations or seminars.

4. DUTY TO SHAREHOLDERS AND INVESTORS

Directors, officers, advisors and team members owe a duty to shareholders, as owners of the corporation, to maximize the wealth of the Corporation for their ultimate benefit.

The board has a business duty to provide leadership to the corporation for maximizing shareholder wealth, or at least to preserve wealth, i.e. to ensure it is not dissipated. The Board fulfils this duty by carrying out its responsibilities in accordance with statutory, regulatory and best practice requirements and with due regard to prudent risk management.

- Directors must supervise the management of the corporation and provide leadership such that its wealth is preserved if not maximized;

- Directors must put the interests of shareholders before all others in the normal course of the Company's operation, except that laws and ethical behaviour are not to be compromised.

4.1 Fair Dealing with Shareholders and Investors

Shareholders and investors invest in SGJ accepting a certain risk-reward at the time of their investment. If the Company's risk profile changes or is likely to change in a material way, especially arising out of corporate action, they are entitled to be informed to afford them the opportunity to react to such information.

- Financial statements must be prepared in accordance with generally accepted accounting principles, including the accounting requirements of applicable regulators. The Company's financial statements must fairly present, in all material respects, the financial position, results of operations and cash flow of the Company.

- Directors must provide shareholders with timely and full disclosure of all events which affect or are likely to affect the board's ability to discharge its fiduciary duty and duty of care;

- Directors must provide shareholders with timely, full and accurate disclosure of all events or situations that have or are likely to have a material adverse impact on the corporation's risk profile.

- It is unethical and illegal for directors, officers, advisors and team members to buy or sell SGJ securities with the benefit of material information that has not been publicly disclosed about the Company or its affiliates, or to inform any other person, except as permitted by law, of material information that has not been publicly disclosed.

- It is unethical and likely illegal, to buy or sell securities of another company based on your knowledge of Sagicor's investment intentions or on any material information about the other company that has not been disclosed.

5. DUTY TO CUSTOMERS

Directors, officers, advisors and team members owe a duty to customers to provide them with transparent service solutions that address their real needs and service entitlements, within an institutional environment that protects their confidentiality and privacy.

5.1 Fairness to Customers

It is our ethical responsibility to treat customers fairly in all our dealings.

- Honour our claims payment obligations.

- Communicate only factual advertising and use only easy to understand sales materials based on the principles of fair dealing and good faith. All promotional efforts, illustrations of products and marketing concepts must be factual.

- Use only fair and honest sales and negotiating methods. Never make statements about competitors that are untrue nor make statements about the Company that are untrue.

- Avoid any sales practices that could be misconstrued as an attempt to impose undue pressure on or to coerce a client into obtaining a product or service from a SGJ company as a condition of closing a sale ("tie-in" selling).

5.2 Confidentiality and Privacy

Customers have a moral and, in some cases, legal right to privacy and to the security of their personal information as a condition of doing business with us and you must respect and preserve this right. Our reputation depends on how well we honour the trust placed in us by customers and it is essential that we maintain this trust through consistent observance of applicable privacy and confidentiality rules.

- You are to comply at all times with the applicable policy relating to client privacy and respect the confidentiality of client information.

- If, in your position, you have access to client information from more than one SGJ company, you are to ensure that proper client consent is in place before sharing that information with member companies.

- Should you leave the service of a SGJ company, you are obliged to continue safeguarding client privacy and confidentiality, including names, lists, profiles, data, etc. Any client or proprietary information you have in your possession is to be returned to the organization when you leave.

(These confidentiality provisions are in addition to those covered under "Confidentiality of Corporate Affairs" in Section 3 above.)

5.3 Information Shared with Third Parties

In the course of regular business activities, SGJ companies frequently enter into contracts with a variety of outside parties including vendors, suppliers, service providers, etc., often resulting in the exchange of information.

- Share Restricted, Confidential or SGJ Internal information only with third parties who have undertaken in writing to keep the information confidential in accordance with Company requirements.

- Share only that information which is needed to satisfy the conditions of the contract and only with those who need to know.

- Do not share any confidential information about an outside party (vendor, supplier, service provider, etc.) except to satisfy the obligations outlined in the contract and only to those who need to know.

5.4 Customer Discrimination

Service is to be rendered to customers without prejudice or discrimination on any grounds, including race, colour, religion/creed, age, gender, marital status, sexual orientation, disability, or political affiliation. Customers have both a legal and moral right not to be discriminated against.

6. DUTY TO TEAM MEMBERS, OFFICERS, ADVISORS AND DIRECTORS

Directors, officers, advisors and team members owe a duty to their colleagues to respect their human and civic rights and to enhance their business well-being.

Recognizing that the business organization is a social system of individuals with various aspirations, backgrounds and divergent sensitivities, we strive to provide an organizational environment conducive to personal growth and satisfaction. Within our organizational community, we have a duty to be respectful to each other foremost in terms of our human rights and needs and next as team members with objective roles and responsibilities.

6.1 Professional Growth

We have a business and ethical duty to our directors, officers, advisors and team members to provide them with challenging work experiences and to facilitate development of their skills to enable them to actualize their potential for personal growth and ultimate business performance.

6.2 Reward Performance

As a performance-oriented Company, we place a high premium on achievement and encourage superior performance through structured financial rewards.

6.3 Privacy and Confidentiality

Most directors, officers, advisors and team members have both a business and customer relationship with SGJ companies. Personal information about you as a client is confidential and is treated in the same manner as any other client. As with any other client, cross-referrals or product/service promotions require your prior written consent. Similarly, personal information about you as a team member and director is confidential. Any sharing or use of this information for client-related purposes needs your prior consent.

- Any inquiries you may receive about a team member, officer, agent or director or requests for their information – including those concerning former team members, officers, agents and directors – is to be handled in strict compliance with applicable privacy policy.

- Should you leave the service of a SGJ company, you are obliged to continue safeguarding director, officer, agent and team member privacy and confidentiality.

6.4 Liability Insurance

The Company has an ethical responsibility to its directors, officers and team members to defend them, or reimburse costs incurred in defending themselves, against wrongful legal action relating to the performance of their corporate duties. Each situation will be judged on its merits.

6.5 Team member Discrimination

SGJ companies are committed to promoting and upholding equal opportunity in all dealings with team members, officers, agents and directors, who have a moral and legal claim to such treatment.

- Do not practice prejudice or discrimination towards your colleagues on any grounds, including race, colour, religion/creed, age, gender, marital status, sexual orientation, disability, or political affiliation.

- Do not engage in discriminatory practices that are contrary to the principles established for SGJ companies.

6.6 Team member Harassment

Team members, officers, advisors and directors have every right to work in an environment that is free from harassment. Harassment involves conduct that interferes with a climate of understanding and a mutual

respect for the dignity and worth of each person. It undermines the integrity of the employment relationship, erodes morale and interferes with the productivity of its victims and their co-workers.

Under no circumstances are you to engage in behaviour which is known or should be reasonably known to be offensive or harassing. Please refer to Company HR Policy for more specific guidance and procedures regarding team member harassment.

7. DUTY TO SOCIETY

Directors, officers, advisors and team members have a duty to harmonize the operation of the Company with the aims of communities in which it operates.

It is our duty as a corporate citizen not to deplete society's resources in the pursuit of corporate objectives but on the other hand, to add value to community life while earning a profit for our shareholders. SGJ companies take responsibility for the effects of their actions, both social and economic.

7.1 Political Relations

SGJ companies will make only those contributions permitted by law to a political party, candidate, or campaign and only as an expression of responsible citizenship – not to "purchase" favours or to gain improper advantage. Contributions to political parties, riding associations, and candidates are not included in the corporate philanthropy program.

- You are encouraged to take your civic responsibilities seriously and participate in general political processes such as school board, and local and national elections.

- You are not to make political contributions in the name of a SGJ company unless you are specifically and explicitly mandated by the Company to do so.

- Do not provide gifts, entertainment, or other gratuities to any government official without first consulting with your executive head or Company Compliance Officer.

- Do not give anything of value to team members or representatives of foreign governments or governmental agencies, political parties, or political candidates to influence a foreign official in the performance of official duties.

- Should you choose to become involved in political activity, you do so on your own behalf and not as a representative of SGJ. You are not, in any way, to use your affiliation with the Company in promoting yourself.

- Do not make available the use of Company facilities, including office space and equipment, as well as the donation of the services of Company team members to the campaign committee of a candidate.

7.2 Social Sensitivity

SGJ companies accept responsibility and are accountable for the social and economic effects of their business actions and decisions.

- Consistently evaluate the likely implications on society of broad actions you take regarding investments, hours of business, dis-investments, etc.

7.3 Environmental Responsibility

SGJ companies are dedicated to protecting and enhancing human health, natural resources, and the environment. This commitment reaches beyond compliance with the law as SGJ companies will play a leading role to educate the public regarding environmental protection and to support activism in this regard.

- Conduct business operations in a fashion that ensures environmental laws and standards are met or exceeded.

- Support the efforts of communities to enhance and protect their natural environment.

SECTION C - ADMINISTRATION OF THE CODE

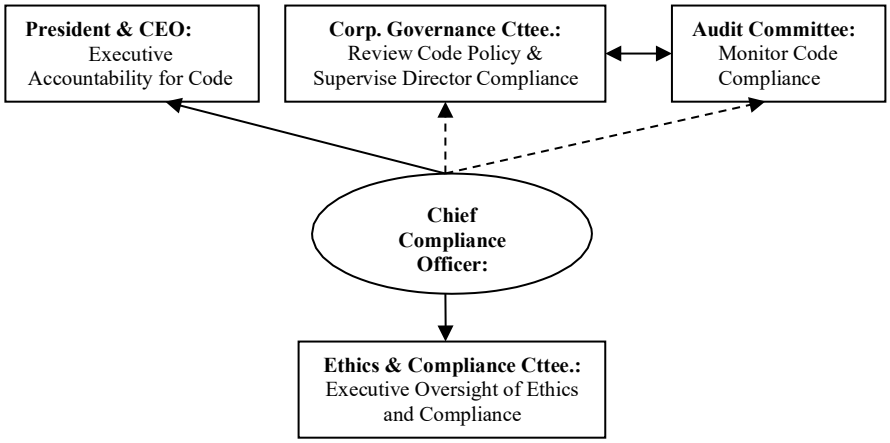
1 Introduction

The guidelines that follow are intended to:

- Describe how the Code is implemented.
- Describe how directors, officers, advisors and team members may respond to the Code, particularly with respect to reporting and escalating issues.
- Describe how the board monitors or satisfies itself regarding compliance with the Code.
- Disclose how a person or company may obtain a copy of the Code.

2 Accountability for Code

Ultimate accountability for the Code rests with the President and CEO of the Sagicor Group, who has delegated responsibility for its administration to the Group Compliance Officer. The GCO chairs a management committee, Ethics and Compliance Committee, approved by the board to oversee administration of ethics and compliance throughout the Group. Committee responsibilities include coordinating ethics and compliance policy, organization, execution, reporting throughout the group, and reporting to applicable board committees.



3 Organizational Scope

This Code of Business Conduct and Ethics ("Code") applies equally to all directors, officers, advisors and team members throughout the Sagicor Group, including subsidiaries and controlled affiliates. Third party business associates are also expected to abide by all applicable provisions of the Code and adhere to the principles and values set out in the Code when representing Sagicor. The Code is intended to give assurances to our stakeholders, including shareholders, investors, lenders, partners, associates, customers/clients, team members, suppliers, regulators and the communities we serve.

"Sagicor Group Jamaica", "Sagicor", "Sagicor Group", "SGJ" and "Company" all have the same meaning in this Code. The Code is available on the Company's web site and is also available in print upon request.

4 Recognizing Breach of Code

If you are in doubt as to whether you or someone else is in breach of the Code with respect to any particular situation, apply the following questions to assist you in reaching a decision:

- How would I feel about myself if I did this?
- How would I feel if someone did this to me or my company?
- Is the action fair or ethical? Is it legal?
- How would I advise a young person to act in this situation?
- Would the Company be likely to lose customers or shareholders if this action were known to them?

5 Obligation to Report Code Violations

You must promptly report any known or suspected breach of this Code, any applicable law or regulation or external code of conduct, standard or guideline, whether by yourself or someone else. If you are an officer, advisor or a team member, you should report any breach or suspected breach to your immediate Manager. If you are a director, you should report any breach or suspected breach to the Chairman of the Board or to the Corporate Governance Committee. If you are a Manager, you have the same reporting responsibility as your subordinate team members and shall report all cases of violations or suspected violations within your personal knowledge as well as those reported to you by your subordinates to the Company Compliance officer. If you are a Company Compliance Officer, upon receipt of a report under this Code, you shall forthwith notify the Group Compliance Officer, the Chief Internal Auditor and the Assistant Vice President, Legal and Compliance. In addition, you should report as provided above if you become aware of or suspect illegal or unethical conduct by any of the Company's clients or third-party business associates that may affect our business relationship with them or the Company's reputation. The Company will respect the confidentiality of those who report a concern and will not divulge the reporter's identity without his/her consent.

You may also choose to report any concern anonymously to Sagicor's management via telephone or the internet. Such anonymous reporting is facilitated through an independent third-party service called "SilentWhistle". Reports may be made via this facility in complete anonymity 24 hours a day, 7 days a week by calling the toll free number 1-(888) 307-5991 or by logging on to http://www.sagicor.silentwhistle.com. Details relating to the use of the SilentWhistle facility are contained in Appendix B hereto. Please be aware that the Company's ability to fully investigate an anonymous report may be limited if it is unable to obtain additional information from you if required.

If you believe that you may have breached the Code or any policy of the Company that applies to you, or if you have observed a breach of the same by another team member, or a serious weakness or deficiency in the Company's policies, procedures or controls which might enable breaches to occur or to go undetected, you have a responsibility to report this immediately.

Genuine concerns, raised in good faith, will be investigated fully. As a rule, and as outlined in the Company's "Fraud and Other Wrongdoing Policy", the Company will not permit any reprisal, retaliation or disciplinary action to be taken against anyone for raising a concern in good faith. It is a breach of this Code to make a mischievous or malicious report.

6 Code Policies, Standards and Procedures

Each compliance requirement in the Code is backed up by compliance standards and procedures that facilitate the effective operation of the Code. The standards ensure prompt and consistent action against violations of the Code. The elements of the Code themselves are to be found in Company policies or corporate governance guidelines that support the Company's internal control framework. Some related policies are listed below:

- Insider Trading Policy
- Electronic Mail and Internet Security Policy
- Password Policy
- Fraud & Other Wrongdoing Policy
- Anti-Money Laundering Policy
- Information Security Policy

7 Code Waivers

Exceptions to the Code will not be granted where the principle or spirit of the code is compromised. Waivers will be considered in those very exceptional situations where a provision may have inadvertently cast too wide a net.

All requests for waivers are to be submitted to the Group Compliance Officer, who will ensure the request is supported by sufficient reasoning, evidence and facts upon which to base a rational decision. The Group Compliance Officer will arrive at a judgment as to whether the waiver will be granted and submit his/her recommendation to the President and CEO in the case of non-executive team members and to the Chairman of the Corporate Governance Committee if executives and directors request the waiver. The Committee will make its decision and present its recommendation to the full board for approval.

The Group Compliance Officer compiles and presents a report quarterly to the Audit Committee of all waivers granted in the Company and amendments to the Code. This report forms the basis for shareholder disclosure.

8 Internal Communications Procedures

If you are unsure of the legal, ethical or reputational implications of a particular situation, or would like further guidance related to a matter referenced in this Code, you should consult first with senior officers within your business area and if necessary, go next to the Company Compliance Officer. Directors should consult the Chairman of the Board or the Chairman of the Corporate Governance Committee.

If you believe there is a conflict between this Code, any Business Practices and Procedures, and any legal or regulatory requirements that apply to you in your position with the Company, you should contact the Company Compliance Officer.

9 Conflict between the Code and Local Laws

The Code and the policies of the Company have been written to foremost promote compliance with the law. Should compliance with the Code or any policy of the Company bring you into conflict with applicable law in any jurisdiction where the Company operates, you must obey the law first. Thereafter, immediately notify your supervisor or manager of the conflict so that the conflict may be promptly resolved. If you have questions or concerns about practices or policies that might violate the Code, bring them to the attention of your superior officer immediately.

10 Annual Acknowledgement

Each year, you will be asked to acknowledge that you have read the Code, that you understand your obligations under it, and that you agree to comply with it. At the same time, you will also be asked to confirm that you have complied with the Code during the prior year, that you have reported any breaches of the Code as required, or if necessary, take the opportunity to report any current breaches. The form, Internal Disclosure Certificate, shown as Appendix A is to be used for this purpose. However, in no event will compliance with this Code create any right to continued employment or appointment**.**

11 Availability of Code

This Code along with some other related policy documents is available on the Company's website at www.sagicor.com as well as on the SilentWhistle website at www.sagicor.silentwhistle.com.

CODE APPENDIX A - INTERNAL DISCLOSURE CERTIFICATE

Please submit this Certificate to your reporting officer (officers and team members) or to the Corporate Governance Committee (directors) for onward transmission to the Group Compliance Officer.

		Yes	No
1	I have read the Sagicor Code of Business Conduc t and Ethics ("Code")		
2.	I have been given an orientation on the key aspects of the Code.		
3	I fully understand my ethical duties as explained in the Code.		
4.	I am currently, or during the past year have been, involved in the following outside activities		
	a) Second jobs or other commercial activities (officers and employees only)		
	b) Outside Paid Directorship (all)		
	If you answered "Yes" to # 4, please provide details here.		
5.	I am at this time in full compliance with the Code		
	If you answered "No" to the above, please list below your situations of non-compliance:		
6.	I have disclosed my (potential) conflict situations a bove.		
	If you answered" No", explain below		
7.	I commit to promptly report any non-compliance with the Code, whether my own or that of any other director, officer or employee not disclosed.		
8.	I have fully and accurately completed the Declaration of Income, Assets and Liabilities form along with this Disclosure Certificate		

Respondent's Signature	Reporting Officer's Signature
Respondent's Name	Reporting Officer's Name
Date	Date

CODE APPENDIX B - USING SILENTWHISTLE

Computer:

Step 1: Connect to the Internet from a computer outside of work

Step 2: Type **www.silentwhistle.com** into the address bar and hit "Enter"

Step 3: Search for your company's name

Step 4: Select your company from the list provided. To eliminate the first 4 steps, you may go directly to **www.sagicor.silentwhistle.com**

Step 5: Select your method of anonymous communication and enter the desired information.

Note: You need not provide your name or any other form of identifying data.

Telephone:

Step 1: Dial your country's access code selected from the list below.

Step 2: When prompted dial **YOUR TOLL FREE SILENTWHISTLE ACCESS NUMBER 1(888)307-5991** to speak anonymously with a live hotline operator.

Step 3: Provide the operator with the desired information

Access Codes:

Anguilla: 1-800-225-5288

Aruba: 001-800-872-2881

Antigua & Barbuda: 1-800-225-5288

Bahamas: 1-800-872-2881

Barbados: 1-800-225-5288

Belize: 811

Cayman Islands: 1-800-225-5288

Dominica: 1-800-225-5288

Grenada: 1-800-225-5288

Jamaica: 1-800-872-2881

Netherland Antilles (Curaçao and St. Maarten):
001-800-872-2881

Panama: 800-0109

St. Christopher & Nevis: 1-800-225-5288

St. Lucia: 1-800-225-5288

St. Vincent & the Grenadines: 1-800-225-5288

Trinidad & Tobago: 1-800-872-2881

United Kingdom:
0-800-89-0011 (British Telecom)
0-500-89-0011 (C&W)
0-800-013-011 (NTL)

United States: no access code necessary dial toll free number directly.

Online Tutorial

There is an online training module available for SilentWhistle entitled "SilentWhistle: What Every Team Member Should Know." This module can be accessed by visiting http://allegiance.webex.com and clicking the "Training Centre" tab in the upper left. Once the Training Centre page loads, select "Recorded Sessions" from under "Attend a Session" on the left-hand side. Click the *play* button on the far right of the module description, fill out the registration information and wait for the class to load. You will be able to pause, stop and rewind the module as necessary.

