

SAGICOR FINANCIAL CORPORATION

NOTICE OF ANNUAL MEETING



Wise Financial Thinking for Life

NOTICE OF MEETING

NOTICE is hereby given that the Third Annual Meeting of Shareholders of Sagicor Financial Corporation ("the Company") will be held at Hilton Barbados, Needham's Point, St Michael, Barbados, **Friday August 11, 2006 at 5:00 pm** to transact the following business:-

1. To receive and consider the Statement of Accounts and the Balance Sheet for the year ended December 31, 2005 and the Auditors' Report thereon.
2. To elect Directors.
3. To re-appoint the incumbent Auditors for the ensuing year and to authorize the Directors to fix their remuneration.
4. To consider and if thought fit adopt the following Resolution as a Special Resolution:

WHEREAS:

- (a) *The Shares of the Company were cross-listed on the Trinidad and Tobago Stock Exchange on August 24, 2004.*
- (b) *The Trinidad and Tobago Securities and Exchange Commission has issued Guidelines relating to the listing on the Trinidad and Tobago Stock Exchange of demutualized companies with constrained share ownership provisions limiting any single shareholder to owning a maximum of 5% of outstanding shares ("the Guidelines").*
- (c) *Under the Guidelines, it is recommended that within two years of listing, a demutualized company seek the approval of shareholders for the retention of its constrained share ownership provisions.*
- (d) *Pursuant to the terms of the Demutualization Plan of its wholly owned subsidiary, Sagicor Life Inc, the Company was incorporated with constrained share ownership provisions limiting any single shareholder to owning a maximum of 5% of outstanding shares for the first five years following incorporation and thereafter a maximum of 20% subject to certain conditions as stated in the Restated Articles of Incorporation of the Company.*

BE IT RESOLVED AS A SPECIAL RESOLUTION of the Shareholders of the Company that:

- (1) *Pursuant to Section 197(1)(e) of the Companies Act, the Restated Articles of Incorporation of the Company be and are hereby amended to change or remove the rights, privileges, restrictions or conditions in respect of the Shares of the Company as follows:*

The restrictions, if any, on share holding and on share transfers are amended by:

- (a) *the deletion of Article 3.1.5 of Schedule 2 of the Restated Articles of Incorporation and the substitution therefor of a new Article 3.1.5 as set out in the annexed Schedule 1 which is incorporated herein;*
 - (b) *the deletion of Article 3.1.7 of Schedule 2 of the Restated Articles of Incorporation and the substitution therefor of a new Article 3.1.7 as set out in the annexed Schedule 2 which is incorporated herein.*
- (2) *The proper officers of the Company be and are hereby authorized to file and register all such documents and instruments and to take all such action as may be necessary or advisable to give effect to this Special Resolution.*

5. To transact such other business as may properly come before the Meeting.

By Order of the Board of Directors



Sandra Osborne
Corporate Secretary

July 17, 2006.

PROXIES:

Shareholders who are unable to attend the Meeting in person may complete and return the enclosed form of proxy to the Corporate Secretary, Sagicor Financial Corporation, Sagicor Corporate Centre, Wildey, St Michael, Barbados, at least 48 hours before the appointed time of the Meeting or adjourned Meeting.

DOCUMENTS AVAILABLE FOR INSPECTION:

- 1 Copies of the Restated Articles of Incorporation of the Company dated December 6, 2002, are available for inspection at the following offices:
 - Barbados - Sagicor Financial Corporation, Sagicor Corporate Centre, Wildey, St Michael
 - Sagicor Life Inc Branch Offices/Agencies:
 - o Trinidad - Sagicor Financial Centre, 16 Queen's Park West, Port of Spain
 - o Anguilla - Malliouhana Insurance Co Ltd, Caribbean Commercial Centre, The Valley
 - o Antigua - Sagicor Financial Centre, 9 Factory Road, St John's
 - o Dominica - Willcher Services Inc, 44 Hillborough Street, Corner Hillsborough & Independent Street, Roseau
 - o Grenada - The Mutual/Trans-Nemwil Office Complex, The Villa, St George's
 - o St Kitts - Corner Cayon and West independence Square Streets, Basseterre
 - o St Lucia - Sagicor Financial Centre, Choc Estate, Castries
 - o St Vincent - Incorporated Agencies Limited, Kenmars Building, Halifax Street, Kingstown
 - Jamaica - Life of Jamaica Limited, 28-48 Barbados Avenue, Kingston 5.
- 2 There are no service contracts granted by the Company, or its subsidiaries, to any Director of the Company.

1.	Name of Company SAGICOR FINANCIAL CORPORATION	2.	Company No. 21849
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SCHEDULE 1

3Restrictions, if any, on share holding and share transfers.

- 3.1.5 "maximum aggregate holdings" means the number of shares in any class in the capital of the Company that would amount to 20% of the total number of shares in any class of the capital of the Company issued and outstanding at such time;

1.	Name of Company SAGICOR FINANCIAL CORPORATION	2.	Company No. 21849
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SCHEDULE 2

3Restrictions, if any, on share holding and share transfers.

- 3.1.7 No person may hold, or be beneficially entitled to, or control, or have any other interest, directly or indirectly, in any shares (whether in one or more classes of shares in the capital of the Company) that represent more than the maximum aggregate holdings unless:
- 3.1.7.1 not less than two thirds of the directors then in office approve of the same; and
 - 3.1.7.2 there is an agreement between the Company and such person restricting the transfer of such shares; and
 - 3.1.7.3 the Supervisor of Insurance (or the Supervisor's successor regulatory authority) is satisfied that such shareholder is a fit and proper person.

