Sagicor Financial Company Ltd.

Corporate Governance and Ethics Committee

Charter

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1 DEFINITIONS

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

(b) "Board" means the board of directors of the Company;

(c) "Bye-laws" means the bye-laws of the Company;

(d) "Chair" or "Chairman" means the chairman of the Board or the chairman of the Committee, as the context requires;

(e) "Committee" means the Corporate Governance and Ethics Committee;

(f) "Company" means Sagicor Financial Company Ltd.;

(g) "Director Nomination Process" means the director nomination process adopted by the Board from time to time;

(h) "Group" means the Company and its subsidiaries;

(i) "President" means the president, chief executive officer of the Group or the chief executive of the Group however designated; and

(j) "Secretary" means the secretary of the Committee.

2 COMMITTEE AND PROCEDURES

2.1 Establishment of Committee

2.1.1 A committee of the directors to be known as the "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 business related to corporate governance and ethics with the Board.

2.2 Composition of Committee

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

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

2.2.3 All directors who are members of the Committee should be independent within the meaning of "independence" as contained in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* under Canadian securities laws. If the Committee is not composed entirely of independent directors, the Board should develop procedures to ensure an objective process is in place for determining nominees, and otherwise discharging the duties of the Committee.

2.3 Appointment of Committee Members

2.3.1 Members of the Committee should be appointed by the Board on the recommendation of the Committee.

2.3.2 The Chairman of the Board shall be an ex officio, non-voting, member of the Committee unless the Chairman of the Board has otherwise been appointed to the Committee as a voting member.

2.3.3 Each member should meet skill and experience requirements of applicable industry and securities regulation and such additional requirements as may be determined from time to time by the Board on the recommendation of the Committee.

2.3.4 The Board may at the time and as it sees fit, alter the composition of the Committee, including by filling 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 designated Committee Chair the members present should choose one of their number to act as Committee Chair. The Committee should appoint a Secretary who need not be a director.

2.5 Meetings

2.5.1 The Committee should meet at least three (3) times per annum or at such frequency as the Committee may determine. The time and place of meetings of the Committee and the procedure at such meetings should be determined from time to time by the members thereof, provided that:

(a) A quorum for meetings shall be a majority of the members appointed to the Committee at the relevant time.

(b) A member may participate in a meeting of the Committee by means of any electronic communication facilities that permit all persons participating in the meeting to hear each other and a member participating in such a meeting by such means is deemed to be present at the meeting.

(c) Notice of the time and place of every meeting should be given or confirmed in writing, including by facsimile, email or other electronic communication to each member of the Committee at least 48 hours prior to the time fixed for such meeting. Notice of a Committee meeting shall be deemed to be duly given to a member of the Committee once it is 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.

(d) The affirmative vote of a majority of the members of the Committee participating in any meeting of the committee is necessary for the adoption of any resolution of the Commitee.

(e) A resolution signed by all of the members of the Committee, which may be signed in counterparts, shall be as valid as if it had been passed at a Committee meeting duly called and constituted, such resolution to be effective on the date on which the resolution is signed by the last member of the Committee.

2.6 Reporting to the Board

2.6.1 After every meeting the Committee should report to the Board on matters reviewed by the Committee.

2.6.2 The Committee should submit a report annually to the Board on the work of the Committee during the year in carrying out its role.

2.7 Evaluation of Effectiveness and Review of Mandate

2.7.1 The Committee should annually:

(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 the operation of the Committee, while respecting the distinction between its oversight role, as a committee of directors, and the role of management.

3 ROLE

3.1 The role of the Committee is to assist the Board, by way of recommendations to the Board for the Board's decision, in the Board's oversight of the:

(a) Development of Board policies and procedures to establish and maintain best practice standards of corporate governance.

(b) Process for director succession, nomination and recommendation to shareholders or the Board for (re-)election as directors.

(c) Processes for assessing the performance of the Board, its committees and individual directors.

(d) Processes relating to communications and public policy and the Company's corporate image.