APPENDIX 2 - Board Committee Charters

A.2.1 AUDIT COMMITTEE CHARTER

1. DEFINITIONS

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

(b) "Committee" means Audit Committee hereinafter referred to;

(c) "Company" means Sagicor Group Jamaica;

(d) "Group" means the Company and its subsidiaries.

2. PURPOSE AND MISSION

The purpose of Sagicor Group Jamaica's internal audit department is to provide independent, objective assurance and consulting services designed to add value and improve Sagicor Group Jamaica's (SGJ) operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit department helps SGJ accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

3. STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The internal audit department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The chief audit executive will report periodically to senior management and the audit committee regarding the internal audit department's conformance to the Code of Ethics and the Standards.

4. AUTHORITY

The chief audit executive will report functionally to the audit committee and administratively to the Group President and Chief Executive Officer. To establish, maintain, and assure that SGJ's internal audit department has sufficient authority to fulfill its duties, the audit committee will:

- Approve the internal audit department's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit department's budget and resource plan.
- Receive communications from the chief audit executive on the internal audit department's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the chief audit executive.
- Approve the remuneration of the chief audit executive.
- Make appropriate inquiries of management and the chief audit executive to determine whether there is inappropriate scope or resource limitations.

The chief audit executive will have unrestricted access to, and communicate and interact directly with, the audit committee, including in private meetings without management present.

The audit committee authorises the internal audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of SGJ, as well as other specialized services from within or outside Sagicor Group Jamaica Limited, in order to complete the engagement.

5. INDEPENDENCE AND OBJECTIVITY

The chief audit executive will ensure that the internal audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the chief audit executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for SGJ or its affiliates.
- Initiating or approving transactions external to the internal audit department.
- Directing the activities of any SGJ employee not employed by the internal audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The chief audit executive will confirm to the audit committee, at least annually, the organizational independence of the internal audit department.

The chief audit executive will disclose to the audit committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

6. SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the audit committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for SGJ. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of SGJ's strategic objectives are appropriately identified and managed.
- The actions of SGJ's officers, directors, employees, and contractors are in compliance with
- SGJ's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact SGJ.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The chief audit executive will report periodically to senior management and the audit committee regarding:

- The internal audit department's purpose, authority, and responsibility.
- The internal audit department's plan and performance relative to its plan.
- The internal audit department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the audit committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to SGJ.

The chief audit executive also coordinates activities where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit department may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit department does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

7. RESPONSIBILITY

The chief audit executive has the responsibility to:

- Submit, at least annually, to senior management and the audit committee a risk-based internal audit plan for review and approval.
- Communicate to senior management and the audit committee the impact of resource limitations on

the internal audit plan.

- Review and adjust the internal audit plan, as necessary, in response to changes in SGJ's business, risks, operations, programmes, systems, and controls.
- Communicate to senior management and the audit committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the audit committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact SGJ are considered and communicated to senior management and the audit committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit department.
- Ensure adherence to SGJ's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the audit committee.
- Ensure conformance of the internal audit department with the Standards, with the following qualifications:
    - If the internal audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the chief audit executive will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
    - If the Standards are used in conjunction with requirements issued by the relevant regulators and other authoritative bodies, the chief audit executive will ensure that the internal audit department conforms with the Standards, even if the internal audit department also conforms with the more restrictive requirements of these authoritative bodies.

8. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The internal audit department will maintain a quality assurance and improvement program that covers all aspects of the internal audit department. The program will include an evaluation of the internal audit department's conformance with the Standards and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit department and identify opportunities for improvement.

The chief audit executive will communicate to senior management and the audit committee on the internal audit department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside SGJ.

Attendees:

Audit Committee Members
Group Chairman
Group CEO

General Counsel / Corporate Secretary
Head – ERM & Group Compliance, Sagicor Group Head – Group Internal Audit, Sagicor Group
Head – Corporate Services, Sagicor Group External Auditor (as required)

A.2.2 **INVESTMENT AND RISK COMMITTEE CHARTER**

1. DEFINITIONS

1.1 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. COMMITTEE AND PROCEDURES

2.1 Establishment of Committee

2.1.1 The Committee of the directors is hereby established as a committee of the Board. The establishment of the Committee will not preclude management from discussing any related business with the full Board of Directors.

2.2 Composition of Committee

2.2.1 The Committee shall be composed 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

2.3.1 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.

2.3.3 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 Chairman and Secretary

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

2.5 Meetings

2.5.1 **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:

(a) A quorum for meetings shall be a majority of the members;

(b) 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;

(c) 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;

(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;

(e) In the absence of a meeting, a unanimous resolution adopted by written consent 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;

(f) The Committee may request any officer or employee of the Company or independent Advisors to attend a meeting of the Committee.

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

2.6 Evaluation of Effectiveness & Review of Mandate

2.6.1 The Committee shall annually:

(a) Review and assess the adequacy of its mandate and, where necessary, recommend changes to the mandate to the Board for approval;
(b) Evaluate its effectiveness in fulfilling its mandate and report the results of the performance evaluation to the Board;
(c) Be guided by feedback from the Board and its Chairperson.

2.7 Relationship with the CEO

2.7.1 The Committee is expected to establish and maintain free and open communication with the CEO relevant to its operation

2.8 Role of Management

2.8.1 Management is responsible for:

(a) Identifying, assessing and managing the key risks impacting the Group;
(b) Applying effective risk management practices and instilling a risk management culture within the Group;
(c) Ensuring compliance with regulatory requirements under the respective laws and regulations governing the Group;
(d) Ensuring persons considered for appointment to Management functions possess the requisite knowledge, skills and experience to fulfil 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

2.9.1 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:

(a) Oversees and manages the risk taxonomy within the Group;

(b) 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;

(c) 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;

(d) 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. Purpose of the Committee & Scope of Responsibilities

3.1 The purpose of the Committee is to oversee Management's effectiveness in fostering a strong integrated risk management culture within the Group, to direct and oversee the Groups' management of risk ensuring that the subsidiaries have in place policies and processes to identify and manage the significant risks to which they are exposed, including compliance with applicable laws and regulations.

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 This Committee shall:

(a) Approve the Group's Enterprise Risk Management framework and philosophy;

(b) 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;

(c) Review the effectiveness of the Group's Enterprise Risk Management programme, structure, framework, mandate and philosophy;

(d) Obtain reasonable assurance from the risk management committee of each subsidiary that risk management policies for key risks are being managed and adhered to;

(e) Evaluate the effectiveness and prudence of senior management in managing the operations of the subsidiaries and the risks to which the Group is exposed;

(f) 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;

(g) Review key risk exposures against the established risk appetite and risk tolerance limits, where breaches are identified ascertain the proposed corrective actions and timelines;

(h) Review all financial and non-financial risk management governance documents recommended by management;

(i) Review the effectiveness of management's risk responses and risk 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. Reports

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

4.2 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. Independent Advisors

5.1 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 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.	✓		Head – ERM & Group Compliance
2.	Enterprise Risk Management annual plan and structure.	✓		Head – ERM & Group Compliance
3.	Business continuity and disaster recovery plans and updates.	✓		Head - Corporate Services
4.	Key financial and non-financial risk exposures across the Group including management's risk responses and risk response tactics.	✓	✓	Head – ERM & Group Compliance
5.	Key Technology risk exposures across the Group including management's risk responses and risk response tactics.	✓	✓	Head – Innovation, Assurance and Projects; IT Security & Privacy Risks Head – IT Operations; IT Disaster Recovery Risks; Technology & Business Alignment Risks.
6.	Financial and non-financial group risk policies for approval.		✓	Head – ERM & Group Compliance
7.	Business continuity and disaster recovery plan performance.		✓	Head – Corporate Services

SCHEDULE 2 – MEMBERS & ATTENDEES

MEMBERS (DIRECTORS):
Chairperson
President & CEO, Sagicor Group

INVITEES:

General Counsel / Corporate Secretary
Head – ERM & Group Compliance, Sagicor Group
Head – Innovation, Assurance and Projects; IT Security & Privacy Risks, Sagicor Group
Head – IT Operations; IT Disaster Recovery Risks; Technology & Business Alignment Risks, Sagicor Group Head – Group Internal Audit, Sagicor Group
Head – Corporate Services, Sagicor Group
Chief Risk Officer – Sagicor Financial Corporation President & CEO, Sagicor Bank CEO, Sagicor Investments
EVP – Employee Benefits Division, Sagicor Life
EVP – Individual Line, Sagicor Life
Chairperson – Sagicor Bank, Risk & Investment Committee
Chairperson – Sagicor Investments, Risk & Investment Committee
Chairperson – Sagicor Life, Risk & Investment Committee

A.2.3 **CORPORATE GOVERNANCE AND ETHICS COMMITTEE CHARTER**

1 DEFINITIONS

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

(a) "Chairman" means the Chairman of the Company;
(b) "Committee" means Corporate Governance and Ethics Committee hereinafter referred to;
(c) "Company" means Sagicor Group Jamaica;
(e) "Group" means the Company and its subsidiaries.
(f) "President" means the President and Chief Executive Officer of the Group or the chief executive of the Group however designated.

2 COMMITTEE AND PROCEDURES

2.1 Establishment of Committee

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

2.2 Composition of Committee

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

2.2.2 None of the members of the Committee shall be an officer, team member or affiliate of the Company or its subsidiaries.

2.2.3 All directors shall be independent within the meaning of "independence" as contained in the Company's Independence Policy.

2.3 Appointment of Committee Members

2.3.1 Members of the Committee shall be appointed by the Board on the recommendation of the Committee.

2.3.2 Directors in the normal course will serve a minimum of three years.

2.3.3 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 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 will designate one member of the Committee as the Committee Chair. In the absence of the Chairman the Members present shall choose one of their number to act as Chair. The Committee shall appoint a Secretary who need not be a director.

2.5 Meetings

2.5.1 The Committee shall 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 shall be determined from time to time by the members thereof, provided that:

(a) A quorum for meetings shall be a majority of the members.
(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 shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting.
(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.

2.5 Reporting to the Board

2.6.1 After every meeting the Committee shall report to the Board on matters reviewed by the Committee.

2.6.2 The Committee shall submit a report annually to the Board on the work of the Committee during the year in carrying out its responsibilities.

2.7 Evaluation of Effectiveness and Review of Mandate

2.7.1 The Committee shall annually:

(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 GENERAL SCOPE OF RESPONSIBILITIES AND PURPOSE

3.1 The purpose of the Committee is to:

(a) Develop and recommend to the Board policies and procedures to establish and maintain best practice standards of corporate governance.
(b) Manage the process for director succession, nomination and recommendation to shareholders for (re-) election as directors.
(c) Establish and direct the processes for assessing the performance of the Board, its committees and individual directors.
(d) Supervise the operation of the President.
(e) Oversee the processes relating to communications and public policy and the Company's corporate image.

4 SPECIFIC RESPONSIBILITIES

4.1 The Committee shall:

4.1.1 Corporate Governance

(a) Be guided by the Director Nomination Process as set out in Appendix 1 and forming part of this Charter.
(b) Propose a director for re-election to the Board based on the criteria in the Director Nomination Process provided the Committee is satisfied that:
    (i) the director remains qualified to be a Director under the Companies Act and the Bylaws;
    (ii) the director, through a self-assessment process, is not disqualified as a director due to independence concerns or conflict of interest violations;
    (iii) the director's performance as a director justifies re-election.
(c) Continually oversee directors' performance, conduct and independence and recommend to the Chairman, if applicable, that a director tender resignation in the event that:
    (i) the director is no longer qualified under the Company's Bylaws or applicable law;
    (ii) the director does not meet eligibility rules under the Board's independence and conflict of interest guidelines;
    (iii) the credentials underlying the appointment of such director materially change;
    (iv) the director's performance as a director is unacceptable.
(d) Perform director succession planning in anticipation of director turnover and maintain an evergreen list of potential director nominees.
(e) Annually recommend to the Board the composition of Committees, including the Chair, and also recommend directors to fill interim vacancies.
(f) Annually review and recommend to the Board the composition of subsidiary boards and also recommend directors to fill interim vacancies.
g) Annually assess the performance of the Board, the Chairman, Committees, Committee Chairmen, directors, and the Company Secretary against their defined respective responsibilities and ensure a dynamic feedback system aimed at performance improvement, with particular reference to:
    (i) content of meeting agendas for dealing with critical issues;
    (ii) frequency, timing and duration of meetings for dealing with the Company's business;
    (iii) the timing, sufficiency and appropriateness of information received by directors;
    (iv) the effectiveness of board and committee decision-making;
    (v) the quality of the relationship between the Board and management.
(h) Annually review the adequacy of the Company's corporate governance policies, guidelines and procedures against evolving regulatory requirements and best practices and make recommendations for change to the Board as applicable.
(i) Biennially, review directors' compensation and directors' and officers' liability insurance in line with prevailing industry practices.
(j) Review directors' requests to engage outside advisors at the Company's expense, with respect to matters before the Board or its Committees.
(k) Assess shareholder proposals for inclusion in the Proxy Circular and make appropriate recommendations to the Board.
(l) Review the corporate governance section of the Directors Report distributed to shareholders, including the statement of corporate governance practices and procedures for considering shareholder proposals.
(m) Convene and supervise an annual Board organizational meeting of all directors to review the structure and operation of corporate governance in the Company, including the operation of committees, performance assessment and formulation of the annual schedule of Critical Board Agenda Items.

4.1.2 The President

(a) Supervise the operation of the President by:
  (i) Formulating, in cooperation with the President, an appropriate position description that clearly delineates the role of management separate from the role of the Board.
  (ii) Developing the succession plan for the position of the President, supervising implementation of the succession plan, and recommending to the Board the appointment of the President.
  (iii) Annually reviewing and recommending to the Board the annual goals and other criteria against which the President will be measured. Performance criteria must consider:
    (A) the Balanced Score Card;
    (B) Balancing the short-term against the long term;
    (C) Progress against the Company's long-term strategies;
    (D) Success in balancing the satisfaction rendered to the various stakeholders;
    (E) Creating a culture of compliance and integrity throughout the enterprise.
  (iv) Assessing and measuring the performance of the President against the defined criteria, determining compensation and recommending these outcomes to the Board.

4.1.3 Public Policy

(a) Review policies and programs likely to have a significant impact on the image of the Company.
(b) Monitor public views and opinions regarding their expectations of the Company; provide guidance and counsel to management for aligning Company operation with the public's expectations.
(c) Without limiting the generality of the foregoing, advise the Board on:
  (i) the adequacy of the Company's communications policy, including processes for communicating to, and dealing with communications from shareholders, customers and team members;
  (ii) the development and projection of the Company's corporate image to its key publics;
  (iii) the appropriate integration of public affairs considerations with the operation of the Company;
  (iv) ensuring that Company business is conducted in an ethical and socially responsible way;
  (v) the development of corporate contributions and community involvement policies and programs; and,
  (vi) supporting the work of government and regulators to establish safety and soundness in the industry

4.1.4 Ethical Standards and Conduct

(a) Review and approve any amendments to the Company's Code of Business Conduct and Ethics and ensure such amendment is disclosed externally, that is, to shareholders in accordance with applicable laws or the rules of applicable securities regulators.
(b) Annually review and approve the Company's Code of Business Conduct and Ethics.
(c) Obtain on a regular basis reasonable assurance that the Company has processes to ensure adherence to its standards of business conduct and ethical behavior.
(d) Review and grant any waiver of the Company's Code of Business conduct and Ethics to directors and executive officers as the Committee deems appropriate, ensuring that such waivers are promptly disclosed externally.
(e) Annually review and assess procedures established by the Board to resolve conflicts of interest, including techniques for the identification of potential conflict situations and for restricting the use of confidential information.

4.1.5 Self-Dealing and Disclosure Requirements

(a) Ensure procedures and practices are established by management relating to self-dealing and to insider trades, in accordance with applicable laws and regulatory requirements.
(b) Establish measurement criteria and benchmarks for permitted transactions with related parties of the Company.
(c) Review the practices of the Company to ensure that any transactions with related parties of the Company that may have a material effect on the stability or solvency of the Company are identified.
(d) Approve loans and financial services to directors, officers and team members where these are provided on terms and conditions materially better than those given to preferred clients.

(e) Establish and monitor procedures to provide disclosure of information to customers of the Company as required by law or regulation.
(f) Establish and monitor procedures for dealing with customer complaints; designate one or more management officers to implement the procedures and to receive and deal with complaints.
(g) When requested by the Board, and subject to the laws applicable to a wholly owned subsidiary, perform for and on behalf of the subsidiary all the functions of a conduct review committee of the subsidiary.

5 DIRECTORS' REPORT

5.1 The Committee shall prepare an annual report of its activities for inclusion in the Directors' Report, as may be required by applicable laws or rules of applicable securities regulatory authorities.

6 INDEPENDENT ADVISORS

6.1 The Committee has sole 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.

APPENDIX TO CORPORATE GOVERNANCE AND ETHICS COMMITTEE CHARTER

A 2.3.1 DIRECTOR NOMINATION PROCESS

1 DEFINITIONS

1.1 The definitions contained in the Charter of Corporate Governance and Ethics apply to this Appendix.

2 INTRODUCTION

2.1 The purpose of these Guidelines is to enable the Board, through its Corporate Governance and Ethics Committee, to ensure that at any given time the Board possesses the human skills and expertise necessary to provide entrepreneurial leadership to the Company within its prevailing context of external challenges and strategic imperatives.

2.2 The fundamental principle in director selection is that the director must be recruited on the basis of merit and against objective criteria. New directors must clearly have enough time to devote to the job and must possess the ability and willingness to add value unquestionably to the work of the Board in enhancing Company performance. In other words, director selection must not be driven by considerations of personal, business, political, or any other relationship; only performance matters.

2.3 The appointment of new directors must be a formal, rigorous process and have the kind of transparency that engenders faith in the minds of other directors, management and stakeholders. The process must not only be credible but must also appear credible. This means establishing procedures and creating evidence of a due diligence process for nominating new directors that are objective and sound.

3 NEW DIRECTOR SELECTION PROCESS

3.1 The Board has power to appoint a director to fill a casual vacancy. Directors appointed by the Board in this manner hold office for the unexpired term of their predecessor.

3.2 The Committee should refer first to the Sections entitled "Board Composition" and "Director Independence Policy" in the Corporate Governance Manual for guidance.

3.3 Candidates for new directorships will be assessed against six criteria:

(a) Board Core Competency Requirements
(b) Director Core Competency Requirements
(c) Knowledge and Experience
(d) Representational Factors
(e) Time Commitment
(f) Director Independence

4 IDENTIFICATION OF DIRECTOR SKILLS AND EXPERTISE REQUIREMENTS

4.1 Identify Knowledge and Experience and Representation Priorities

4.1.1 When a director vacancy is to be filled, the Committee must first determine the prevailing needs of the Company in the context of its strategic imperatives, external business drivers and existing talents around the Board table. (For this purpose, the Committee should receive up-front inputs from the Chairman and the President.) These considerations are to be translated in terms of knowledge and experience requirements (or functional expertise)

and representational needs. The Committee must ensure that considerations such as the following drive the determination of new director requirements:

(a) Is the Company in an acquisition mode, which will place emphasis on proven expertise relating to:
  (i) acquisition know-how,
  (ii) corporate financing,
  (iii) securities issuance,
  (iv) new product markets,
  (v) new geographic markets,
  (vi) new regulatory regimes.

(b) Is the Company in a consolidation mode, following a period of expansion, which will require proven expertise in:
  (i) integrating group culture,
  (ii) aligning organization structures and processes,
  (iii) rationalizing operations for cost effectiveness, operational efficiency and customer service,
  (iv) establishing an enterprise-wide corporate brand,
  (v) establishing an enterprise-wide customer service model,
  (vi) rationalizing people management and deployment,
  (vii) aligning and integrating technology infrastructure,
  (viii) implementing a robust internal control infrastructure.

