SAGICOR FINANCIAL COMPANY LTD.

CHARTER OF THE AUDIT COMMITTEE

A Committee of directors to be known as the "Audit Committee" is a committee appointed by the Board to provide the Board with independent oversight relating to the integrity of the financial reporting of the Company.

This Charter is subject in all respects to the Company's memorandum of association and by-laws from time to time.

I. DEFINITIONS

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

a) "Board" means the Board of Directors of the Company.
b) "Company" means Sagicor Financial Company Limited (SFC) including its Subsidiaries.
c) "Committee" means the Audit Committee of SFC

II. COMMITTEE PROTOCOL

a. Establishment of Committee

The Audit Committee plays an important role in providing oversight of the Company's governance and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices and assurance in the financial reports and disclosures of the Company. The Committee performs its role by providing independent oversight and advice to the governing body e.g. Board.

The establishment of the Committee will not preclude management from discussing any related business with the Board.

b. Composition of Committee

The Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of NI 52-110 – Audit Committees ("52-110") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All members of the Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. Each member should be "financially literate" within the meaning of 52-110. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, governance, and internal control with at least one member of the Committee having accounting or related financial management expertise and be considered a financial expert. The Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

c. The Committee is expected to demonstrate a level of responsibility and competency so as to assure themselves that statements made to the Committee are reasonable based on their experience and knowledge.

d. Appointment of Committee Members

The members of the Committee shall be elected by the Board through the Corporate Governance and Ethics Committee. Unless a Chair of the Audit Committee (the "Chair") is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

In addition, the Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Company's securities are listed or traded.

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

Because the responsibilities of the audit committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate members' competencies and the overall balance of skills on the committee in response to emerging needs.

e. Chairman and Secretary

Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. In the absence of the Chair the Members present shall choose one of their numbers to act as Chair for the meeting. The Committee shall appoint a Secretary who need not be a director.

f. Meetings

The Committee should meet at least four times annually, or more frequently as circumstances require. The Committee should meet within forty-five (45) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof, provided that:

i. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee appointed at the relevant time or such greater number as the Committee shall by resolution determine;

ii. 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;

iii. Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. Notice of the time and place of every meeting should be given in writing, in person or by telephone, facsimile, email or other electronic communication to each member of the Committee. Notice of an Audit Committee meeting shall be deemed to be duly given to a member of the Committee if it is given to such member verbally (in person or by telephone) or otherwise communicated or sent to the member by post, facsimile, email or other electronic communication at such member's last known address or in accordance with any other instructions given by such member to the Company for this purpose. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Committee call a meeting;

iv. Committee members are obligated to prepare for and participate in committee meetings. The Committee will establish and communicate its requirements for information, which will include the nature, extent, and timing of information. Information will be provided to the Committee by Management or other designated officer and the External Auditor at least five days prior to each audit committee meeting;

v. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution of the Committee. A resolution signed by all members of the Committee, which may be signed in counterparts, shall be valid as if it had been passed at a Committee meeting duly called and constituted with such resolution to be effective on the date on which the resolution is signed by the last member of the Committee;

vi. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate;

For greater certainty, management is indirectly accountable to the Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board; and

vii. In order to foster open communication, the Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.

III. PURPOSE

The primary function of the Committee is to assist the directors of the Company in fulfilling their applicable roles by:

(a) reviewing and recommending to the Board for approval the annual and interim financial statements, related Management Discussion and Analysis ("**MD&A**") and other financial information provided by the Company to any governmental body or the public;

(b) recommending to the Board the appointment and compensation of the Company's external auditor;

(c) overseeing the work of the external auditor, ensuring agreed deadlines for reporting are achieved and also manage the resolution of disagreements between the external auditor and management;

(d) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Company by the Company's external auditor;

(e) satisfying themselves that management have appropriate procedures in place to support the integrity of the Company's financial information disclosed to the public and that the Company is in compliance with tax regulations;

(f) Reviewing the work of the Company's Internal Audit function ensuring that internal control issues are appropriately risk classified and addressed within the agreed timelines; and

(g) reviewing and approving any proposed hiring of a current or former partner or employee of the current and former auditor of the Company.

The Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Company's internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

IV. LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit services provided to the Company by the external auditor, (iv) financial statements of the Company presented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

V. BOARD REPORTING

After every meeting the Committee shall report to the Board on matters reviewed by the Committee. The Committee shall also submit a report annually to the Board on the work of the Committee during the year in carrying out its responsibilities. The report should include:

a. A summary of the work the audit committee performed to fully discharge its responsibilities during the preceding year.
b. A summary of management's progress in addressing the results of internal and external audit engagement reports.
c. Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.
d. Provide information required, if any, by new or emerging corporate governance developments.
e. The Committee may report to the governing body at any time regarding any other matter it deems of sufficient importance.

VI. ROLE

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Committee's role), the Committee should:

- Determine any desired agenda items;
- Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;
- Review the public disclosure regarding the Committee required by 52-110;

- Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;
- Summarize in the Company's annual information form the Committee's composition and activities, as required; and
- Submit the minutes of all meetings of the Committee to the Board upon request.

Documents / Reports Review

- Review and recommend to the Board for approval the Company's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Company provided to the public or any governmental body as the Committee or the Board require.
- Review other financial information provided to any governmental body or the public as they see fit.
- Review, recommend and approve any of the Company's press releases that contain financial information.
- Review the certifications relating to financial disclosure and controls made by the Chief Executive Officer and Chief Financial Officer to securities regulatory authorities.
- Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

- Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.
- Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Company's financial condition, financial performance and cash flow.
- Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Committee, and not management.
- Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.
- Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Company to determine the external auditor's independence.

- Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
- Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.
- Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- Communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.
- Review and approve any proposed hiring by the Company of current or former partners or employees of the current (and any former) external auditor of the Company.

Audit Process

- Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

- Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.
- Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of

aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

- Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
- Discuss with management and the external auditor any significant proposed changes to the Company's accounting policies and practices, any alternative treatments of financial information that have been considered, the ramifications of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.
- Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
- If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.

Internal Audit

In obtaining assurance with respect to the work of the Internal Audit function the Committee will:

- Approve the appointment or dismissal of the Company's Chief Internal Auditor who will report functionally to the Board via the Audit Committee and administratively to the Chief Risk Officer.
- Periodically, and in no more than 3 years, review and approve the Internal Audit Charter to ensure it reflects the function's purpose, authority and responsibility and also reflects developments in the Internal Audit profession professional practice.
- Continually review the performance, independence and objectivity of the Internal Audit function.
- Annually, review and approve the audit plan of the Internal Audit function including any significant changes to the audit plan and, as part of this review, ensure the audit plan is risk-based and that the work of the External Auditor and Internal Audit is coordinated.
- Establish procedures to receive periodic reports on the results of Internal Audit activities including audit findings, recommendations and management's progress in remediating any identified deficiencies.
- Report to the Board on the work of the Internal Audit function including:
  a) A summary of the annual audit plan and areas of focus for the coming year.
  b) A summary of managements progress in addressing the audit points raised with particular emphasis on high risk issues.
  c) Recommendations for the continuous improvement of the internal audit activities so as to improve the functions effectiveness.
  d) Any other issues identified or related to Internal Audit as determined by the Committee.

Financial Accounting Complaints Procedures

- Establish procedures and reporting for:
  a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  b) The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

General

- With prior Board approval, the Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Company) the compensation for any such advisors.
- Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
- Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
- Review the public disclosure regarding the Committee required from time to time by applicable Canadian securities laws, including:
  a) the Charter of the Committee;
  b) the composition of the Committee;
  c) the relevant education and experience of each member of the Committee;
  d) the external auditor services and fees; and
  e) such other matters as the Company is required to disclose concerning the Committee.
- Review in advance, and approve, the hiring and appointment of the Company's senior financial executives by the Company, if any.
- Perform any other activities as the Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

VII. NO LIABILITY

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Company's securityholders for any purpose whatsoever. The Board by resolution may, from time to time, amend or waive the terms hereof, either prospectively or retrospectively, and no provision of this Charter is intended to give rise to civil liability of the Company or any of its directors, officers, advisors or employees to shareholders, other securityholders, lenders, customers, suppliers or employees of the Company or any liability whatsoever, except as expressly provided herein.