4 SPECIFIC ROLES

4.1 The Committee should:

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 the re-election of the director would be in the best interests of the Company and, in particular:

(i) the director remains qualified to be a director under the *Companies Act 1981* (Bermuda) and the Bye-laws;

(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, including attendance at Board and Committee meetings (where applicable) during his or her term of office, justifies re-election;

(c) Oversee directors' performance, conduct and independence and recommend to the Chairman, if applicable, that a director tender resignation in the event that the Committee is satisfied that the director's resignation would be in the best interests of the Company for reasons including, without limitation that:

(i) the director is no longer qualified under the Company's Bye-laws or applicable law;

(ii) the director does not meet eligibility rules under the Board's independence and conflict of interest guidelines in effect from time to time (if any);

(iii) the credentials underlying the appointment of such director materially change;

(iv) the director's performance as a director, including attendance at Board and Committee meetings (where applicable) during his or her term of office, 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 the Committee and the other Company committees, including the Chairs of such committees, 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, the Committee, the other Company committees, the Chairs of each committee including the Committee, the directors, and the Secretary of the Company against their defined respective roles and seek to 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; and

(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, the Committee or the Company's other committees.

(k) Assess shareholder proposals for inclusion in shareholder circulars (including any notices and proxy forms) 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 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 employees;

(ii) the development and projection of the Company's corporate image to the public;

(iii) the appropriate integration of public affairs considerations with the operation of the Company;

(iv) seeking to ensure 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.

4.1.3 Ethical Standards and Conduct

(a) Review and approve any amendments to the Company's Code of Business Conduct and Ethics and seek to 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 designed 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, seeking to ensure that such waivers are promptly disclosed externally, as required by law.

(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.

4.1.4 Self Dealing and Disclosure Requirements

(a) Seek to 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 seek 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 employees where these are provided on terms and conditions materially better than those given to preferred clients, subject to the Companies Act 1981 (Bermuda) and applicable law.

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

6 INDEPENDENT ADVISORS

6.1 The Committee should have 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 should be reported to the Board and paid by the Company.

7 GENERAL

7.1 Nothing in this Charter (including Appendix 1) is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

7.2 The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Group or their shareholders for any purpose whatsoever. The Board by resolution may, from time to time, amend or waive the terms hereof, either prospectively or retrospectively, and no provision of this Charter is intended to give rise to civil liability of the Company or any of its directors,

officers, advisors or employees to shareholders, other securityholders, lenders, customers, supplier or employees of the Group or any other liability whatsoever, except as expressly provided herein.

APPENDIX 1

Director Nomination Process

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1 DEFINITIONS

1.1 The definitions contained in the Charter of the Corporate Governance and Ethics apply to this Appendix.

2 INTRODUCTION

2.1 The purpose of these guidelines is to enable the Board, through its Committee, to seek 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 should be recruited on the basis of merit and against objective criteria. New directors should clearly have enough time to devote to the job and should possess the ability and willingness to add value unquestionably to the work of the Board in enhancing Company performance. In other words, director selection should not be driven by considerations of personal, business, political, or any other relationship; only performance matters.

2.3 The nomination of new directors should 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 should not only be credible but should also appear credible. This means establishing procedures and creating evidence of a due diligence process for nominating new directors that are objective and sound.

2.4 Notwithstanding anything contained herein, these procedures will not apply where the Company is contractually obligated to a shareholder to nominate one or more directors in respect of such nominee director(s). However, the criteria for director nomination prescribed in this Appendix should be considered by the Board in the exercise of its contractual discretion with respect to the appointment of directors nominated pursuant to contractual nomination rights.

3 NEW DIRECTOR SELECTION PROCESS

3.1 Further, 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 should 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; and

(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 should 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 should 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, and

(vi) new regulatory regimes.

(b) Is the Company in a consolidation mode, following a period of expansion, which will place emphasis on proven expertise relating to:

(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, and

(viii) implementing a robust internal control infrastructure.

(c) Is the industry undergoing structural change in market alignments, which will place emphasis on proven expertise relating to:

(i) complementary financial pillars,

(ii) a regulatory perspective across financial pillars, and

(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 should be aligned to the needs of the Company at the time. The Committee should 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 should be ever mindful of maintaining an essential mix and balance of talents on the Board to deal with the Company's present and impending challenges. It should therefore proceed as follows:

(a) The Committee should 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 should 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						
Financial accounting expertise		X		X		X
Corporate finance/capital allocation expertise						
International perspective in related business sectors						
Information technology expertise						
Strategic marketing expertise						
Corporate law expertise						
Human resource expertise						
Mergers and acquisition expertise						
Risk Management experience						
Financial services sector experience	X					
Corporate governance expertise		X	X	X		
Other areas of expertise					X	

(b) "Knowledge and Experience" of the "New Director" should be added 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, should be recommended by the Committee to the Board for approval and follow-through.