(c) Is the industry undergoing structural change in market alignments, which will require proven experience relating to:
  (i) complementary financial pillars,
  (ii) a regulatory perspective across financial pillars,
  (iii) mergers and acquisitions;

(d) Is the industry subject to a more rigorous level of regulatory scrutiny?

(e) Is the Company losing market share due to a worn-out marketing approach?

(f) Is the Company strategy to invest heavily in technological innovation and upgrade?

(g) Does the Company's business profile or do community expectations necessitate a change in director representation?

4.1.2 The above situations are examples only, but they suffice to illustrate the point that when a new director appointment is contemplated, the individual's expertise must be aligned to the dire needs of the Company at the time. The Committee must have a decided and stated view as to the new director requirements, whether this information is obtained out of Board consensus or Committee deliberations.

4.2 Board Core Competencies

4.2.1 The Committee must be mindful of maintaining an essential mix and balance of talent on the Board to deal with the Company's present and impending challenges. It should therefore proceed as follows:

(a) The Committee must determine the adequacy of current skills around the Board table, guided by the list of "Board Core Competencies" identified in the "Board Composition" guidelines. The Committee must map these skills in a grid such as the following:

KNOWLEDGE AND EXPERIENCE	DIRECTOR					
	1	**2**	**3**	**4**	**5**	**6**
Business management experience at leadership level	X		X		X	
Financial accounting expertise						
Corporate finance expertise		X		X		
International perspective in related business sectors	X					
Information technology expertise		X				
Retail distribution or marketing expertise			X			
Corporate law expertise				X		
Human Resource Expertise						X

(b) Add the "Knowledge and Experience" of the "New Director" to the table if the skills are not already shown to achieve a "pro-forma" situation.

(c) The pro-forma table, including any representational factors, will be recommended by the Committee to the Board for approval and follow-through (see 3.4.4 below).

4.3 <u>Profiling New Director Requirements</u>

4.3.1 The Committee, in consultation with the Chairman and the President, is to develop a New Director Profile of the new director requirements, providing information on:

- Representational factors
- Knowledge and experience
- Core competencies as detailed in "Director Core Competencies" in the Board Composition guidelines
- Time commitment expected
- Independence requirement

4.3.2 If it is the Chairman who is being sought, a full job specification should be developed, including an assessment of the time commitment expected, recognizing the need for availability in the event of crises. An individual will not be considered for the Chairmanship if he/she is also chairman of another listed company or has other distracting time commitments.

4.3.3 The actual wording in the Profile may include expressions such as:

(a) The candidate has demonstrated integrity, high ethical standards and commitment to the values expressed in the Code of Business Conduct and Ethics.

(b) The candidate has sufficient time and energy to devote to the performance of Board duties.

(c) The candidate possesses knowledge and appreciation of public issues and exhibits familiarity with international, as well as national and local affairs.

(d) The candidate has a history of achievements that demonstrates ability to perform at the highest level, and that reflects high standards for themselves and others.

(e) The candidate's background includes business, governmental, professional, non-profit or other experience that is indicative of sound judgment and the ability to provide thoughtful advice.

(f) The candidate is likely to take an independent approach and to provide a balanced perspective.

(g) The candidate is financially literate or has the potential to become financially literate and able to read financial statements and other indices for evaluating corporate performance.

(h) The candidate recognizes the strengths of diversity.

4.4 Board Approval

4.4.1 The Committee must go to the full Board and obtain its approval for:

(a) the New Director Profile, including representation;
(b) the pro-forma Board Core Competencies, with the addition of the new director; and,
(c) whether or not to use a search firm.

5 DIRECTOR SEARCH

5.1 The New Director Profile is the basis on which the search for the new director will be conducted. The search may proceed as follows:

1. The Board may already know a candidate that fits the Profile and this lead should be pursued.
2. Individual directors and management officers are encouraged to propose a candidate well known to them and whose credentials align with the Profile. Such proposal is to be communicated in writing to the Chairman of the Committee, providing as much information as is available and relevant. At the same time, directors and management are not to hold out any promise to anyone that he/she would be given favourable or even serious consideration by the Board.
3. Names submitted by shareholders or investors are to be dealt with in the normal manner of assessment.
4. The Board may engage a firm of external search consultants to find a suitable candidate, in which case, the Committee will forward it the New Director Profile and all proposals received by the Committee. A search firm should be relied on where there are no immediate leads or where the director's requirements are complex, e.g. the Chairman, the Chairman of the Audit Committee.

5.2 A disclosure explanation should be given if neither an external search consultancy nor open advertising has been used in the appointment of a chairman or a non-executive director.

6 CANDIDATE ASSESSMENT

6.1 Use of Search Firm

6.1.1 If a search firm is used, the Committee should stipulate that candidates are not to be contacted in the initial stages and the greatest amount of information is to be gathered, albeit discreetly. The firm is to report on a regular basis and submit no less than three serious and final candidates, pointing out the candidate's strengths and weaknesses, and adding its opinion of director fit with the Profile. This information is to be sent to the Committee Chairman.

6.1.2 The Committee has sole authority to retain and terminate any search firm to be used to identify director candidates, including authority to approve the search firm's fees and other retention terms.

6.2 Committee Search

6.2.1 If a search firm is not recruited, it is the Committee's responsibility to find the new director. It does this by relying on its own resources and on other directors and officers.

6.2.2 The Committee will assess all leads received by it, including recommendations received from a search firm, and shall take responsibility for discreetly gathering additional information to increase its understanding of a candidate's credentials, if such action is necessary.

6.2.3 The Committee must keenly consider candidates qualifications in terms of behavioural competencies, technical skills and representational factors.

6.2.4 When the Committee's deliberations are over and director candidates are identified, the Chairman of the Committee is to meet jointly with the Chairman and the President to discuss the Committee's conclusions and to narrow down the options.

7 CANDIDATE INTERVIEWS

7.1 Adopt a rule of interviewing only candidates with a 75% chance of being accepted through pre-screening. Once agreement has been reached between the Committee, the Chairman and the President on the director candidates, the interview process begins. If a search firm has been retained, it may be asked to conduct interviews with particular candidates, or it may be omitted from any further intervention, depending on the Committee's level of comfort with proceeding independently. The process for going forward should be as follows and adherence is rigid only for the principles involved, not for the specific process, which is to be considered a directional guide:

a. ***Informal contact***, preferably face-to-face say, over lunch or dinner, should be made by the Chairman to feel out the candidate, to promote the Company, and to ascertain if there is mutual interest. If it is the Chairmanship that is being filled, it should be determined at the outset that the individual will be able to commit the necessary time for the job.

b. If, after the initial contact, there is common interest, follow up the meeting with a ***formal letter*** from the Chairman requesting detailed biographical information relating to experience, education, skills and competencies, without committing the Company. In every case, request full information regarding the individual's significant time commitments, with an indication of the time involved.

c. The ***biographical information*** is to be reviewed by the Committee, which forms a judgment on the acceptability of the candidate, both in terms of behavioural competencies and experience. This perspective is shared with the Chairman and President in a joint meeting.

d. If the candidate is acceptable up to this point, he/she is to be invited to a ***formal interview*** with the Chairman, the President, the Committee Chairman, and at least one other Committee member. (Consider including the Corporate Secretary to take notes. The number of interviewers should be kept to a minimum so as not to overwhelm the candidate unreasonably.) The purpose of this face-to-face meeting should be to:
   (i) decide if the candidate is likely to have a serious commitment to the Company and has the personal qualities to add value to Board meetings;
   (ii) follow-up questions arising out of the biographical profile.

   (From the Company's point of view, interviews are best done on a team basis versus one-on-one, as there is the opportunity for team synergy and reinforcement of each other's insights. The candidate, on the other hand, would prefer not to be stressed out with endless one-on-one interviews.).

e. The interviewers must decide among themselves ahead of time what particular ***interview strategy and tactics*** they will adopt, what specific answers are required and what role each interviewer will play. (Remember, the professionalism you convey to the candidate will be under equal scrutiny by him/her and will have a material bearing on whether he/she wishes to join your Board!)

f. In order to explore the candidate's ***personal competencies***, be guided by the Director's Core Competencies requirements and pose questions/situations to reveal the candidate's Boardroom style. Ask, for example:
   - *"What do you consider as the two to three key attributes of an effective director? How do these qualities manifest themselves in the Boardroom?"*

g. Regarding ***director commitment***, consider including the following questions:
   - *"What would you consider to be the biggest challenge facing Boards today?"*
   - *"What attracts you to our Board?"* (Look for answers that deal with the Company's real challenges.)
   - "*Considering the challenges boards face and the specific challenges this company faces, how do you see yourself adding value to Sagicor's Board?"*
   - *"What do you hope to get out of your experience serving on our Board?"* (Look for answers about what he/she can contribute to the Board rather than what he/she can get out of the experience.)

h. The meeting should end without any commitments made to the candidate. The interviewers should meet immediately after the session to ***compare observations/insights*** and reach consensus regarding the candidate's acceptability.

7.2 The principles embodied in the above process have to do with the necessity for:

(a) Identifying director candidates based on their merit and Company needs, and avoiding nepotism and cronyism;
(b) Institutionalizing a consistent Board nomination process;
(c) Acknowledging the proper role and responsibilities as between the Board, the Chairman, the Committee, the Chairman of the Committee and President.
(d) Gradualism in responding to the director candidate to avoid the potential for later embarrassment.

7.3 The Committee should keep in mind that in today's demanding Corporate Governance environment, individuals exercise a whole lot of due diligence prior to accepting Board appointments. The Committee should be prepared that a director candidate may request individual interviews with the President, the Chairman, and the Chairman of the Committee and may also want to examine Board reports and other information prior to accepting an appointment.

8 DUE DILIGENCE

8.1 If, following the interview the candidate is deemed acceptable, the Chairman is to contact the individual to this effect and request permission to proceed with background and reference checks and to request completion of a questionnaire dealing with independence issues along the lines of the Director Independence Policy. The Corporate Secretary will take responsibility for gathering candidate information under the direction of the Committee, which shall identify any particular concerns it may have arising out of the biographical data or otherwise. Standard items to be followed up are:

(i) Security violations
(ii) Police arrests
(iii) Academic credentials (evidence of certificates)
(iv) Job and director experience
(v) Two character and suitability references from a chief executive officer and a chairman or other directors who serve on a Board with the candidate

8.2 It is the Committee's responsibility to perform the due diligence on the director candidate. To the extent necessary, directors within the Group should be canvassed for intelligence they have or can gather on a candidate's character, style and integrity, as this sort of information is difficult to come by through formal means. Any information provided by a search firm in this regard should be corroborated by the Group's own intelligence network. Considering privacy and litigation concerns, do not expect to receive negative feedback in writing; meet face-to-face or use the telephone to communicate with respondents.

8.3 When all the information, including independence and conflict of interest feedback, has been gathered, assessed and reported by the Corporate Secretary to the Committee, the Committee makes a final determination as to the suitability of the candidate.

9 NEW DIRECTOR INVITATION

9.1 If the Committee deems the independence qualifications and biographical information to be in order, and if the other tests have been met, i.e. Board competencies will be enhanced by the addition of this individual to the Board, the candidate meets Board competency requirements for directors, his/her representation is consistent with Company requirements and he/she commits to the time requirements of the role, the Committee is to make a recommendation to the full Board for the admission of the nominee as director for a specified term, no more than three years.

9.2 A letter is to be signed by the Chairman inviting the nominee to be proposed for election as a director. This letter should include the following:

(a) the terms and conditions on which the appointment is being made, including the time commitment expected of the new director;
(b) information regarding the duties of a director in the Company, both legal and performance;
(c) The Company's commitment regarding indemnity and insurance;
(d) director compensation, expense reimbursement and administrative support;
(e) an undertaking to be signed by the nominee that he/she will perform the directorial duties as outlined, that he/she will have sufficient time to meet what is expected of them, and that should his/her other significant commitments change, he/she will inform the Board accordingly.

9.3 After the nominee's signed undertaking has been received and the nominee has been elected or appointed, a welcome letter is to be sent by the Chairman, including all material required for the new director's orientation.

9.4 All documentation relating to this appointment must be properly organized and filed for inspection.

10 RE-ELECTION OF EXISTING DIRECTORS

10.1 Letters of Undertaking

10.1.1 All existing directors are to sign letters of undertaking with the Company.

10.2 Re-election Criteria

10.2.1 The re-election of an existing director to the Board is subject to the following criteria:

(a) The director remains qualified to be a Director under the Company's Bylaws or applicable law.
(b) The director, through a self-assessment process, is not disqualified as a director due to independence concerns or conflict of interest violations.
(c) The director's performance as a director justifies re-election.

10.3 Director Independence and Conflict of Interest

10.3.1 Directors are annually required to assess themselves with respect to their compliance with Company policies relating to director independence and conflict of interest. The Director independence and conflict of interest questionnaire is used for potential, new and existing Directors. Responsibility for getting the assessment done rests with the Chairman of the Committee but the assessment itself is administered by the Corporate Secretary, who also reviews and assesses the feedback, and writes a report to the Committee Chairman, copied to the Chairman and the President, drawing conclusions as to the qualification of each director.

10.4 Performance Evaluation

10.4.1 The performance of each director is evaluated using the Performance Evaluation questionnaire and conclusions are drawn as to the quality of the director's performance relative to responsibilities. This assessment is to be performed at least six months prior to the annual general meeting in order to arrive at a sufficiently early decision as to whether a director will be put up for re-election. Any term beyond six years (e.g. two three-year terms) for a non-executive director must be subject to a particularly rigorous review and should take into account the need for progressive refreshing of the Board.

10.5 Decision to Propose a Director for Re-election

10.5.1 The decision to put up a director for shareholder re-election is made by an ad-hoc sub-committee of the Committee called the Director Evaluation Committee, comprising the Board Chairman, the Chairman of the Committee and the President, with the Corporate Secretary recording minutes. It is the responsibility of the

Director Evaluation Committee to assess a director's eligibility for re-election based on the aggregate of performance evaluation and compliance with independence and conflict of interest requirements. The Director Evaluation Committee will grade each director in terms of his/her eligibility for re-election. Where a decision is made not to support a director for re-election, this will be communicated to the director by the Board Chairman.

11 DIRECTOR SUCCESSION PLANNING

11.1 A roster is to be maintained of the expiration of director's term of duty, highlighting mandatory director retirement due to age and term limits. Further, following the annual director performance assessment, the Director Assessment Committee is required to identify directors, who at the expiration of their terms, will not be retained due to unsatisfactory performance. Such directors should be told as early as possible that they will not be retained beyond a certain date. Consideration should be given to replacing a director on the Corporate Governance Committee as early as possible if that director is being released for non-performance.

11.2 Succession planning for the replacement of specific directors should be done annually by the Director Assessment Committee following identification of directors who shall be replaced. In any event, the search for replacement directors should commence no less than six months before expiration of the term of the departing director.

12 DIRECTOR RESIGNATION

12.1 A director is expected to submit his or her resignation to the Chairman for determination by the Board upon recommendation of the Committee in the following circumstances:

(a) If the director is no longer qualified under the Company's Bylaws or applicable law.
(b) If the director does not meet eligibility rules under the Board's independence and conflict of interest guidelines.
(c) If the credentials underlying the appointment of such director materially change.
(d) If the director's performance as a director is unacceptable.

12.2 If any of these circumstances apply, the Chairman will first discuss the matter with the director and then request the director to submit a letter of resignation.

APPENDIX 2 TO CORPORATE GOVERNANCE AND ETHICS COMMITTEE CHARTER

1. Schedule of Critical Board Agenda Items

1.1 The purpose of this Schedule is to render to the Board and management certainty regarding the focus of the Board in carrying out its duty to supervise the management of the Company and to facilitate proactive planning of the Board Agenda. The Schedule reflects and operationalizes Board responsibilities and is intended to be as permanent as the Board Charter. It is not however, a check- list of every Board activity; it emphasizes business management activities and internal Board governance, while relying on the Corporate Secretarial function to schedule statutory and routine events.

1.2 The items to be included in the Schedule are non-recurring, structural, significant and are not likely to change. The timing of the events is built around the Company's yearend, i.e. closing off one year and planning for the next. For a number of the issues below, the content and process for Board decision-making and review are covered in the section "Processes Relating to Execution of Board Responsibilities".

1.3 The extension of a topic from one quarter to the next does not necessarily mean the matter will require two quarters but that its consideration may commence in the earlier quarter and, in any event, be concluded by the next quarter.

1.4 For the sake of avoiding complexity, no distinction is made between matters dealt with directly by the Board and Committees.

1.5 To avoid bunching Q4 with year-end and next-year issues, some matters which logically would have been aligned to Q4 have been re-assigned to earlier quarters, e.g. Enterprise Risk Profile.

2. Annual Schedule of Critical Board Agenda Items

BOARD ENGAGEMENT	MEETING			
	Q1	Q2	Q3	Q4
STRATEGIC PLANNING AND IMPLEMENTATION				
Review and approve the Company's Strategic Direction and Strategic Plan			x	x
Review and approve the organization structure, subsidiary structure, lines of business and capital allocation, in line with the Strategic Plan.			x	x
Review and approve the Company's capital structure against policy.				x
Review performance against key strategies as per the Strategic Plan.	x	x	x	x
RISK MANAGEMENT				
Review the Enterprise Risk Profile against enterprise risk appetite and policies.			x	
Review performance indicators, as per policy, relating to risk management effectiveness for: Credit Risk, Liquidity Risk, Market Risk, Pricing Risk, Capital Adequacy, and Compliance Risk.	x	x	x	x
Review the Annual Internal Audit Schedule for coverage of critical risk areas consistent with the Enterprise Risk Profile.	x			
Review procedures designed to promote compliance with laws and procedures and setting an ethical tone at the top, as per the Code of Business Conduct and Ethics.		x		
FINANCIAL PLANNING & PERFORMANCE & SHAREHOLDER				
Review and approve the Annual Business and Capital Expenditure Plans				x
Review Quarterly Financial Performance from a business management perspective.	x	x	x	x

Review and approve the firm of external auditors and their annual engagement program.				x
Review the external auditor assessment of the effectiveness of controls relating to accounting, financial reporting and disclosures, according to policy.		x		
Review the external auditor Management Letter				x
Review and approve Annual Report contents and interim financial performance, as per Communications Policy.	x	x	x	x
HUMANRESOURCES				
Review summary results of team member annual satisfaction survey against pre-determinedgoals.			x	
Review summary results of team member annual performance evaluation and cost of performance rewards relative to Budget.		x		
Review performance for the President/CEO and other Designated Officers along pre-determined performance measures and decide compensation.	x			
Review and approve succession and management development plans for the President and CEO and Designated Officers.	x	x	x	x
Review the list of High Potential Officers against pre-determined criteria.		x		
Review and approve the Company's team member compensation (regular and incentive).			x	
BOARDOPERATION				
Review and approve directors' compensation program.				x
Review investor correspondence/feedback to the Board	x	x	x	x
Evaluate performance for the Board, directors, Chairman, and Committees and determine director eligibility for re-nomination.				x
Review management's effectiveness in keeping the Board informed.				x
Recommend director candidates for election by shareholders.	x			
Review Company Secretary effectiveness along predetermined measures.	x			
Ensure directors annually review and sign-off Code of Business Conduct and Ethics.	x			

A.2.4 HUMAN RESOURCE 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) "Committee" means the Human Resource Committee hereinafter referred to;
(c) "Company" means Sagicor Group Jamaica;
(d) "Group" means the Company and its subsidiaries;
(e) "Group Executive Management" means the Executives designated as Group Executives and for the purposes of this Charter excludes the President, who is supervised by the Corporate Governance and Ethics Committee.
(f) "President" means the President and Chief Executive Officer of the Group or the chief executive of the Group however designated.

2 COMMITTEE AND PROCEDURES

2.1 Establishment of Committee

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

2.2 Composition of Committee

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

2.2.2 None of the members of the Committee shall be an officer, team member or affiliate of the Company or its subsidiaries.

2.2.3 All directors shall be independent within the meaning of "independence" as contained in the Company's Independence Policy.

2.3 Appointment of Committee Members

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

2.3.2 Directors in the normal course will serve a minimum of three years.

2.3.3 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.

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 will designate one member of the Committee as the Committee Chair. In the absence of the Chairman the Members present shall choose one of their number to act as Chair. The Committee shall appoint a Secretary who need not be a director.

2.5 Meetings

2.5.1 The Committee shall 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 shall be determined from time to time by the members thereof, provided that:

(a) A quorum for meetings shall be a majority of the members.
(b) A member may participate in a meeting of the Committee by means of any electronic communication facilities that permits 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 shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting.
(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.

2.6 Reporting to the Board

2.6.1 After every meeting the Committee shall report to the Board on matters reviewed by the Committee.

2.6.2 The Committee shall submit a report annually to the Board on the work of the Committee during the year in carrying out its responsibilities.

2.7 Evaluation of Effectiveness and Review of Mandate

2.7.1 The Committee shall annually:

(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 GENERAL SCOPE OF RESPONSIBILITIES AND PURPOSE

3.1 The purpose of the Committee is to advise the Board with respect to:

(a) Compensation policies, programs and plans;
(b) Human resources policies and practices to attain the Company's strategic goals;
(c) Management succession plans for Group Executive Management; and
(d) the Company's pension plans and the pension plans of participating subsidiaries.

4 SPECIFIC RESPONSIBILITIES

4.1 The Committee shall:

4.1.1 General

(a) Review the recruitment of Group Executive Management and their compensation and benefits package.
(b) Report on executive compensation as required in public disclosure documents.

4.1.2 Human Resource Management

(a) Annually, review the Company's Human Resource strategy and manpower plan;
(b) Review the Group's human resources principles, policies and practices, including but not limited to recruitment, compensation, benefits, incentive and share plans.
(c) Review position descriptions for Group Executive Management, including responsibilities and accountabilities.
(d) Review the measures and metrics for assessing Group Executive Management performance.
(e) Review the process for identifying high potential officers within the human resource base and the programs for developing and placing these officers.
(f) Review at least annually, succession and leadership plans for all Group Executive Management, including specific development plans and career planning for potential successors.

4.1.3 Remuneration

(a) Annually review remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, executive stock options plans and grants, and benefit plan philosophy, giving due consideration to the potential for some incentive programs to put the Company at longer term risk;
(b) Review and recommend to the Board various compensation and benefits budgets.
(c) Annually review compensation arrangements for Group Executive Management and the President.

4.1.4 Recruitment

(a) Review the process for recruiting Group Executive Management.
(b) Participate in the process of recruiting Group Executive Management and review their compensation and benefits package prior to any offers made.

4.1.5 Performance Evaluation

(a) Review the President's performance assessment of Group Executive Management and his recommendation for compensation increases, taking into account such Management's demonstration of leadership and entrepreneurial qualities and the propensity for balancing short and long-term objectives and the needs of the Company's stakeholders.
(b) Review the list of identified high potential officers and their development and succession plans.
(c) Annually, review the aggregate performance of the Company's human resource base.
(d) Annually, review the team member satisfaction survey.

4.1.6 Pension Management

(a) Review and recommend to the Board the funding and approve the asset investment strategy for the Company's pension plan.
(b) Annually review pension plan performance and the funded status of the plans.
(c) Review any material changes to the Company's pension plans which require the approval of the Board.

(d) Review annual reports from Management on compliance with applicable legislation relating to the Company's pension plans, including confirmation that actuarial valuations are completed no less frequently than as required by law.

5 DIRECTORS' REPORT

5.1 The Committee shall prepare an annual report of its activities for inclusion in the Directors' Report, as may be required by applicable laws or rules of applicable securities regulatory authorities.

6 INDEPENDENT ADVISORS

6.1 The Committee has sole 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.

ATTENDEES:

Members of the Committee

Group Head of Human Resources
Group – CFO
Group Corporate Secretary
Pension Actuary (as required)

APPENDIX 3 - Management Independent Oversight Positions

A.3.1 GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER

Basic Purpose:

Responsible for operational management of the Sagicor Group, with full accountability for achieving competitive results consistent with enterprise strategies for short and long-term growth and profitability and for meeting stakeholders' expectations.

Primary Responsibilities:

1. Develop for Board approval, strategic direction and positioning to ensure SGJ's profitable growth and success and develop financial and operating plans to meet goals and objectives as agreed with the Board.
2. Manage SGJ within an integrated Enterprise Risk Management framework, ensuring appropriate risk diversification, while remaining fully responsible for the quality of assets and overall Group risk profile.
3. Develop and motivate Group Executive members, set goals, delegate authority and responsibility for individual tasks and strategic initiatives, and provide overall management to ensure the leadership team is effective.
4. Develop the Company's organizational structure, including subsidiary relationships, to maximize productivity, regulatory/legal compliance and tax-effectiveness.
5. Establish a performance-driven culture, maintain a high level of team member morale and motivation, and ensure adequate systems of people, structure, technology, policies and processes to facilitate cost-effective output.
6. Run day-to-day operations of the Company, including oversight of large business transactions, capital management, financial management, new market entry, planning and executing business acquisitions and divestitures, and monitoring business performance.
7. Foster a climate of customer focus; maintain client contact and set the tone for effective business development and retention by leveraging the Group's capability for cross-selling.
8. Lead a robust performance management system for encouraging and rewarding right behaviours and ensure succession plans are in place to provide the continuity of leadership required by SGJ for the future.
9. Serve as the chief spokesperson for the Group, communicating effectively with the financial and investment community, customers, shareholders and other key publics.
10. Act as a final decision-maker as per the Board's Delegation of Authority and ensure operations are conducted in full compliance with laws, regulations and SGJ's Code of Business Conduct and Ethics.
11. Ensure that the system of internal controls is continually assessed for operating effectiveness.
12. Work closely with the Chairman of the Board to ensure that the Board is kept appropriately informed of the overall business operations and major issues facing the Company, that the focus of Board Meetings is on the right issues, and information is available in a timely and effective manner. Additionally, the President and CEO is to ensure that the best advice and counsel are drawn from Board members during meetings and as required throughout the year.

Reporting:

The President and CEO reports directly to the Board and to its Chairman, representing the collective Board.

Position Requirements:

Behavioural Skills

1. Strategic mindset to discern emerging business shifts and implications for Company adaptation;
2. Operational sense to translate vision and strategic intentions into concrete objectives and plans;
3. Performance-driven and high entrepreneurial drive for growing the Company profitably;
4. Strong sense of order, with time, energy and resources focused on the most important priorities;
5. Leadership skills to motivate subordinates towards the incumbent's vision for the Company;
6. Invests in people development and placement for long-term sustainability;
7. High ethical standards and a strong sense of social responsibility and social conscience;
8. Effective interpersonal style and comfortable with external representation;

Knowledge and Experience

1. Sound understanding of risk management applicable to life insurance companies.
2. Minimum ten years of wide functional business management experience at an entrepreneurial level;
3. Five to seven years specific functional expertise in finance, accounting, financial markets, marketing, or related risk management.

A.3.2 **GROUP CHIEF FINANCIAL OFFICER**

Basic Purpose:

Provide financial leadership to the Sagicor Group for achieving and sustaining balanced growth and profitability underpinned by financial soundness and stakeholder satisfaction.

Primary Responsibilities:

1. Develop and administer the policies and operating framework for ensuring integrated and uniform finance and financial management functions across the Sagicor Group.
2. Generally, apply a risk-based approach to financial management, consistent with the Company's ERM policy.
3. Develop and administer the capital management strategy for the Group, including the Company dividend policy.
4. Influence Group organization structure and operation through consistent application of capital management and tax-planning strategies.
5. Oversee asset-liability and investment management strategies and practices across the Group for optimizing risk-return, liquidity and financial stability.
6. Oversee actuarial risk management practices across the Group to ensure consistency and reliability.
7. Develop and administer policies and strategies for optimizing the use of capital through economic risk-based allocation across the Group's business units.
8. Provide input into the Group's Strategic Plan for planning its long-term financial objectives.
9. Establish and administer an economic and risk-based transfer-pricing regime within the Group to foster a culture of performance and accountability.
10. Establish and oversee the application of internationally accepted accounting principles and procedures throughout the Group.
11. Establish and maintain throughout the Group a risk-based and regulatory-compliant system of internal controls for ensuring financial accounting accuracy, consistency, completeness and timeliness of reporting and for prevention of internal fraud.
12. Lead the Group in the development and maintenance of management information systems, processes and people skills for ensuring accurate, consistent and timely financial information across the Group.
13. Lead the Group's business acquisition evaluation and related financing initiatives.
14. Develop and supervise consolidated standards and practices for raising debt and equity capital and bank credit.
15. Develop the Group's consolidated rolling three-year financial budget, including the capital plan, in line with Group Strategic plans and programs.
16. Evaluate and report risk-weighted financial performance of subsidiaries and operating divisions to Senior Management and the Board.
17. Evaluate the Group's periodic financial performance relative to an industry peer group and report to Senior Management and the Board.
18. Develop and ensure application of a risk-based model for evaluating capital expenditure projects.
19. Ensure financial accounting disclosures are consistent with regulatory requirements in terms of scope, completeness and accuracy, and that disclosures are governed by a system of internal controls for achieving these objectives.
20. Propose accountability criteria for operating subsidiary/divisional financial performance and provide input into senior management performance evaluation.
21. Annually obtain an independent assessment of the effectiveness of the system of internal financial controls throughout the Group and report to Senior Management and the Audit Committee.
22. Cooperate with the firm of external auditors to implement an appropriate system of internal financial controls and for planning and conducting their annual examination of accounts.
23. Represent the Company as required to shareholders, investors, regulators, financial analysts, and the general public.
24. Ensure the timeliness and integrity of financial information provided to the Board and act as the chief advisor to the Audit Committee.
25. Continually update Company financial management practices in response to regulatory, industry, and legal requirements and to peer-group best practices.

Reporting:

The position incumbent reports to the Group President and CEO.

Hiring and Removal:

The board participates in the hiring and removal decisions.

A.3.3 **GROUP CHIEF RISK OFFICER**

Basic Purpose:

To establish and maintain an enterprise risk management discipline for measuring, monitoring and evaluating risks on a Group-wide basis for the purpose of ensuring sustainable financial stability and profitability.

Primary Responsibilities:

1. Develop and administer a Group policy for dealing with the management of risk across the enterprise.
2. Articulate and keep current Group risk appetite consistent with corporate strategy for the Group as a whole and for key products, businesses and geographies.
3. Lead enterprise effort for fostering a strong risk management consciousness and culture within the Group.
4. Implement and administer Group systems, structures and processes for identifying, measuring, monitoring, evaluating, and reporting risk and risk exposure both on a transaction and portfolio (concentration) basis, employing appropriate technology as required.
5. Lead in the development of risk policies and ensure application of tolerances and limits as required.
6. Review and approve pricing models and valuation systems used by front and back-office personnel.
7. In cooperation with Group Chief Financial Officer, establish the basis for economic capital allocation among products (business lines) and key risk components, and develop business-unit risk-adjusted return targets.
8. Establish a system of country risk ratings and Group-wide allocation of country risk limits.
9. Lead in the development of and oversee the system for managing key operational risks (e.g. business continuity, money laundering).
10. Implement and monitor a system of delegation of risk approval authorities and the risk approval process across the Group.
11. Review risk transactions within his/her authority and recommend, as the case may be, to the Risk Committee.
12. Review and sign-off material capital expenditure proposals to ensure alignment with the Company's risk appetite and qualification of the undertaking from a risk assessment perspective.
13. Review and sign-off new product offerings to ensure risks are fully considered and managed.
14. Review requests for exception to risk policy and recommend, as the case may be, to the Risk Committee.
15. Review Group risk exposures on a timely, objective and independent or verifiable basis and keep top management and the Board timely informed of material risk exposure deficiencies.
16. Cooperate with Group Chief Internal Auditor for developing the annual Audit Schedule with its focus on risk prioritization.
17. Play an active role in facilitating correction of control deficiencies relating to risk management as reported by Internal Audit.
18. Implement a system of risk and control self-assessments in key locations within the Group.
19. Update the Board annually with a profile of the Group's significant inherent risks and internal control effectiveness.
20. Establish standards for ensuring directors receive adequate continuing education regarding Company risks.
21. Participate in hiring/placement decisions relating to key risk management positions within the Group.
22. Oversee the training program relating to the ongoing education of risk managers across the Group.
23. Ensure compliance with regulatory risk relating to risk management requirements.
24. Keep up to date with evolving risk management techniques, technology and regulatory requirements.

Reporting:

Reports to the President and Chief Executive Officer.

Hiring and Removal:

The board participates in hiring and may recommend removal.

A.3.4 GROUP CHIEF INTERNAL AUDITOR

Basic Purpose:

Assist Sagicor Group in achieving its operating objectives by ensuring a dynamic system of internal control evaluation and feedback to management for improving control effectiveness and risk management.

Primary Responsibilities:

1. Develop and administer a policy for governing the internal audit function and the internal control framework across the Group.
2. In cooperation with Group Chief Risk Officer, provide leadership in fostering development of a strong risk management culture and consciousness within the Group.
3. Develop and lead implementation of an operating infrastructure aligning subsidiary and Group Office internal audit capability, including authorities, responsibilities and reporting.
4. Facilitate implementation of a model-based internal control framework throughout the Group
5. Establish, as far as practicable, common internal audit practices and methodologies across the Group.
6. Collaborate with Group Chief Risk Officer in identifying the Company's principal inherent risks and audit universe and in prioritizing audit engagements in the Group Annual Audit Schedule by risk impact.
7. Annually present to and obtain approval from Group Audit Committee for a rolling three-year Audit Schedule covering engagements across the Group aimed at material financial, operational and compliance controls and risk management systems.
8. Plan and execute audit engagements on a risk-process basis versus entity or location-specific criteria, utilizing a functionally integrated audit approach where applicable.
9. Coach and counsel management as required, in identifying their risks, investigating their concerns, assisting them in developing control solutions, participating in special assignments, conducting reviews, etc.
10. Communicate the results of each audit engagement to management in succinct, constructive and value-added reporting.
11. Maintain a tracking system of uncorrected material control deficiencies.
12. Inform senior management and the Audit Committee each quarter with a succinct, constructive and value-added summary of audit engagements, emphasizing control patterns and uncorrected material control deficiencies.
13. Prepare an annual internal control evaluation report for the Audit Committee to satisfy annual disclosure requirements.
14. Coordinate work with the Company's external auditors to ensure adequate internal audit coverage and to minimize duplicate efforts.
15. Ensure internal audit team members receive adequate training and development for their short-term effectiveness and longer-term advancement.
16. Generally, conduct the internal audit function with a high degree of independence, objectivity and professionalism to earn the respect of management, the Board, regulators, and the external auditors.
17. Continually upgrade audit techniques in line with evolving best practices and use of technology.
18. Subject the Internal Audit function to an externally conducted Quality Program Assessment every two years to judge the function's effectiveness; provide report to the Audit Committee.
19. Obtain the Audit Committee's approval for the Charter of the Internal Audit function.

Reporting:

Reports to the Audit Committee functionally and to the President and CEO administratively.

Hiring and Removal:

The hiring decision is made by the Audit Committee, which alone can fire the incumbent.

A.3.5 **GROUP COMPLIANCE OFFICER**

Basic Purpose:

Responsible for establishing and administering a Group-wide framework of regulatory risk management controls that is integrated, holistic, and sustainable, and compliance with the Company's Code of Business Conduct and Ethics.

Primary Responsibilities:

1. Develop and administer Group-wide policy and procedures for managing regulatory risk, consistent with regulatory requirements and industry standards.
2. Provide leadership in fostering development of a strong compliance culture and consciousness within the Group.
3. Develop and lead implementation of an operating infrastructure aligning subsidiaries and Group Office compliance management, including authorities, responsibilities and reporting, and approved by the Board.
4. Develop a methodology to identify, assess, prioritize, communicate and update applicable high risk regulatory requirements.
5. Establish, as far as practicable, common practices and methodologies for managing regulatory risk across the Group.
6. Gather and disseminate best practice guidance to subsidiaries for managing regulatory risk.
7. Establish with the Group Chief Internal Auditor the annual program for examining control effectiveness relating to regulatory risk Group-wide.
8. Annually present to Group Audit Committee the compliance management plan for managing regulatory risk over a rolling three-year term.
9. Oversee the implementation and monitoring of the day-to-day compliance controls within Sagicor's subsidiaries, businesses, functions and Group Office and ensure that appropriate policies and procedures are in place;
10. Maintain a tracking system of uncorrected material compliance deficiencies throughout the Group, identify trends and follow-up for correction, providing guidance and counsel as required.
11. Inform senior management and the Audit Committee each quarter about material compliance management framework weaknesses, instances of non-compliance and related remedial action plans, and material exposures to regulatory risk. Information about significant legislative and regulatory developments, industry compliance issues, emerging trends and regulatory risks should also be considered for inclusion, as it may assist the Board in its decision making about strategic direction and controls.
12. Provide the Audit Committee with an annual summary compliance evaluation report to satisfy annual disclosure requirements.
13. Establish hiring criteria for compliance personnel and provide input into hiring decisions across the Group.
14. Establish training and development standards for compliance personnel and monitor implementation.
15. Ensure the compliance function across the Group is managed with a high degree of independence, objectivity and professionalism to earn the respect of management, the Board and regulators.
16. Annually review and update as required, the compliance management policy, procedures and infrastructure to address new and changing regulatory risks, products, activities and corporate structure;
17. Operates as the point of administrative ownership for the Code of Business Conduct and Ethics, ensuring communication, training and updating of the document.
18. Act as the focal point for receiving and investigating "whistleblowing" allegations and for reporting suspicions/concerns and wrong doings to the Audit Committee.

Reporting:

Reports to Group Chief Risk Officer.

Hiring and Removal:

The Audit Committee participates in the hiring decision and may recommend removal.

A.3.6 **GROUP CORPORATE SECRETARY**

Basic Purpose:

Responsible for providing: Group Board with advice and counsel on governance matters and with administrative support for conducting its business efficiently and effectively and establishing and overseeing a Group-wide discipline for the Company Secretary function.

Primary Responsibilities:

1. Develop and administer Group-wide policy and framework for managing the Company Secretary function.
2. Provide leadership in fostering a strong governance culture and consciousness within the Group.
3. Ensure that subsidiary-Group governance relations comply with statutory law, while facilitating optimum Group oversight in keeping with regulatory guidance and good business sense.
4. Provide ongoing guidance, counselling and support as required to subsidiary Company Secretary functions.
5. Provides input into the performance evaluation of subsidiary Company Secretaries.
6. Ensure the smooth running of Group Board and its committees, e.g. preparing papers for and presenting papers to the meetings.
7. Assist the Chairman of Group Board with preparing for, conducting and reporting the outcome of Board meetings and general meetings of the company.
8. Ensure that pre-board meeting materials are sufficient and concise enough to adequately describe all the issues, but not so voluminous that the directors are not able to read or digest the materials.
9. Originate the Board meeting agenda and coordinate its finalization between the Chairman, the Committee heads, and the President and CEO.
10. Keep under review all legal and regulatory developments affecting company operations, and make sure directors are properly briefed about them.
11. Ensure that the interests of stakeholders are borne in mind when important business decisions are made, particularly those affecting team members. Keep in touch with the debate on corporate social responsibility and advise the Board about its policies and practice with regard to same.
12. Act as a confidential sounding board to Group Chairman and other directors on matters that concern them, taking a lead in dealing with difficult interpersonal issues, e.g. when a director is removed from the Board.
13. Act as a primary point of contact and source of advice and guidance for directors with regard to the company and its activities, in order to help them in their decision-making process.
14. Act as the 'conscience of the company, by providing an additional enquiring voice re Board decisions.
15. Ensure compliance with the obligations of the UK Listing Rules either by complying with the provisions of the Combined Code or ensuring the Board of directors provides satisfactory reasons for non-compliance.
16. Ensure disclosures required by the UK Combined Code are observed, if applicable.
17. Ensure the dissemination of regulatory news announcements to the stock market, such as trading statements and information about share dealings by directors, if applicable.
18. Manage relations with particular institutional investors with regard to corporate governance matters.
19. Induct new Board directors and identify and schedule ongoing training requirements.
20. Ensure the company does not put out misleading information about its financial performance or trading condition.
21. Ensure compliance with corporate, statutory and securities requirements to file returns.
22. Arrange and manage the process of calling and holding the Annual General Meeting and advising on matters to be raised at the meeting and put to the shareholders to vote.