4.3 Profiling New Director Requirements

4.3.1 The Committee, in consultation with the Chairman and the President, should develop a new director profile of the new director requirements, providing information on:

(a) Representational factors;

(b) Knowledge and experience;

(c) Core competencies as detailed in “Director Core Competencies” in the Board Composition guidelines;

(d) Time commitment expected; and

(e) 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.

4.3.3 The actual wording in the new director 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 should obtain board 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:

(a) The Board may already know a candidate that fits the profile and this lead should be pursued.

(b) Individual directors and management officers are encouraged to propose a candidate well known to them and whose credentials align with the profile. Such proposal should 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 should not hold out any promise to anyone that he/she would be given favourable or even serious consideration by the Board.

(c) Names submitted by shareholders or investors should be dealt with in the normal manner of assessment.

(d) The Board may engage a firm of external search consultants to find a suitable candidate, in which case, the Committee should 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 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 should be gathered, albeit discreetly. The firm should 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 should 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; however such fees should be reported to the Board and paid by the Company.

6.2 Committee Search

6.2.1 If a search firm is not recruited, the Committee should find the new director. It should do this by relying on its own resources and on other directors and officers.

6.2.2 The Committee should assess all leads received by it, including recommendations received from a search firm, and its role should be to discreetly gather additional information to increase its understanding of a candidate's credentials, if such action is necessary.

6.2.3 The Committee should 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 should 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 The Committee should seek to 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 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 should 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 should be shared with the Chairman and President in a joint meeting.

(d) If the candidate is acceptable up to this point, he/she should 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) ask 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 should 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 conveyed to the candidate will be under equal scrutiny by him/her and will have a material bearing on whether he/she wishes to join the Board!)

(f) In order to explore the candidate's personal competencies, consider being 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 the Company'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 relate to the following:

(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 roles as between the Board, the Chairman, the Committee, the Chairman of the Committee and President; and

(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 their own comprehensive 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 should 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 role of the Corporate Secretary will be to gather candidate information under the direction of the Committee, which should 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; and

(v) Two character and suitability references from a chief executive officer and a chairman or other directors who serve on a board of directors with the candidate.

8.2 The Committee's role should be 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 should make 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 should 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 If approved by the Board, a letter should be signed by the Chairman of the Board inviting the nominee to be proposed for election as a director by the shareholders of the Company. 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; and

(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 should be sent by the Chair, including all material required for the new director's orientation.

9.4 All documentation relating to this appointment should be properly organized and filed for inspection.

10 RE-ELECTION OF EXISTING DIRECTORS

10.1 Letters of Undertaking

10.1.1 All existing directors should 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 should be subject to the following criteria:

(a) The director remains qualified to be a director under the Company's Bye-laws 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, including attendance at Board and Committee meetings (where applicable) during their term of office, justifies re-election.

10.3 Director Independence and Conflict of Interest

10.3.1 Directors should be annually required to assess themselves with respect to their compliance with Company policies relating to director independence and conflict of interest. (The Director Independence Self Assessment Questionnaire is the same one used for new directors.) The role of the Chair of the Committee should be to get the assessment done, but the assessment itself should be administered by the Secretary of the Company, who should also review and assess the feedback, and should write 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 Assessment

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 roles. This assessment includes the attendance record of each director based on whether he has sufficient time available to devote to the performance of his Board duties during the term of his office. This assessment should 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 should be put up for re-election. Any term beyond nine years (e.g. three three-year terms) for a non-executive director should be subject to a particularly rigorous review, and should take into account the need for progressive refreshing of the Board.

11 DIRECTOR SUCCESSION PLANNING

11.1 A roster should 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 should identify directors, who at the expiration of their terms, should 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 be commenced no less than six months before expiration of the term of the departing director.

12 DIRECTOR RESIGNATION

12.1 A director should be 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 Bye-laws 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, including attendance at Board and Committee meetings during their term of office, is unacceptable.

(e) In accordance with the Majority Voting Policy of the Company (as amended from time to time).

12.2 If any of these circumstances apply, the Chairman should first discuss the matter with the director and then request the director to submit a letter of resignation.