Reporting:

Reports to Group Board through the Chairman, except for executive responsibilities on top of the 'core role', in which case the Secretary reports to Group President and CEO.

Hiring and Removal

Group Board approves the appointment and decides removal.

APPENDIX 4 - DIRECTOR PERFORMANCE EVALUATION

A.4.1 EVALUATION QUESTIONNAIRE

SAGICOR FINANCIAL GROUP

CORPORATE GOVERNANCE - PERFORMANCE EVALUATION

INTRODUCTION

This survey is a mandatory feature of corporate governance. Its purpose is to assess effectiveness of the system of corporate governance for the purpose of identifying opportunities for improvements. Sagicor has identified an extensive system of corporate governance structures and processes, which are documented in its Corporate Governance Manual. This policy document contains standards of behaviour for directors and management and performance evaluation is based on these standards.

The focus of inquiry in the questionnaire is on improvement, as distinct from ascertaining deficiency, ineffectiveness, or dissatisfaction, thus encouraging us to think positively and constructively. While brevity is a survey objective, getting to the key concerns is also important and to accomplish both, references are included in the questionnaire to the CG Manual to facilitate a fuller grasp of the underlying questions. (It is expected that respondents will familiarize themselves with the relevant sections prior to answering the questions.)

INSTRUCTIONS

For each question in the questionnaire, please insert from the following scale the number which best represents your response to the lead-in question: "How much improvement would you like to see with respect to:" ....

Scale:

1. = No Improvement
2. = cosmetic improvements
3. = some improvement required
4. = significant improvement required
5. = complete make-over or new process/system required.

Your written comments are also welcome! Please append if desirable.

A. The Collective Board –Structure and Composition *[Board Composition]*	
How much improvement would you like to see with respect to:	**Rating**
The size of the Board?	
Increasing the number of directors who are executives?	
The types of Committees formed and their allocated responsibilities?	
Broadening the breadth and depth of Core Competencies on the Board?	
More representation of particular interests on the Board?	
The director nomination process?	
Limiting the number of other directorships Sagicor directors can hold?	

Increasing Board Reserved Powers?	
The process of deciding membership to and leadership of Committees?	
The independence of Committees from management?	
The development of corporate governance policy, structures and processes.	

B. Chairman of the Board - Board Focus *[Board Charter; Role of the Chairman]*	
How much improvement would you like to see with respect to:	**Rating**
Clearer roles between Board and Management in the practice of corporate governance?	
The focus of board agenda on the Company's critical issues?	
Board supervision over formulation of the Strategic Plan?	
Discussion of environmental drivers - industry, competition, regulators, markets, etc?	
Board supervision of Enterprise Risk Management?	
Board supervision of Communications and Public Disclosure practices?	
Board supervision of Internal Controls management?	
Board involvement in developing the annual business plan and the capital budget?	
Directors' involvement in succession planning?	
Attention given to assessing company performance against plans?	
Assessing company performance against applicable external indicators?	
Assessing company performance in balanced scorecard terms?	
Increasing directors' awareness of the financial performance of operating entities?	
Increasing board supervision of operating subsidiaries?	
Time spent in looking ahead to plan growth and prosperity versus looking back?	
Formulation of policy to support critical areas of business management?	
The effectiveness of committee work as communicated through full board meetings?	
Attentiveness to shareholder and investor views and relations?	

C. Chairman - Boardroom Dynamics and Director Education		
(Answer the questions for both the Committee you sit on and for the Board)	**Rating**	
How much improvement would you like to see with respect to the Chairman:	**Your Committee**	**Board**
Communicating the meeting agenda and supporting material in a timely fashion?		
Fostering a climate of constructive debate and challenge in meetings?		
Seeking consensus in decision-making?		
Seeking outside expertise or other resources for information to support decision-making?		
Focusing discussion on policy/strategy versus transaction/administration?		
Arriving at decisions with sufficient time allocated for discussion and debate?		
Fostering teamwork and encouraging active director participation in meetings?		
Overseeing and expediting new director induction?		
Overseeing and directing ongoing education and development for directors?		
Evaluating corporate governance performance?		
Communicating performance evaluation feedback?		

D. President and CEO *[Position Description; Role of Management]*	
How much improvement would you like to see with respect to the President & CEO:	**Rating**
Keeping the board fully informed of overall business operations and major issues facing Company?	
Providing the Board with opportunity to participate meaningfully in critical decision-making?	
Ensuring directors are provided with sufficient information to participate in critical decision-making?	
Encouraging open discussion and constructive dissent on management issues presented to Board?	
Contributing towards setting high-priority and pro-active Board agendas?	
Overseeing management's support for the director induction and ongoing education program?	

E. Directors *[Board Charter; Role of the Director]*		
(Answer the questions based on both Board and Committee experience.)	**Rating**	
How much improvement would you like to see with respect to Directors':	***Other Directors***	***Myself***
1. Understanding of the Company's:		
Vision and Mission?		
Business lines and products?		
Susceptibility to external environmental forces?		
Core Strategy?		
Organization structure?		
Key inherent risks?		
Key regulatory issues?		
Key sources of revenue and profits?		
Financial stability?		
Effectiveness of financial controls?		
Effectiveness of risk management controls?		
Understanding of the Company's Corporate Governance policy?		
Attendance at meetings?		
Preparedness to discuss agenda items to be taken up in meetings?		
Diligence in reviewing materials presented for consideration at meetings?		
Willingness to facilitate dialogue and foster open communication at meetings?		
Expression of thoughtful concerns or opinions on issues facing the board?		
Exercise of sound judgment in decision-making?		
Constructively challenging management and other directors and offering ideas?		
Willingness to ask questions to clarify understanding of matters presented?		
Tendency to dominate discussions?		
Keeping current on areas and issues relevant to the Company?		
Willingness to maintain a position contrary to that of the majority of other directors?		
Taking decisions objectively and in the best interests of the Company?		
Adherence to board policies?		
Adherence to the Company's Code of Business Conduct and Ethics?		
Understanding and respecting the line separating governance and management?		
Paying close attention to the accuracy and completeness of minutes?		
Understanding and respecting directors' fiduciary duty and duty of care?		
Understanding the rules relating to directors' liability?		

F. Management (excluding the President/CEO and Corporate Secretary) *[Role of Management]*	
How much improvement would you like to see with respect to Management's:	**Rating**
Timeliness in giving information to directors for board/committee review?	
Quality of information for facilitating director insights and grasp of root issues?	
Presentation of information for enabling directors to fully grasp key issues with ease?	
Ongoing efforts to educate the board in the way information is presented?	
Understanding and respecting the role of the board?	
Overall responsiveness to directors' information needs and requests?	

G. Corporate Secretary *[Position Description; Role of the Corporate Secretary]*	
How much improvement would you like to see with respect to the Corporate Secretary's:	**Rating**
Coordination of board and committee agendas between the parties involved?	
Provision of sufficient information to support agenda items?	
Delivery of meeting agenda and supporting material to directors on a timely basis?	
Provision of board and committee minutes on a timely basis?	
Documentation of meeting minutes in an accurate and complete fashion?	
Keeping directors informed about emerging and relevant governance issues?	
Administration of the corporate governance function in SGJ?	
Oversight and supervision of the corporate governance function across the Group?	
Management of the director induction and ongoing education program?	
Responsiveness to directors' information needs and requests?	

APPENDIX 5 - DIRECTOR NOMINATION

A.5.1 DIRECTOR AND OFFICER INDEPENDENCE AND CONFLICT OF INTEREST QUESTIONNAIRE

The questionnaire is distributed to all Directors, nominee Directors and Executive Officers of the Sagicor Group for the purpose of soliciting information that will be reviewed for Director independence and Directors' and Officers' compliance with the Company's conflict of interest policy, and to assist in making disclosures in the Company's annual report to Shareholders, if required.

(i) Please answer all questions (as they relate to officers and directors respectively), and provide full, accurate and factual responses to each question.

(ii) Answer as of the date of this questionnaire but if you anticipate your responses will materially change by December 31 (Company year-end), please explain.

(iii) For definitions relating to terms used in this questionnaire, please refer to the Appendix extracted from the Corporate Governance Manual (Section 4.1.4.3).

(iv) Kindly return this questionnaire signed and dated to the Corporate Secretary within 14 days of its receipt.

A. Identification

Please provide the following information:

Full Name: _____

Director:_____Yes Officer: (Title) _____

Home Address: _____

Date of Birth: _____

B. Director Independence

1. Were you or an immediate family member a team member or officer in the Company within the last five years?

No:____Yes (Explain): _____

_____

2 Do you participate in the Company's share option or performance-related pay scheme or are you a member of the Company's pension scheme?

No:____Yes (Explain): _____

_____

3 Do you or your spouse have a significant interest in a class of the Company's shares?

*No:*____ *Yes (Explain):* _____

_____

4 Are you or an immediate family member a current partner or team member with a firm that is the internal or external auditor for the Company, or were a team member or partner with such a firm over the past three years and personally worked on the Company's audit within that time?

*No:*____ *Yes (Explain):* _____

_____

5 Are you a director or executive, or is a member of your immediate family an executive, of a company that makes to or receives payments from the Company for services which, in any single fiscal year, exceeds the greater of US $0.5 million, or 2% of such other company's consolidated gross revenues, within the last three consecutive years?

*No:*____ *Yes (Explain):* _____

_____

6 Are you controlling director, or do you have an investment equal or greater than 15% of your net worth, or are you an officer or have a similar position, or do you exercise a material influence, on the management of an entity in which the Company owns 5% or more of any class of equity securities?

*No:*____ *Yes (Explain):* _____

_____

7 Are you a director of a company on whose board one or more Company directors sit?

*No:*____ *Yes (Explain):* _____

_____

8 Do you have significant links with other Company directors by virtue of involvement in other companies or bodies?

*No:*____ *Yes (Explain):* _____

_____

9 Please list all your business affiliations in Appendix 1.

C. Legal and Regulatory Standing

10 Have any of the following events occurred with you during the past five years?

(a) Were you a director, officer, partner or owner of a company that filed a petition under bankruptcy or insolvency laws?

*No:*_____ *Yes (Explain):* _____

_____

(b) Were you, in any capacity, convicted in any criminal proceeding or are you now the subject of any current criminal proceeding?

*No:*_____ *Yes (Explain):* _____

_____

(c) Have you, in any capacity, been found guilty by the courts or reprimanded by securities regulators for violating laws or regulations relating to securities issuance, promotion or trading?

*No:*_____ *Yes (Explain):* _____

_____

11 Are you aware of any situations, whether or not they are actual or pending legal proceedings, in which either you or any of your associates or family members is a party in an adverse relationship to the Company or any of its subsidiaries?

*No:*_____ *Yes (Explain):* _____

_____

D. Share Ownership and Dealing

12 Have you fully and promptly declared the number of shares for which you may be beneficial owner relating to the following situations:

(a) Shares owned solely by you, including those held in a nominee account/street name?

(b) Shares owned jointly with or by your spouse, your minor children and relatives of yours or your spouse (including adult children) living in your house?

(c) Shares owned by you as a trustee, executor or administrator of an estate, custodian for a minor or in similar fiduciary capacity?

(d) Shares owned of record by others (e.g. partnership or corporations) over which you share voting or investment power?

(e) Shares which you have a right to acquire within 60 days (including through the exercise of stock options)?

*No:*____ *Yes (Explain):* _____

_____

13 Are you aware of any informal or formal arrangements, including any pledge of securities, which could result in a change in control of the Company?

*No:*____ *Yes (Explain):* _____

_____

14 During the most recent fiscal year, have you reported all transactions in the Company's securities beneficially owned by you and required to be reported by you?

*No:*____ *Yes (Explain):* _____

_____

E. Compensation

15 During the Company's past fiscal year, did you or any member of your family receive any perquisites or personal benefits directly or indirectly from the Company or any of its subsidiaries?

*No:*____ *Yes (Explain):* _____

_____

16 During the Company's past fiscal year, did any supplier, customer or other third party with whom the Company or any of its subsidiaries does business (including banks, attorneys and accountants) provide you or any member of your family with any perquisites or personal benefits?

*No:*____ *Yes (Explain):* _____

_____

17 During the Company's fiscal year, did you receive any compensation from a third party under an arrangement between such third party and the Company or any of its subsidiaries?

*No:*____ *Yes (Explain):* _____

_____

18 During the Company's fiscal year, did you receive any compensation from the Company or any of its subsidiaries in any capacity other than as director?

*No:*____ *Yes (Explain):* _____

_____

F. Specific Transactions and Relationships

19 Since the beginning of the Company's last fiscal year, and excluding any regularly approved mortgage loans, have you or any member of your immediate family had a direct or indirect material interest in any transaction or series of similar transactions or any currently proposed transaction, involving the Company or any of its subsidiaries in which the amount involved exceeds US $1.0 million.

*No:*____ *Yes (State the nature of your interest in the transaction and the amount of the transaction):* _____

_____

_____

20 Since the beginning of the last fiscal year, and excluding any regularly approved mortgage loans, have you or any member of your immediate family or any of your associates been indebted to the Company or any of its subsidiaries in an amount exceeding US $1.0 million.

No:_____. Yes (State:
(i) the identity of the indebted person and such person's relationship to you,
(ii) the largest aggregate indebtedness outstanding at any time during the period,
(iii) the nature of the indebtedness and of the transaction in which it was incurred,
(iv) the amount thereof outstanding as of the latest practicable date, and
(v) the rate of interest paid or charged thereon).

_____

_____

_____

21 Are you a member of, or of counsel to a law firm which the Company or any of its subsidiaries has retained during the last fiscal year or which the Company or one or more of its subsidiaries proposes to retain in the current fiscal year?

No:_____Yes (Indicate whether the fees paid to your law firm by the Company and its subsidiaries exceed five percent of that firm's gross revenues for its last fiscal year.)

_____

22 Are you a director, partner, officer or team member of any investment banking firm, which has performed services for the Company or one or more of its subsidiaries during the last fiscal year or which the Company or any of its subsidiaries proposes to employ in the current fiscal year?

No:_____Yes (Indicate whether the fees paid to your investment banking firm by the Company and its subsidiaries exceed 5% of that firm's consolidated gross revenues for its last fiscal year. _____

_____

23 At any time during the prior fiscal year, have you served as (i) a member of the compensation committee of another entity, or a board or other committee performing equivalent functions (ii) a member of the board of directors of a company that has no compensation committee or any other committee performing equivalent functions?

No:_____Yes (List the name of the company and provide all relevant details.) _____

_____

24 At any time during the prior fiscal year, have you served as director of the Company?

No:_____Yes (List the name of the company and provide all relevant details.) _____

_____

G. Other Information

25 Is there any other fact, incident, event, circumstance, condition or situation not covered elsewhere herein which relates to you and which may be considered material in describing your background and your current and future relationship with the Company and its subsidiaries?

No:____Yes (Explain): _____

_____

H. In addition to the affirmations above, I also make the following assertions:

		Yes	No
1	I have read the Sagicor Code of Business Conduct and Ethics ("Code").		
2	I have been given an orientation on key aspects of the Code.		
3	I fully understand my ethical duties as explained in the Code.		
4	I fully understand my "Duty to the Corporationn", including the "Conflicts of Interest" guidelines, as detailed in the Code.		
5	I am at this time in full compliance with the Code		
	If you answered "No" to the above, please list below your situations of non-compliance: _____ _____		
6	I have disclosed my (potential) conflict situations above.		
	If you answered "No", please explain below. _____ _____		
7	I commit to promptly report any non-compliance with the Code, whether my own or that of any other Director or Officer.		

I. Signature

I certify that the information set forth herein, including Appendix 1 with my business affiliations, is true and correct to the best of my knowledge and belief. I undertake to advise the Company of changes, if any, relating to the items in this Questionnaire as soon as they occur.

_____ _____

Signature Date

Appendix A - BUSINESS AFFILIATIONS

List all organizations (companies, partnerships, societies, trust corporations, or other business undertakings) in which you are presently a director, partner, trustee, team member, controlling shareholder, owner, or otherwise involved in the management of.

1	**Name of Organization:**	
	Countries where Organization carries on Business:	
	Type of Business:	
	Position Held:	
	Date Interest Commenced:	
	Date Interest Ceased:	
2	**Name of Organization:**	
	Countries where Organization carries on Business:	
	Type of Business:	
	Position Held:	
	Date Interest Commenced:	
	Date Interest Ceased:	

3 **Name of Organization:**

Countries where Organization carries on Business:

Type of Business:

Position Held:

Date Interest Commenced:

Date Interest Ceased:

4 **Name of Organization:**

Countries where Organization carries on Business:

Type of Business:

Position Held:

Date Interest Commenced:

Date Interest Ceased:

5 **Name of Organization:**

Countries where Organization carries on Business:

Type of Business:

Position Held:

Date Interest Commenced:

Date Interest Ceased:

6 **Name of Organization:**

Countries where Organization carries on Business:	
Type of Business:	
Position Held:	
Date when Interest Commenced:	
Date when Interest Ceased:	

7 **Name of Organization:**

Countries where Organization carries on Business:	
Type of Business:	
Position Held:	
Date when Interest Commenced:	
Date when Interest Ceased:	

8 **Name of Organization:**

Countries where Organization carries on Business:	
Type of Business:	
Position Held:	
Date when Interest Commenced:	
Date when Interest Ceased:	

9	**Name of Organization:**	
	Countries where Organization carries on Business:	
	Type of Business:	
	Position Held:	
	Date when Interest Commenced:	
	Date when Interest Ceased:	
10	**Name of Organization:**	
	Countries where Organization carries on Business:	
	Type of Business:	
	Position Held:	
	Date when Interest Commenced:	
	Date when Interest Ceased:	
11	**Name of Organization:**	
	Countries where Organization carries on Business:	
	Type of Business:	
	Position Held:	
	Date when Interest Commenced:	
	Date when Interest Ceased:	

Appendix 2 – Extract from Corporate Governance Manual.

For the purposes of this questionnaire:

(xv) *"affiliate" means an entity in which in which SGJ exercises direct or indirect control;*

(xvi) *"beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares (i) voting power, which includes the power to vote, or to direct the voting of such security, or (ii) investment power, which includes the power to dispose, or to direct the disposition of such security;*

(xvii) *"Company" means Sagicor Group Jamaica, SGJ, or a subsidiary of the Sagicor Group.*

(xviii) *"compensation" does not include remuneration for acting as a member of the Board or any Board committee, or fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service;*

(xix) *"control" means the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;*

(xx) *"credit obligations" includes loans, committed credit facilities, investment in securities including commercial paper, acceptances, other debt securities, margin loans, mortgages, preferred stock and exposure through derivative instruments;*

(xxi) *"entity" means a corporation, limited liability company, partnership, trust, fund or any other type of entity;*

(xxii) *"immediate family member" of a director means the director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone (other than domestic team members) who shares the director's home;*

(xxiii) *"material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment. Indirect material relationships shall include material relationships as a partner, shareholder or officer of an organization that has a relationship with the Company;*

(xxiv) *"not in good standing", in respect of a loan, means a loan in respect of which (i) any payment of principal or interest is 90 days or more overdue, (ii) interest is not being accrued on the books of the Company because it is doubtful whether the principal or interest will be paid or recovered, or (iii) the rate of interest is reduced by the Company because the borrower is financially weak;*

(xxv) *"officer" means an entity's president, chief officer, principal financial officer, principal accounting officer or controller, vice-presidents, or any other officer who performs a policy making function. Officers of subsidiaries may be deemed officers of the entity if they perform such policy making functions for the entity;*

(xxvi) *a person has a "significant interest in a class of shares of the Company" if the aggregate of shares of that class beneficially owned by that person and by entities controlled by that person exceeds 10% of outstanding shares of that class of shares of the Company;*

(xxvii) *a person or company is a "subsidiary" entity of another person or company if the entity is under the control of the other;*

(xxviii) *a person has a "substantial investment" in an entity if the person and any entities controlled by the person together beneficially own shares (i) to which are attached voting rights exceeding 10% of the voting rights attaching to outstanding voting shares of the entity, or (ii) which represent ownership of more than 25% of the shareholders' equity of the entity.*

APPENDIX 6

A6.1 INVESTMENT ORIGINATION BOARD SUMMARY

1.1 **Demographic information:** Counterparty Name, Counterparty Risk Rating, Transaction Risk Rating, Amount Requested, Counterparty Exposure **(**Current exposure)

1.2 **Connection Exposure:** Link the Counterparty to exposure in any other Sagicor entity whose connection to the subject Counterparty involves significant interdependent risk.

1.3 **Reason for Request.** Identify the ultimate economic reason for use of the funds.

1.3.1 **Credit Risk:** Deal with credit risk from the perspective of both inherent borrower risk and transaction risk, as per requirements above.

1.3.2 **Transaction Risk:** Refer to the risk features of the transaction and explain how risk is mitigated. Mention, as applicable, project costs and financing, collateral security at market value, guarantees, project cash flows, financial covenants, disbursement conditions, and repayment.

1.3.3 **Counterparty Risk:** Identify the counterparty and any group affiliation. Address credit risk issues by asserting your conclusions regarding the borrower's credit worthiness, making reference to the Counterparty risk assessment factors, as applicable.

1.3.4 **Connection Exposure:** Refer to any existing facilities to connected entities and report on the quality of the existing relationship.

1.3.5 **Exposure Risk Management:** Address how the following risks, as applicable, will be managed during the exposure: interest rate, market, foreign exchange, liquidity, funding, and what, if any, provision for losses will be taken.

1.3.6 **Profitability:** Just state RAROC compared to target.

1.3.7 **Portfolio Compliance:** Just confirm.

1.3.8 **Due Diligence Compliance:** Address whether the investment complies with policy requirements concerning assessing "Know Your Customer", Counterparty Risk Rating and Conflict of Interest by answering the above questions "Yes" or "No" and refer as required to the Investment Origination page number when the answer is "No".

1.3.9 **Signatures.** Every Investment Origination Board Summary must be signed off by Chief Risk Officer and by Chief Operating Officer, reflecting the fact that they reviewed the Investment Origination and are submitting it to Board as a recommendation of Management.

1.3.10 **Commercial Mortgages:** The market value of commercial properties is determined by cash flow, which in turn is a function of rents received. Transaction Risk analysis for commercial mortgages involves examining the adequacy and stability of operating cash flow, a technique which is governed by some critical considerations that investment originators should be guided by.

1.3.11 An example of an Investment Origination Board Summary follows:

Investment Origination Board Summary

Originating Entity: Sagicor Life Inc	**Country: Barbados**
Counterparty: Honeymoon Resort Inc.	**Counterparty Risk Rating:** B++ **Transaction Risk Rating:** A+
Amount Requested: **1)** US$5,000,000 Fixed Rate 3-Year Term Loan **2)** US$2,0000 Operating Line	**Single Name Exposure:** Nil **Group Exposure:** US$6,000,000

Reason for Request: Funds are required to:

(1) pay off the first mortgage on 500 acres of mixed-use land in St John, Barbados; and,

(2) fund ongoing construction costs of a 1,500 mixed-unit residential and commercial project over 4 years. Peak use of funds will occur 10 months from first drawdown, at which point sales of units will commence to revolve the credit line.

Credit Risk: Credit risk arises from the inherent propensity of both the project (transaction) and counterparty to fail.

Transaction Risk: With the Barbados economy buoyant and housing demand growing, the industry prospect for this real estate development is positive. Specifically, the tranquil setting of the St John valley and its proximity to retail centres have made this development attractive to new and move-up house-owners. Project risk is mitigated by: US$3MM owner equity (at market) in the land and $US.5M equity injection for development costs; construction funding will be advanced only upon a minimum of 65% firm sale of constructed units; the project will be monitored for funding purposes by Bluechip Quantity Surveyors; the term loan will be progressively repaid from the surplus of sales revenue over cost and the balance will be fully repaid from take-out financing relating to the commercial development; no owners' equity will be removed from the project until bank loans are fully repaid; and, project shortfalls are to be financed by new injection of owners' funds.

Counterparty Risk: Honeymoon Resort Inc. owns and operates a 4-star, 300-room hotel, part of a 4-hotel Honeymoon chain on the island owned and operated by Leo Lee, a prominent Barbadian businessman. The Honeymoon chain is second only to Sandals in reputation and is competitively positioned. Island tourism is healthy and prospects over the next two years are good. HRI's hotel revenues have been increasing and profitability and cash-flow are reasonable. Financial stability, however, is somewhat weak due to heavy reliance on debt, the cost of which puts pressure on cash flow. For this reason, we are mitigating risk exposure by obtaining the personal guarantee of Mr. Lee, whose unencumbered net worth is US$32M, comprising mainly income producing real estate and $2M in liquid investments.

Group Exposure: HRI is part of the Family Hotels Inc. group, which borrows exclusively from us, is rated A+, and whose relationship with us is in good standing.

Interest Rate Risk: The price risk associated with the 20% fixed interest rate on the term loan will be hedged by borrowing US$ with repayment features to closely match our client's repayments to us.

Currency Risk: Hedged as per above.

Loss Provision: A total loan loss provision of US$250,000 [pure guess] has been taken on these facilities, given the CRR and recoverability of funds.

Profitability: RAROC = 26.5% (including annualized US$100,000 underwriting fee) compared to a target of 22%.

Portfolio Compliance: For this kind of transaction, policy limits are imposed for exposures relating to single-name, group, CRR concentration, real estate development, currency, term, and geography and in each case these new facilities comply with requirements.

Due Diligence Compliance: Does this investment comply with policy requirements concerning:

(1)	Assessing "Know Your Customer"	Yes:	X	No:	
(2)	Assessing Counterparty Risk Rating	Yes:	X	No:	
(3)	Conflict of Interest	Yes:		No:	X
(4)	Director relationship. Refer to page 3 of TR.				

_____ _____

Chief Risk Officer Date

_____ _____

Chief Operating Officer Date

APPENDIX 7 - POLICY CONCERNING POLICY FORMULATION

1.0 POLICY PURPOSE

1.1 This Policy sets out minimum requirements for the origination, content, management and communication of Company Policies, Procedures, Standards and Guidelines so as to standardize the process of policy formulation throughout the Group to enhance the management of risk.

2.0 SCOPE

2.1 This Policy applies to the Company and all its subsidiaries.

3.0 DEFINITIONS

3.1 "Board" means Board of Directors of Sagicor Group Jamaica and includes Board Committees;

3.2 "Company" means Sagicor Group Jamaica or SGJ;

3.3 "Functional Unit" means a self-contained organizational unit of the Company providing it and subsidiaries with infrastructural support;

3.4 "Group" or "Sagicor Group" means Sagicor Group Jamaica and its subsidiaries;

3.5 "Group Office" means the system of Functional Units in SGJ;

3.6 "Guidelines" means directional guidance for implementing particular policies, procedures or standards. The guidance may be offered as general statements requiring the use of discretion, especially where more than one specific approach can be used because the context may vary;

3.7 "Policy" means any rule or set of rules that define the corporate position or direction on a particular issue that is material to the Company and that is binding on all applicable team members, officers and directors. The rule may be anywhere from abstract and directional to concrete and procedure-oriented, e.g. "it is every team member's duty to protect the Company's reputation" and "all Company cheques must be signed by two officers." The purpose of policy is to establish rules for guiding behaviour critical to the achievement of some managed objective;

3.8 "Procedures" means specific methods employed to implement or operationalize a policy that is and binding on all applicable team members, officers and directors. While policies deal with "what", procedures are concerned with "how";

3.9 "Risk Management" means the department charged with institutional responsibility for Enterprise Risk Management in SGJ. (Capital letters are always used to distinguish it from "risk management", which is the generic business or activity of managing risks);

3.10 "Standards" means specific tolerances, limits, and benchmarks aligned to policy requirements that stipulate expected performance, such as absolute dollar exposure, rates of return, concentration, or technological specifications and are binding on all applicable team members, officers and directors.

4.0 TYPES OF POLICY DOCUMENTS AND AUTHORITIES

4.1 Policy documents may be issued in four types:

(a) Policies

(b) Procedures

(c) Standards

(d) Guidelines.

These can be created as separate documents or may be combined in various degrees within one document, depending on circumstances.

5.0. SIGNIFICANT RISKS ADDRESSED BY POLICY

5.1. **Institutional Risks:** The viability of the enterprise is threatened by its particular configuration of internal structures and processes.

5.2. **Business Activity Risks:** The enterprise is exposed to the risks inherent in the nature of business activities that it undertakes.

5.3. **Operational Risks:** People, technology or processes fail, or external events disrupt operations, resulting in significant losses, financial or non-financial.

6.1 COMPLIANCE REQUIREMENTS

6.2 General

6.2.1 Policies are to be written for every situation where, in the absence of specific rules for guiding behaviour, the Company and its subsidiaries are exposed to material loss.

6.2.2 The policy framework should be aligned to the enterprise risk management framework, i.e. all significant risks threatening the Company should be dealt with in policy documents.

6.2.3 Policies are to be developed along functional lines versus departmental lines to ensure that the subject matter is viewed within a holistic perspective.

6.2.4 Policies, Procedures, Standards and Guidelines are to be written in clear and plain language to facilitate comprehension and communication.

6.2.5 Policies must reflect any applicable laws and regulations that govern the subject matter of the Policy.

6.3 Policy Demographics

6.3.1 All Policies shall comprise the following demographics:

(a) **Classification** – broad functional description;

(b) **Subject** – the functional nature of the subject matter of the policy;

(c) **Policy ID** – combination of the classification, subject matter and a sequential number;

(d) **Publication Date** – date the policy has been released on the intranet library of policies, etc., which date should be as soon as possible after Board approval;

(e) **Board Approval Date** – date approved by the board, as recorded in the minutes

(f) **Next Review Date** – the anniversary is linked to Board Approval Date; critical policies are to be reviewed annually.

6.4 Policy Structure

6.4.1 All Policies shall follow the following structure:

(a) **Policy Purpose** - in brief, what the policy is about and why the document has been created, e.g. what risks are being addressed, etc;

(b) **Other Background Information** – optional;

(c) **Scope** - who is affected by the policy;

(d) **Definitions –** explain key terms used within the policy document. The definitions must be consistent in all enterprise policies;

(e) **Consequences of Non-Compliance** – optional;

(f) **Requirements** – provide specific, clear and unambiguous compliance requirements for applicable team members, officers and directors. Include as the case may be, roles and responsibilities, authorities, limits, origination, information requirements, sign-off, monitoring, reporting and reviewing processes to give substance and effect to the policy. The requirements must clearly address the significant risks relating to the policy matter;

(g) **Reporting Requirements** – identify the nature of reports, their timing, content, recipients, and action required, if any;

(h) **Reference** – identify essential linkages to other policies, if applicable;

(i) **Roles and Responsibilities** – identify cross-functional and/or subsidiary and/or geographic roles as required to avoid confusion or to clearly delineate responsibility;

(j) **Ownership and Responsibility** – identify the policyowner, sign-off process, and next review date;

(k) **Transition** – identify the date at which the policy becomes effective, keeping in mind any conditions or precedent events which may have to be fulfilled prior to the policy becoming operational;

(l) **Exceptions** – identify the rules and process pertaining to the granting of policy exceptions.

(m) **Contact Information for Questions** – optional;

(n) **Supporting Schedules, etc.** – optional.

7.0. ROLES AND RESPONSIBILITIES

7.1. The Risk Management function is accountable for ensuring policies are developed within the Company to address significant risks, in alignment with the Enterprise Risk Management Framework.

7.2. Functional Units are responsible for originating their respective policies.

7.3. All policies are to be submitted to the Board for approval, having been signed off by the Functional Unit that originated the policy, Risk Management and President and CEO of the Company or his nominee. Policies are not to be institutionalized prior to Board approval.

7.4. All policies destined for Board approval or re-approval are to be reviewed by the Risk Management Function to ensure compliance with sound risk management principles.

7.5. All policies shall be reviewed no less than once every two years and shall be submitted to the Board for re-approval. Critical policies are to be reviewed annually.

7.6. Subsidiary company policies are to be aligned with Company policies and are to be reviewed and signed off by the Group Office functional counterpart prior to the policy being submitted to the subsidiary Board for approval.

7.7. Functional Units are responsible for ensuring their policies are effectively communicated throughout the enterprise and that those responsible for complying with policy requirements have the technical and knowledge resources to do so. Functional Units are also responsible for monitoring policy effectiveness and for taking corrective steps in response to policy deficiencies.

7.8. The policy database shall be maintained by the Human Resource function and shall be made available to all personnel and subsidiaries throughout the Group by way of intranet.

8.0. TRANSITION

8.1 This policy becomes operational immediately, i.e. any policy which is currently being formulated must comply with these policy provisions.

9.0 OWNERSHIP AND RESPONSIBILITY

9.1 This Policy is owned and administered by Group Enterprise Risk Management, which is responsible for ensuring its currency, annual review and re-approval by Group Board.

10.0 EXCEPTIONS

10.1 Requests for exceptions to this Policy are to be directed to the Chief Risk Officer, Group Enterprise Risk Management, supported by a full explanation for the request.

APPENDIX 8 – CORPORATE POLICY ON SECURITIES TRANSACTIONS BY DIRECTORS AND OFFICERS ("INSIDER TRADING")

1.0 Introduction

1.1 The Board of Directors and Senior Management of Sagicor Group Jamaica Limited 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 interest 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 Jamaica 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 Additionally, the Board and Senior Management of Sagicor will be subject to Canadian Regulatory requirements by virtue of a change in ownership of its parent company and required to file insider reports in respect of trade in and of Sagicor Financial Corporation securities under the applicable Canadian securities laws (a copy attached herein at Appendix 8A).

2.0 Definitions

2.1 References in this Policy to:

"**Associated person**" shall have the same meaning as ascribed in the JSE Rules 2015, and includes:

(a) any company which is directly or indirectly controlled by, or is within the Sagicor Group, including holding and subsidiary companies;

(b) any company of which Sagicor and persons connected with Sagicor together have control;

(c) any director, manager or person who has control of any Sagicor Entity;[2]

(d) any immediate relative or partner of any director, manager or person who has control of a Sagicor listed company;

(e) any company (whether or not within Sagicor Group Jamaica) of which a director or manager of a Sagicor entity, is a director or manager or has control;

(f) any immediate relative or partner[3] of any director or manager of a Sagicor listed company that is a director or manager or has control;

(g) any company which together with Sagicor constitutes a group.

"**Dealing**" means buying, selling, trading or participating in any other manner, whether as trustee or for a person's own account, in any transaction involving Sagicor's securities and includes off-market transactions;

[2] Sagicor listed entities are Sagicor Group Jamaica Limited and Sagicor Real Estate X Fund

[3] "immediate relatives" include spouses, parents, brothers, sisters, children, stepchildren, and spouses of children and stepchildren

"**Insider**" has the same mean ascribed to the term "associated person".

"**Price sensitive information**" means information that is not generally available to the public, but if it were, would be likely to materially affect the price of Sagicor Securities;

"**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;

"**Sagicor**" means Sagicor Group Jamaica Limited and its subsidiaries;

"**Sagicor Securities**" includes any bond, debenture, share, stock, unit, participation certificate or right or option to acquire any such interest issued by Sagicor;

Where the context so permits, the singular includes the plural, and the masculine gender includes the feminine and neuter genders.

3.0 Statutory Requirements

3.1 All directors or other officers must comply with Section 51 of the Securities Act of Jamaica (2014) and the Jamaica Stock Exchange Rules - Appendix 7: Model Code for Securities Transactions by Directors and Senior Executives of Listed Companies.

3.2 A summary of these provisions is set out below. Persons who are "associated" with Sagicor and any Sagicor entity listed on a recognized Stock Exchange or who have been associated with the aforementioned at any time in the preceding 12 months must not buy, sell or otherwise deal in any stocks or other securities issued by Sagicor if that person, by reason of being "associated" with Sagicor, is in possession of price-sensitive information in relation to any Sagicor entity.

4.0 Price Sensitive Information

4.1 In relation to Sagicor Public Companies, price sensitive information is information that:

(a) Is not generally available, and

(b) If it were generally available would be likely materially to affect the price of the Sagicor listed securities.

4.2 The Jamaica Stock Exchange ("JSE") Policy Statement on Timely Disclosure provides that the following types of information are material and should be disclosed by listed companies, and which therefore would normally be regarded as price-sensitive information until disclosed:

- Changes in capital structure;
- Significant changes in management;
- Major corporate acquisitions or dispositions;
- Changes in corporate objectives;
- Changes in corporate structure, such as reorganizations/amalgamations;
- Changes in capital investment plans;
- Development of new products;
- Entering into or loss of significant contracts;
- Changes in share ownership that may affect control of the company;
- Take-over bids;
- Borrowing of a significant amount of funds;

- Firm evidence of significant increases or decreases in near-term earning prospects;
- Public or private sale of additional securities;
- Developments affecting the company's market, products, resources or technology;
- Significant litigation;
- Major labour disputes;
- Disputes with major contractors or suppliers.

as well as any other developments relating to the business and affairs of the company that would reasonably be expected to significantly affect the market price or value of any of Sagicor's securities or that would reasonably be expected to have significant influence on a reasonable investor's investment decisions.

Note that this list is **not exhaustive**, and information which does not fall within any of the above categories may nonetheless be price sensitive as defined above.

5.0 Dealings in Securities

5.1 Dealing includes any of the following whether undertaken as principal or agent:

(a) acquiring or disposing of securities or any interest in securities; or

(b) subscribing for/underwriting securities;

(c) making or offering to make with any person, inducing or attempting to induce any person to enter into/offer to enter into any agreement for or with a view to acquiring or disposing of securities or interest in securities, subscribing for or underwriting securities or to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities; and

(d) granting, accepting, acquiring, disposing of, exercising or discharging an option or any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or interest in securities, provided that: -

i. where the price payable for the securities is fixed at the time of grant of the option the dealing is regarded as having occurred at the time of the grant,

ii. where the price payable for the securities to be acquired by the exercise of an option is to be fixed at the time of exercise of the option or at some other future time, the dealing is to be regarded as having occurred at the time when the price becomes fixed;

iii. and "deal" is to be construed accordingly.

5.2 Notwithstanding Section 5.1 above and save as permitted by section 51 of the Securities Act, associated persons are prohibited from dealing in securities as long as they are in possession of price-sensitive information.

6.0 Black-out Periods

6.1 Directors, Officers and their connected persons are prohibited from and must not engage in dealings during the following closed periods ('Black-Out periods): -

(a) during the period commencing from the time information is obtained, up to the date of announcement to the Exchange of a matter that involves price-sensitive information in relation to the securities concerned; and

(b) during the period commencing from 30 days prior to the due date of announcement to the Exchange of a listed company's quarterly results up to the date of announcement of the quarterly results: and

(c) during the period commencing from 60 days prior to the due date of announcement to the Exchange of a listed company's annual results, up to the date of announcement of the annual results.

7.1 **Exempted Dealings during the Black-out Period**

The following categories of dealings are exempted from the restrictions in Section 6 above, (**but not from the restriction in Section 5.2**):

(a) the exercise of options or rights under an employee share or share option scheme;

(b) the conversion of convertible securities;

(c) the acceptance of entitlements under an issue or offer of securities, where such issue or offer is made available to all holders of a listed company's securities or to all holders of a relevant class of its securities, on the same terms;

(d) the undertaking to accept, or the acceptance of a take-over offer; and

(e) the undertaking to accept, or the acceptance of securities as part of a merger by way of scheme of arrangement.

7.2 Notwithstanding anything in Sections 3 and 6 above, an insider is permitted to deal in the following situations:

(a) 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.

(b) In the course of the exercise, in good faith, of his functions as a liquidator, receiver or trustee in bankruptcy.

(c) 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.

(d) Where the insider acts in order to facilitate the completion or carrying out of a transaction which commenced before the prohibited period.

(e) 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.

(f) Where Sagicor securities are purchased or sold under a regular automatic acquisition or disposition program, provided the insider:

i. does not enter into, carry out the first dealing under, or cancel or vary the terms of the plan during a Prohibited Period;

ii. enters into the plan in good faith and not as part of a scheme to evade insider trading prohibitions;

iii. obtains clearance under Section 6 before entering into, carrying out the first dealing under, canceling or varying the plan.

7.3 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.

7.4 In such exempted circumstances, the insider must submit a request in writing for permission to deal Sagicor Securities during a particular Black-Out Period to the Board Chairman (or other director appointed by him/her for this specific purpose) and who may, in his sole discretion, permit the trade to be undertaken during that Black-Out Period. The request for permission should include:

(a) The insider's current holding of securities in the listed company whose securities are the subject of a proposed dealing; and

(b) The insider's intention to deal in the securities of the company during a black-out period; and

(c) The reason for the proposed dealing.

7.5 The proposed dealing can only be affected upon receipt of written permission obtained pursuant to Section 7.1 above.

8.0 <u>Procedure for Dealings during Black Out Periods</u>

8.1 Associated persons may deal in securities during a Black Out Period subject to such associated persons complying with the following conditions: -

(a) Prior to the proposed dealing, an announcement must be made by the associated person to the designated officer of the Sagicor Listed Company, accompanied by notification in writing to the Chairman (or other director appointed for the specific purpose of receiving such notification). The announcement shall state, amongst other things: -

i. the associated person's current holdings of securities in the Sagicor listed company whose securities are the subject of a proposed dealing, (hereafter referred to as the "associated company"); and

ii. the associated person's intention to deal in the securities of the associated company during a closed period;

iii. associated persons who deal in securities during a closed period will be required to give a reason for the trade(s).

(b) the proposed dealing can only be affected after one full market day has elapsed following the announcement being made pursuant to subsection 7.1(a) above;

(c) an immediate announcement must be made to the Jamaica Stock Exchange by the designated officer of the Sagicor Listed Company, not later than one full market day following the dealing. The announcement shall state, amongst other things:

i. the date on which the dealing occurred;

ii. the consideration for the dealing; and

iii. the number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in the associated company;

(d) the associated person must give notice of the dealing in writing to the Corporate Secretary of the associated company within one full market day after the dealing has occurred. The notice shall contain all such information as was given in the announcement made pursuant to subsection (c) above;

(e) the associated company must maintain a proper record of all notices received by it pursuant to subsection (d) above; and

(f) the Corporate Secretary of the associated company must, at each meeting of the board of directors, table a summary of all dealings notified since the last board meeting of the associated company.

Notification and Clearance

8.2 Subject to Section 8.3, an insider is prohibited from dealing in Sagicor securities without first notifying the Corporate Secretary.

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

8.4 An insider is prohibited from dealing in Sagicor securities under the exceptions set out in Section 6 above without notifying the Corporate Secretary in advance and receiving clearance from the Chairman. An immediate notification or announcement must be made by the insider to Corporate Secretary, as well as by the designated officer of the company to the stock exchange on which the company's securities are listed. The notification or announcement to the designated officer must occur on the day the dealing occurs to enable the designated officer to inform the stock exchange not later than one full market day following the dealing. The Corporate Secretary shall thereafter obtain clearance from the Chairman. In the case of the Chairman, clearance shall be obtained from the Corporate Governance and Ethics Committee.

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

(a) The date on which the dealing occurred;

(b) The consideration for the dealing; and

(c) The number of securities involved in the dealing, both in absolute terms and as a percentage of all issued securities of that class in the company.

8.6 The Corporate Secretary must acknowledge, by written or electronic mail confirmation, receipt of such notices. This section does not apply to any subsidiary of Sagicor which is licensed to deal in securities, where the subsidiary.

9.0 <u>Trading in Securities by a Sagicor Group Company on behalf of others</u>

9.1 The Securities Act of Jamaica provides that where a licensed dealer in securities would not otherwise be able to deal in the listed securities of an issuer lawfully, consequent to having insider information affecting those listed securities, the licensed dealer may nevertheless deal in those listed securities if:

(a) the licensed dealer is acting as the agent for another person pursuant to a specific instruction by that other person to effect a transaction; and

(b) the licensed dealer has not given any advice to that other person in relation to the said transaction; and

(c) the other person is not "associated" with the licensed dealer.

9.2 A Sagicor Group company which is a licensed dealer in securities will not be deemed to be in violation of this Insider Trading Policy where all three of these conditions are satisfied, and on the date of the transaction, the company notifies Sagicor Group Jamaica's Corporate Secretary of the transaction, confirming the above conditions.

9.3 The statutory exception referred to in Section 9.2 above does not however apply where a Sagicor Group company is dealing in securities on behalf of a company or other person "associated" with that Sagicor Group Company.

9.4 In cases where the statutory exception does not apply, if any director or other officer of that Sagicor Group company has price-sensitive information affecting any issuer of securities (including a Sagicor Public Company), that Sagicor Group company can enter into a transaction in the securities of that issuer where the following three conditions are all satisfied:

(a) The director or other officer of that Sagicor Group company who has the price-sensitive information does not participate in the decision to enter into a transaction in those securities; and

(b) That Sagicor group company has arrangements in place at the time to ensure that – (i) price-sensitive information is not communicated to the person who makes the decisions on behalf of that Sagicor Group company to enter into transactions in those securities, and (ii) no advice with respect to the transactions in those securities is given to that decision-making person by the director or other officer of that Sagicor Group company who has the price-sensitive information; and

(c) The price-sensitive information is not in fact communicated to the person within the Sagicor Group Company who makes the decision to enter into the transaction in those securities, and advice with respect to the transaction is not in fact given to that decision-making person by the officer with the price-sensitive information.

9.5 A Sagicor Group company will not be deemed to be in violation of this Trading Policy where all three of these conditions are satisfied, and on the date of the transaction, the company notifies Sagicor Group Jamaica's Corporate Secretary of the transaction, confirming the above conditions.

9.6 If a Sagicor Group company is proposing to deal in the securities issued by any other company, and an officer of that Sagicor Group company has price-sensitive information relating to that proposed dealing, obtained in the course of performing his/her duties as an officer of that Sagicor Group company, then that price-sensitive information does not preclude the Sagicor Group company from dealing in the securities of the other company.

10.0 Selective Disclosure

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

10.2 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.

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

(a) 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.

(b) The number of persons authorized to make public disclosures is limited and, wherever possible, information is disclosed by Corporate Communications.

11.0 Policy Violations

11.1 Violations of this Policy shall be reported by the Corporate Secretary to the Corporate Governance and Ethics Committee and the Group Compliance Officer.

12.0 Criminal and Civil Liability

12.1 The Securities Act of Jamaica provides that a person found guilty of insider trading shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding two million Jamaican dollars, or to imprisonment for a term not exceeding two years, or to both.

12.2 Where a body corporate commits such an offence, criminal liability may also apply to directors, managers, secretaries or similar officers that connive the commission of the offence or failed to exercise due diligence to prevent commission of the offence.

13.0 Role of Sagicor's Legal Department

13.1. The role of Sagicor's Legal Department in insider trading is to interpret and ensure compliance with this Insider Trading Policy. This includes filing insider reports as required by law or the rules of the Jamaica Stock Exchange or the Financial Services Commission of Jamaica.

13.2. 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.

13.3. 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.

14.0 Amendments to Policy

This Policy may be amended from time to time by the Board of Directors of Sagicor Group Jamaica Limited.

15.1 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:

Corporate Secretary

Group Legal, Trust & Corporate Services Department

Sagicor Group Jamaica Limited

Phone: 876-936-7972

APPENDIX 9 – DISCLOSURE & INSIDER TRADING POLICY

SAGICOR FINANCIAL COMPANY LTD. DISCLOSURE & INSIDER TRADING POLICY

INTRODUCTION

The board of directors (the "**Board**") of Sagicor Financial Company Ltd. (the "**Company**") has determined that the Company should formalize its policy on corporate disclosure in accordance with, among other things, the provisions of National Instrument 51-102 – *Continuous Disclosure Obligations* and National Policy 51-102 – *Disclosure Standards*, and on insider trading and reporting in accordance with, among other things, National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* ("**NI 55-104**").

OBJECTIVES AND SCOPE

The objectives of this Disclosure & Insider Trading Policy (the "**Policy**") are to:

a) reinforce the Company's commitment to compliance with the continuous disclosure obligations imposed by applicable Canadian securities law and regulations and the rules of the Toronto Stock Exchange (the "**Exchange**") with an aim to seeking to ensure that all communications to the investing public about the business and affairs of the Company are informative, timely, factual and accurate, and consistent and disseminated in accordance with all applicable legal and regulatory requirements;

b) seek to ensure that all persons to whom this Policy apply understand their obligations to preserve the confidentiality of material information;

c) promote effective communication with securityholders and encourage their participation at general meetings or during investor conference calls; and

d) establish a disclosure committee to help achieve the above objectives.

This Policy confirms in writing the Company's disclosure and insider trading policies and practices. Its goal is to raise awareness of the Company's approach to disclosure among the Board, senior management and employees of the Company and its subsidiaries.

APPLICATION AND COMMUNICATION OF POLICY

This Policy applies to all directors, officers, employees, and contractors of, and consultants to, the Company and its subsidiaries (collectively, the "**Representatives**") who have access to confidential corporate information of the Company and its subsidiaries, as well as those persons designated from time to time by the Group President and Chief Executive Officer ("**CEO**") to communicate on behalf of the Company (collectively, the "**Spokespersons**" and each a "**Spokesperson**"). This Policy also covers all disclosure in documents filed with the Exchange and securities regulators and written statements made in the Company's annual information forms, quarterly reports, news releases, public disclosures about material acquisitions, letters to investors, correspondence containing financial information broadly disseminated to

securityholders, presentations by senior management, and information regarding the Company and its subsidiaries contained on the Company's website and other electronic communications made by or on behalf of the Company, including all oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as presentations, speeches, press conferences, webcasts and conference calls with the Company's securityholders (collectively, the "**Covered Reports**").

Copies of this Policy are to be made available to Representatives directly. All Representatives should be informed whenever significant changes are made. New Representatives, including directors, officers, employees, consultants and contractors, should be provided with a copy of this Policy.

DISCLOSURE & INSIDER TRADING POLICY COMMITTEE

The Board will establish a Disclosure & Insider Trading Policy Committee (the "**Committee**"), the role of which will be to assist in determining whether information is material information, seeking to ensure the timely disclosure of material information in accordance with applicable securities laws, supervising the preparation of the disclosures contained in the Covered Reports, overseeing the Company's disclosure practices, and monitoring and evaluating the effectiveness of, and compliance with, this Policy.

The Committee consists of **[the CEO, the Group Chief Financial Officer ("CFO"), the Chairman of the Board, the general counsel of the Company (the "General Counsel") and the chair of the Company's audit committee] [NTD: To be confirmed by Sagicor]**. The members of the Committee may be amended from time to time, as determined by the Board.

Each member of the Committee may appoint a designate. Normally, decisions of the Committee will be made by a majority of its members or their designates. Where, however, a majority of the members of the Committee or their designates are not reasonably available for consultation on a particular issue in the time required to make determination on such issue, the remaining members of the Committee, or their designates, are authorized to make any determination required to be made by the Committee in this Policy.

Management of the Company should set benchmarks for a preliminary assessment of materiality and should determine when developments justify public disclosure and consult with the Committee. The Committee should meet as conditions dictate and minutes of meetings should be maintained by the General Counsel. It is essential that the Committee be kept fully apprised of all pending material Company developments in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Committee should determine how that inside information will be controlled. The Committee should be sensitive to disclosure matters and should consult with legal counsel whenever they deem it appropriate to do so.

The Committee should review and recommend changes, if necessary or desirable, to this Policy from time to time or as needed to ensure compliance with changing regulatory requirements. Changes will be in the discretion of the Board. The Committee should report to the Board on an annual basis with respect to this Policy.

The Committee's role may be carried out by the Board in conjunction with the Company's management if this is considered appropriate, in which case all references to the Committee herein are considered to be references to the Board.

PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION

Material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the

Company's securities. In complying with the requirement to disclose forthwith all material information under applicable laws and/or stock exchange rules or policies, the Company should adhere to the following basic disclosure principles:

Material information should be publicly disclosed promptly by way of news release, the dissemination of which shall contemporaneously include all applicable regulators and the Exchange as may be required.

Material changes in the business and affairs of the Company should be described in a material change report, which shall be filed with the applicable securities regulators as soon as practicable and in any event within 10 days of the date on which the change occurs. In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Company (for example, if release of the information would prejudice negotiations in a corporate transaction), in which case the information may be kept confidential until the Committee determines it is appropriate to disclose publicly. In such circumstances, to the extent required by law, the Committee should cause a confidential material change report to be filed with the applicable securities regulators and should periodically (at least every 10 days) review its decision to keep the information confidential (also see "Dealing with Leaks, Rumours and Speculation" below).

Disclosure should be complete and should include any information the omission of which would make the rest of the disclosure misleading (half-truths can be misleading).

There is no distinction between favourable and unfavourable material information for disclosure purposes, and both types of material should be disclosed promptly and fully in accordance with this Policy.

Except in the necessary course of business on a confidential basis, no selective disclosure should be engaged in. Except in the necessary course of business on a confidential basis, previously undisclosed material information should not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, such information should be broadly disclosed promptly by way of news release.

Disclosure on the Company's website alone will generally not constitute adequate disclosure of material information.

Disclosure should be corrected promptly if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was made.

Everyone to whom this Policy applies, who becomes aware of information that appears to be material, should immediately disclose that information to at least one of the members of the Committee.

WHAT IS MATERIAL INFORMATION?

Under Canadian practices, material information is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's securities.

When determining whether information is material, the following factors should be taken into account:

a) the nature of the information, the volatility and liquidity of the Company's securities and how prevailing market conditions will impact on materiality;

b) the determination of whether information is material often involves the exercise of sound business judgments based upon experience; and

c) if there is any doubt about whether or not information is material, the Committee should seek the advice of outside legal counsel.

If it is a borderline decision, the information should probably be considered material and generally released. Similarly, if several Company personnel have to deliberate extensively over whether information is material, they should probably err on the side of materiality and release it publicly. It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that such information would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's securities.

Examples of developments that may give rise to material information include, but are not limited to, the following:

- Changes in equity ownership that may affect control of the Company.
- Changes in corporate structure, such as reorganizations, mergers, amalgamations, etc.
- Take-over bids or issuer bids.
- Major corporate acquisitions or dispositions.
- Changes in capital structure.
- Borrowing or lending of a significant amount of funds.
- Public or private sale of additional securities.
- Development affecting the Company's resources, concepts or market.
- Entering or loss of significant contracts, or other developments involving major customers or major suppliers.
- Firm evidence of significant increases or decreases in near-term earnings prospects.
- Significant changes in capital investment plans or corporate objectives.
- Significant changes in management.
- Significant litigation.
- Disputes with major contractors or suppliers.
- Events of default under financing or other agreements.

- Events regarding securities (e.g. a call for redemptions, dividends, stock splits, etc.)

- Any other development relating to the business and affairs of the Company or its subsidiaries that would reasonably be expected to significantly affect the market price or value of any of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Public entities are not generally required to interpret the impact of external political, economic or social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of the Company that both satisfies the "market impact" test for materiality and is uncharacteristic of the effect generally experienced by other public entities engaged in the same business or industry, then the development would likely be material.

SELECTIVE DISCLOSURE AND UNINTENTIONAL SELECTIVE DISCLOSURE

All Representatives are legally bound not to disclose confidential information, including material non-public information, to anyone outside of the Company unless permitted under applicable securities laws. Disclosure of such information that has not been publicly disclosed to any person or select group, including investment analysts, institutional investors, other market professionals and the media, is considered selective disclosure. Selective disclosure is illegal and is prohibited.

Disclosure of material non-public information by a person who either did not know or was reckless in not knowing, prior to making the disclosure, is unintentional selective disclosure. If unintentional selective disclosure has been made, then a member of the Committee should be immediately notified. If it has been determined that unintentional selective disclosure has occurred, the Committee should immediately take all appropriate steps.

TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is generally illegal for anyone to purchase or sell securities of any public entity with knowledge of material information affecting that entity that has not been generally disclosed. Except in the necessary course of business (e.g. in appropriate cases to lenders, underwriters, employees, auditors, counsel, private places, counterparties, vendors, strategic partners, directors, senior management, regulators, advisors, etc.), it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Company or its subsidiaries or about a counterparty in negotiations regarding material potential transactions are prohibited from trading securities in the Company or such counterparty until the information has been generally disclosed and a reasonable period of time has passed for the information to be widely disseminated.

All Representatives are prohibited from engaging in the following transactions with respect to securities of the Company as the following types of transactions may not be viewed favourably by securities regulatory authorities in retrospect if there is ever a suspicion of insider trading:

- short selling; or

- trading in call or put options.

Representatives should also refrain from frequent buying and selling of the securities of the Company for the purpose of realizing the short-term profits and should acquire securities only as a long-term investment. Representatives should also refrain from purchasing financial instruments (such as prepaid variable forward

contracts, equity swaps or collars) designed to hedge or offset a decrease in the market value of the Company's securities.

The period beginning at the end of each fiscal quarter and ending two Trading Days (as defined herein) following the date of public disclosure of the financial results for that quarter or fiscal year (typically by the issuance of a news release by the Company) is particularly sensitive and should be deemed a no-trade period (a "**No-Trade Period**"). "**Trading Day**" means a day on which the Exchange or any other stock exchange upon which the Company has listed its securities, is open for trading. During a No-Trade Period, directors, senior management, employees, representatives or others with access to material undisclosed information, including about the expected financial results for the fiscal quarter and year end, during periods when financial statements are being prepared but results have not yet been publicly disclosed or made publicly available would be precluded from trading in securities of the Company.

From time to time, the Committee may also institute additional trading restricted periods for directors, senior management, selected employees, consultants, contractors and others with access to material undisclosed information regarding the Company (a "**Restricted Period**", and, together with a No-Trade Period, a "**Blackout Period**"). During a Restricted Period, such individuals would be precluded from trading in securities of the Company.

During Blackout Periods, all Spokespersons are prohibited from commenting on current period earnings estimates and financial assumptions. Communication should be limited to commenting on publicly available or non-material information. During Blackout Periods, the CEO, CFO, Chairman of the Board and Spokespersons should also avoid initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information. The Company does not, however, have to stop all communications with analysts or investors during this period and may, for example, participate in securityholder conference calls as well as investment meetings and conferences organized by other parties, as long as material information which has not been publicly disclosed, is not selectively disclosed.

All proposed trades by directors and senior management should be pre-cleared with the General Counsel, whether during a Blackout Period or not. Special provisions may be made for compensation plans, if applicable.

INSIDER REPORTING AND EQUITY MONETIZATION TRANSACTIONS

Insider reporting is required under NI 55-104.

References to "securities" in the topic "Trading Restrictions and Blackout Periods" (see above) also include secondary market derivative-based transactions that involve, directly or indirectly, securities of the Company. Reference is made to NI 55-104, which prescribes primary insider reporting requirements and generally requires reporting insiders to file an insider report, within 10 calendar days from the time of becoming a reporting insider, disclosing: (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer (the Company); and (b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer (the Company). In addition, a reporting insider must also file an insider report disclosing any changes in the foregoing within 5 calendar days of such changes.

In addition to such primary insider reporting obligations, NI 55-104 also contains supplemental insider reporting requirements which capture equity monetization transactions and other derivative-based transactions that may fall outside of the scope of "related financial instruments" in the primary insider

reporting requirements. If a reporting insider enters into, materially amends or terminates any such type of transactions, the insider must file a report regarding the transaction pursuant to the requirements of NI 55-104.

As a result, insiders of the Company are also prohibited from engaging at any time in equity monetization transactions and secondary market derivative-based transactions that involve, directly or indirectly, securities of the Company if they would be prohibited at such time from trading in securities of the Company and should report such transactions as required under NI 55-104.

MAINTAINING CONFIDENTIALITY

All Representatives are legally bound not to disclose material undisclosed information, and shall not disclose confidential information, to anyone outside of the Company, except in the necessary course of business and unless permitted under applicable securities laws. In addition to the legal requirements, and to seek to prevent the misuse or inadvertent disclosure of material information, Representatives are expected to observe the following at all times:

a) do not discuss the Company's business and affairs, or any other confidential matters, wherever practicable, on wireless telephones or other unsecure devices, or in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis;

b) confidential documents should, wherever practicable, not be read or displayed in public places or discarded where they can be retrieved;

c) documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business, and code names should be used where appropriate;

d) transmission of documents by fax, email or other electronic means should be made only where it is reasonable to assume that transmission can be made and received under secure conditions; and

e) documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded and extra copies of confidential documents should be destroyed.

Efforts should be made to limit access to such confidential information to only those who need to know the information, and such persons should be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Company should be told that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in the Company's securities until the information is generally disclosed. Such outside parties may be required to confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

DESIGNATED SPOKEPERSONS

The Company designates a limited number of Spokespersons responsible for communication with the investment community, regulators and/or the media. The CEO and the CFO shall be the official Spokespersons for the Company. Individuals holding these offices may, from time to time, designate others within the Company or outside the Company to speak on behalf of the Company as back-ups or to respond

to specific inquiries.

Employees who are not authorized Spokespersons should not respond under any circumstances to inquiries from the investment community, the media and/or others, unless specifically asked to do so by an authorized Spokesperson. All such inquiries should be referred to the CFO.

Any Spokesperson of the Company, whether authorized or not, who makes a public oral statement that contains a misrepresentation, could be sued. In addition, the Company and each of the directors and officers of the Company may also be sued because of a Spokesperson making a public statement containing a misrepresentation.

NEWS RELEASES

Once the Committee determines that a development is material, it should authorize the issuance of a news release, unless the Committee determines that such developments must remain confidential for the time being, appropriate confidential filings are made, and control of that inside information is instituted. Should material undisclosed information inadvertently be disseminated in a selective forum, the Company should promptly issue a news release to generally disclose that information.

If the Exchange is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information should be provided to the applicable market surveillance department for approval, which for the Exchange would be the market surveillance division of the Investment Industry Regulatory Organization of Canada (IIROC). This may lead to a trading halt, if deemed necessary by such department. If a news release announcing material information is issued outside of trading hours, market surveillance should be notified before the market opens.

Annual and interim financial results should be publicly released promptly following the Board's (or a designated committee's) approval of the Company's financial statements.

News releases should be disseminated through an approved news wire service. News releases should be transmitted to all relevant regulatory bodies.

News releases should be filed on SEDAR and posted on the Company's website immediately after release over the news wire. The news release page of the website should include, among other things, a notice that advises the reader that the information posted was accurate at the time of posting but may be superseded by subsequent news releases or circumstances.

CONFERENCE CALLS

A conference call should be held for securityholders not less than two weeks after the issuance of a press release by the Company announcing the filing of its annual information form. Conference calls may also be held for major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or by way of webcast over the Internet. The call should be preceded by a news release containing all relevant material information. At the beginning of the call, a Company Spokesperson should provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a discussion of the risks and uncertainties.

The Company should provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and

webcast. In addition, the Company may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants should also be posted to the website for others to view. A tape recording of the conference call and/or an archived audio webcast on the Internet should be made available following the call for a reasonable period (e.g. 30 days), for anyone interested in listening to a replay.

The Committee should hold a debriefing meeting immediately after the conference call and, if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company should promptly disclose such information by way of news release or determine the appropriate course of action in accordance with this Policy.

DEALING WITH LEAKS, RUMOURS AND SPECULATION

In dealing with leaks, rumours and speculation, the following procedures shall be followed:

a) The Company's policy is that it does not comment, affirmatively or negatively, on rumours, subject to any requirement to do so by the Exchange. This also applies to rumours on the Internet, including on "chat" forums, etc. The Company's designated Spokespersons should respond consistently to those rumours, saying, "It is our policy not to comment on rumours or speculation", or words to that effect, subject to any requirement to do so by the Exchange.

b) Should the Exchange or other regulator request that the Company make a definitive statement in response to a rumour that is causing significant volatility in the stock, the Committee should consider the matter and decide whether to make a policy exception, having regard to any requirement to do so by the Exchange.

c) If the rumour is true in whole or in part with respect to undisclosed material information, an obligation to disclose such information may be created and the Company may promptly issue a news release disclosing the relevant material information. In such circumstances, the Company may consult legal counsel and consider contacting the Exchange to discuss whether trading in the Company's securities should be halted pending the issuance of a press release disclosing the relevant material information.

CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA

Disclosure in individual or group meetings does not constitute general disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or investor meeting or through a press conference or conference call, the announcement should be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company may meet with analysts and investors on an individual or small group basis as needed and should initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Policy.

The Company should provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information. It is recognized that an analyst or investor may construct this information into a mosaic that could result in material information. However, the Company should not alter the materiality of information by breaking down the information into smaller, non-material components.

Spokespersons should keep notes of telephone conversations with analysts and investors and, where practicable, more than one Company representative should be present at all individual and group meetings. A debriefing should be held after such meetings and, if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company should promptly disclose such information by way of news release.

ANALYST REPORTS AND MODELS

It is the Company's policy to permit its CFO, in his or her discretion, to review, upon request, analysts' draft research reports or models. If such a review occurs, the Company should review the report or model solely for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Company's policy, when an analyst inquires with respect to his/her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of analysts' estimates and/or the Company's published earnings guidance (if any). The Company should limit its comments in responding to such inquiries to non-material information. The Company should not confirm, or attempt to influence, an analyst's opinions or conclusions and should not express comfort with the analyst's model and/or earnings estimates.

To avoid appearing to "endorse" an analyst's report or model, the Company should provide its comments orally and indicate that the report was reviewed only for factual accuracy or should attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company should not provide analysts' reports through any means to persons outside of the Company, including posting such information on the Company's website. The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Company. If provided, such list should not include links to the analysts' or any other third-party websites or publications and should include an appropriate disclaimer (as should all other links).

ANALYST REVENUES, EARNINGS AND OTHER ESTIMATES

Responses by the CFO with respect to inquiries by analysts regarding the Company's revenues, earnings, and other estimates shall be limited to: Company forecasts and guidance already publicly disclosed, if any, and the range and average of estimates made by other analysts. It is not the Company's policy to guide analysts with respect to earnings estimates.

Should management determine that future results will likely be significantly or materially out of the range of any previously issued guidance by the Company (whether or not earnings are expected to be above or below the range), the Committee should consider the appropriateness of issuing a press release and conducting a conference call to explain the change.

FORWARD-LOOKING INFORMATION

Should the Company elect or be required to disclose forward-looking information ("**FLI**") in continuous disclosure documents, speeches, presentations conference calls, news releases, or other public communication, it should comply with all applicable legal requirements, and the following guidelines should be observed.

1. The information, if deemed material, should be disseminated by way of news release in accordance with this Policy.

FLI must be expressly identified as such by the Company in the applicable document.
FLI must not be disclosed unless the Company has a "reasonable basis" for the FLI.[1]

The Company should identify the material factors or assumptions used in the preparation of the FLI and should also include a statement that the factors or assumptions may prove to be incorrect.

The FLI should be accompanied by a statement that identifies, in reasonably specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the FLI statement, including (if appropriate) a sensitivity analysis to indicate the extent to which different business conditions from the underlying assumptions may affect the actual outcome.

The FLI should be accompanied by a statement that disclaims the Company's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise, except as expressly required by law, and that readers should not place undue importance on the FLI and should not rely on the FLI as of any other date. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference. In this case, the Company should, where appropriate, update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

The Company is also required to discuss in its MD&A (or MD&A supplement, if applicable) disclosure relating to updates, comparison to actual and withdrawal of material FLI. However, an exemption may be available from including information in the Company's MD&A relating to updates or the withdrawal of material FLI if the Company instead includes this information in a news release before the filing of the MD&A (or MD&A supplement, if applicable) provided the Company includes disclosure in the MD&A (or MD&A supplement, if applicable) that (a) identifies the applicable news release, (b) states the date of the news release, and (c) states that the news release is available on SEDAR. The Committee may consult with its legal counsel prior to finalizing the relevant MD&A and news release in respect of seeking to ensure the Company's compliance with applicable requirements.

In addition to FLI disclosure requirements, certain disclosure requirements also apply to Future Oriented Financial Information ("FOFI") (a subset of FLI) and financial outlooks. More specifically, no FOFI or financial outlook may be disclosed unless it:

2. Is based on assumptions that are "reasonable in the circumstances".

States the date management approved the FOFI or financial outlook, if the document containing the FOFI or financial outlook is undated.

Explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

To be based on assumptions that are reasonable in the circumstances, the FOFI or financial outlook must (a) be limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated, and (b) use the accounting policies the Company expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.

[1] The Companion Policy to NI 51-102 advises that when interpreting the term "reasonable basis" the issuer should consider (a) the reasonableness of the assumptions underlying the FLI; and (b) the process followed in preparing and reviewing FLI.

Cautionary language is also required for public oral statements that contain FLI. However, a person is deemed to satisfy the requirements of applicable securities laws in Ontario with respect to a public oral statement if the person making the public oral statement:

3. Made a cautionary statement that the oral statement contains FLI;

Stated that the actual results could differ materially from a conclusion, forecast or projection in the FLI, and that certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the FLI; and

Stated that additional information about (i) the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the FLI, and (ii) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the FLI, is contained in a readily-available document or in a portion of such a document and has identified that document or that portion of the document.

MANAGING EXPECTATIONS

The Company should try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts' estimates are in line with the Company's own expectations. The Company should not confirm, or attempt to influence, an analyst's opinions or conclusions and should not express comfort with analysts' models and earnings estimates.

If the Company has determined that it will be reporting results materially below or above what it considers to be generally publicly held expectations, it should disclose this information in a news release in order to enable discussion without risk of selective disclosure.

MAINTENANCE OF DISCLOSURE RECORD

The General Counsel, or his/her designate, should maintain:

a) a six-year record of all Covered Reports and all known material public information about the Company prepared and filed with securities regulators;

b) copies of all minutes of the meetings and decisions of the Committee; and

c) a six-year record of copies of transcripts of presentations, conference calls and webcasts, any notes from meetings with the media and analysts and analyst reports on the Company.

RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS

This Policy also applies to electronic communications. Accordingly, Spokespersons of the Company responsible for written and oral public disclosures shall also be responsible for electronic communications.

The General Counsel is responsible for updating the investor relations section of the Company's website and is responsible for monitoring all Company information placed on the website to seek to ensure that it is accurate and in compliance with relevant securities laws.

The Committee should approve all links from the Company's website to a third-party website. Any such links should include a notice that advises the reader that he or she is leaving the Company's or Company's website and that the Company is not responsible for the contents of the other site.

Investor relations material should be contained within a separate section of the Company's website and should include, among other things, a notice that advises the reader that the information posted was accurate at the time of posting but may be superseded by subsequent disclosures or circumstances. All data posted to the website, including text and audiovisual material, should show the date such material was issued. The General Counsel should maintain a log indicating the date that material information is posted and/or removed from the investor relations section of the website. Material corporate information on the website should be retained for a reasonable period (e.g. two years).

Disclosure on the Company's website alone will generally not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the Company's website should generally be preceded by the issuance of a news release.

The General Counsel is also responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this Policy should be utilized in responding to electronic inquiries other than in the necessary course of business.

In order to ensure that no material undisclosed information is inadvertently disclosed, Representatives and Spokespersons are prohibited from participating in any Internet chat rooms, newsgroup discussions, or electronic bulletin boards on matters pertaining to the Company's business, activities or its securities, unless approved by the CEO, CFO, the General Counsel or the Committee. Employees who encounter a discussion pertaining to the Company should advise the General Counsel immediately, so that the discussion may be monitored.

During an offering of securities, all materials to be posted on the website should, in addition to review by the CFO and the Committee, also be reviewed and approved by counsel. Among other things, disclaimers may be required.

Investor relations information on the website should be clearly distinguished from marketing, promotional or other information. General legal disclaimers approved by counsel should be used on the website.

Security systems on the website should be reviewed periodically by the General Counsel.

All Company email addresses are the Company's corporate property, and all correspondence sent or received via such email addresses, is considered corporate correspondence on behalf of the Company and is subject to the provisions of this Policy.

ENFORCEMENT OF POLICY

All Representatives specified in the Committee's discretion shall provide, upon request, certification of compliance with this Policy in the form reasonably requested by the Committee.

Failure to comply with this Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice.

The violation of this Policy may also violate certain securities laws. If it appears that an employee may

have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, including fines and/or imprisonment.

As this is a policy, the Company (acting through its Board) may in its sole discretion from time-to-time permit departures from the terms hereof, either prospectively or retrospectively, and no provision of this Policy is intended to give rise to civil liability to securityholders of the Company or other liability whatsoever, except as expressly provided herein.

If you have any questions about how this Policy should be followed in a particular case, please contact the CEO, the CFO or the General Counsel.

Approved by the Board of Sagicor Group Financial Company Ltd.

APPENDIX 10

SAGICOR GROUP JAMAICA LIMITED
DIRECTOR REMUNERATION POLICY

1. POLICY STATEMENT

Sagicor Group Jamaica Limited (hereinafter referred to as "Sagicor Group", 'the Company', 'the Group", or 'Sagicor") is committed to attracting and retaining highly qualified Directors for all its companies. This Policy provides a framework within which payments to Directors will be determined by the Board and applied within the context of its constitutive documents, regulatory guidelines, core business and best practices governing the remuneration of Directors.

2. KEY PRINCIPLES

2.1 The policy for Payments to Directors will consider best practice Corporate Governance Standards, the Related Documents, company, and Director specific factors as well as external market factors.

2.2 The following principles will determine the basis for payments to non-Executive Directors and will consider the following factors:

i. Remuneration to Directors is derived from the profits of the Group. The Group may, notwithstanding this, determine whether fees shall be increased in any financial year.
ii. Remuneration of Directors will be aligned with the average market remuneration for an organization of comparable size.
iii. Remuneration for the Board Chair, Committee Chairs and each Director may be determined by the Board bi-annually at its first meeting post-AGM or at such other frequency as may be determined by the Directors.
iv. The remuneration for directors shall be reviewed at least every two (2) years or at such intervals as may be determined by the Board.
v. There will be differential remuneration for the Chair of the Board and the Chair of each Committee. Acting Chairs will be eligible to receive the differential where they are fulfilling the role for 12 weeks or more due to the absence of the Chair.

3. DEFINITIONS

The terms used in this policy shall carry the following meaning:

3.1 The term Director shall mean a person who is appointed to sit on the Board and who is not employed to the Sagicor Group Jamaica Limited or any of its subsidiaries and who is not directly responsible for the day-to-day operations of the respective subsidiary.

3.2 The term "Sagicor Group' shall mean "Sagicor Group Jamaica Limited" or "the Company" and where the context so permits shall include the subsidiary companies of the Group.

3.3 The term 'Board' shall mean the directors for the time being appointed to the Board of Directors of the Company and where the context requires it shall include the Board of the subsidiaries.

4. BOARD RESPONSIBILITY

4.1 The Board has established a Corporate Governance & Ethics Committee ('the Committee') comprised of independent -executive directors, whose remit is inter alia, to review and recommend to the Board for approval the remuneration of Directors including that of its subsidiaries.

4.2 The Board of Directors of Sagicor Group is ultimately responsible for approving the remuneration of Directors on the recommendation of the Corporate Governance & Ethics Committee.

5. REMUNERATION OF DIRECTORS

General Principles

5.1 Directors' remuneration shall be paid to non- executive Directors only in keeping with this policy.

5.2 In determining Directors' fees, factors that shall be considered include:

i. Company-specific factors such as the size, nature and profitability of the company
ii. Complexity of operations – lines of business, geographic spread of operations
iii. Risks and challenges of the business.
iv. Qualifications and experience required of Directors
v. Time and commitment required of Directors
vi. External market factors
vii. Business and economic conditions

5.3 The Committee shall recommend to the Board of Sagicor Group Jamaica Limited the method and timing of payment of Directors' fees across all companies in the Group.

5.4 Director' fees are paid as an annual retainer and shall be paid in arrears on a quarterly basis by direct deposit or wire transfer to the Directors' bank account subject to any applicable taxes and deductions.

5.5 Where a director demits office prior to the end of a quarter, he shall be paid fees for the unexpired period of the quarter in which he demitted office.

5.6 The Directors shall also be paid all reasonable travel, hotel and other expenses properly incurred by them in attending and returning from Board meetings, meetings of any committee appointed by the Board or general meetings, or in connection with the business of the Company or their duties as Directors generally.

5.7 The total remuneration for the Board of Directors of all entities in the Sagicor Group for each financial year shall be approved at the Annual General Meeting of Sagicor Group Jamaica Limited each year and included in the Notice of Meeting in keeping with its Articles of Incorporation.

5.8 Executive Directors within the Group shall receive no remuneration for directorships in Sagicor Group Jamaica Limited or its subsidiaries. Where the Executive takes up an external appointment as director at the Company's request, the Director concerned may retain the fees for such external appointment upon the written approval of the Board.

6. REVIEW OF THE POLICY

6.1 This policy shall be reviewed at least every two (2) years or at such other frequency by the Board of Directors on the recommendation of its Corporate Governance & Ethics Committee to ensure that:

i. The business continues to meet its compliance obligations in respect of the policy;
ii. The policy maintains its relevance to the current and future business environment.

6.2 The review of the policy is the purview of the Group Legal Trust and Corporate Secretarial Department, and the Corporate Secretary is therefore responsible for submitting any proposed revisions to the Corporate Governance & Ethics Committee for recommendation to and approval by the Board of Directors.

7. DISCLOSURE OF THE REMUNERATION POLICY

7.1 The Board being mindful and responsive about the Group's status and reputation as a public and licensed financial institution and the cultural tone it sets shall ensure that there is full adherence to this Policy and any further amendments thereto.

7.2 The total remuneration of all directors of the Group shall be disclosed in the published Financial Statements and in the Annual Report of the Group.

7.3 All accounts, records and related financial documentation will be kept and reported in accordance with the law, Accounting Standards and this policy and transparently disclosed to shareholders including in the Annual Financial Statements.

7.4 The annual Board budget will include and account for payments to Directors which will be presented, approved, and minuted annually by the Board.

8. MONITORING, EVALUATION AND REVIEW

8.1 Feedback regarding this policy can be referred to: Corporate Secretary who shall discuss with the Chairman of the Board and submit revisions as determined.

8.2 Triggers for review outside of the usual cycle include changes to any applicable law and/or regulations or the Group's Governance Policies and best practices.