MANAGEMENT PROXY CIRCULAR

SAGICOR FINANCIAL CORPORATION

Company No 21849

Management is required by the Companies Act Chapter 308 of the Laws of Barbados (hereinafter called “the Act”) to send with the Notice convening the Meeting, forms of proxy. By complying with the Act, management is deemed to be soliciting proxies within the meaning of the Act.

This Management Proxy Circular accompanies the Notice of the third annual meeting of shareholders of Sagicor Financial Corporation (“the Company”) to be held on August 11, 2006 at 5:00 pm (“the Meeting”) and is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting, or any adjournments thereof. The solicitation will primarily be by mail. The cost of the solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXY

A form of proxy is enclosed and, if it is not your intention to be present at the Meeting, you are asked to sign, date and return the proxy. **Proxies to be exercised at the Meeting must be deposited with the Company not later than 5:00 pm on August 9, 2006.**

Any shareholder having given a proxy has the right to revoke it by depositing an instrument in writing executed by the shareholder or his/her attorney authorized in writing, or if the shareholder is a company, under its corporate seal or by any officer or attorney thereof duly authorized, with the Corporate Secretary at the registered office of the Company at Sagicor Corporate Centre, Wildey, St Michael, Barbados, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof.

The persons named in the enclosed form of proxy are Directors of the Company. If you wish to appoint some other person or company to represent you at the Meeting you may do so by inserting the name of your appointee, who need not be a shareholder, in the blank space provided on the proxy form.

RECORD DATE AND VOTING OF SHARES

The Directors of the Company have fixed **July 12, 2006** as the record date for determining the shareholders entitled to receive Notice of the Meeting and have given notice thereof by advertisement as required by the Act. Only the holders of common shares of the Company of record at the close of business on that day will be entitled to receive Notice of the Meeting.

Common shareholders are voting on (i) the election of Directors (ii) the re-appointment of the incumbent Auditors and Directors' authorization to fix their remuneration and (iii) the amendment of Schedule 2 of the Restated Articles of Incorporation of the Company to change or remove the rights, privileges, restrictions or conditions in respect of the Shares by removing the provisions limiting any single shareholder to owning a maximum of 5% of outstanding shares.

Only the holders of common shares of the Company will be entitled to vote at the Meeting. On a show of hands, each shareholder has one vote. On a poll, each holder of a Series A common share is entitled to one vote for each share held. Each holder of a Series C common share is entitled to one vote for the first 1,000,000 Series C common shares held, or any part thereof, plus one additional vote for every additional 1,000,000 Series C common shares held. As at July 12, 2006, there are 266,894,775 Series A common shares of the Company outstanding. As at the date hereof there are no Series C common shares of the Company outstanding.

PRESENTATION OF FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Financial Statements of the Company for the year ended December 31, 2005 and the Auditors' Report thereon are included in the 2005 Annual Report.

ELECTION OF DIRECTORS

The Board of Directors consists of twelve members. The number of Directors to be elected at the Meeting is four. Mr John Arthur Lionel Bethell, Dr Oscar Wendell Jordan, GCM, and Mr Stephen David Rupert McNamara will retire at the end of the Meeting and will be seeking re-election. Mrs Vivian-Anne Lenora Gittens will also retire at the end of the Meeting but will not be seeking re-election.

The following are the names of the qualified persons proposed as nominees for election as Directors of the Company, and for whom it is intended that votes will be cast pursuant to the form of proxy hereby enclosed:

- MR JOHN ARTHUR LIONEL BETHELL
- DR OSCAR WENDELL JORDAN, GCM, MB, CHB, FRCPE, DCH
- MR STEPHEN DAVID RUPERT McNAMARA
- MS JOYCE ETTIENNETTE DEAR, FCCA, MBA

J Arthur L Bethell is non-executive Chairman. He retired as President and Chief Executive Officer of The Mutual Group, now the Sagicor Group of Companies, on June 30, 2002, having been appointed to that office in 1995. He joined The Mutual as a sales representative in 1965 and has held the positions of Superintendent of Agencies, Sales Manager, Vice President, Marketing, and Chief Executive Officer of Capital Life Insurance Company Limited (Bahamas). Mr. Bethell was elected a director of The Mutual, now Sagicor Life Inc., in 1994 and is presently chairman of the subsidiary, Life of Jamaica Limited. He is Barbadian.

Dr Oscar W Jordan, GCM, MB, ChB, FRCPE, DCH, Diabetologist, is Consultant Physician, Department of Medicine of the Queen Elizabeth Hospital, Barbados. He holds a Bachelor of Medicine and Surgery (MB, ChB) from Edinburgh University, Scotland, and is a Fellow of the Royal College of Physicians (FRCPE), Edinburgh University, Scotland. He also holds a Diploma in Child Health (DCH) from Glasgow University, Scotland. He is Chairman of the Diabetes Foundation of Barbados and Director of Clinical Medicine in Barbados for the University of St. Georges, Grenada. A widely published and well-respected physician, he is President of the Caribbean Golf Association. He became a director of The Mutual, now Sagicor Life Inc, in 1990. Dr Jordan is Barbadian.

Stephen D R McNamara is Senior Partner of McNamara & Company, Attorneys-at-Law of St Lucia. He is also a Barrister-at-Law of Lincoln's Inn, College of Legal Education, England. He was elected to the board of The Mutual, now Sagicor Life Inc, in 1997. He is a former chairman of the St Lucia Tourist Board and is currently a director of The Mutual Finance Inc, a St Lucia subsidiary. Mr. McNamara is a citizen of St Lucia.

Mrs Joyce E Dear, FCCA, MBA, was, until 2004, a partner in the Assurance and Business Advisory Services Division of PricewaterhouseCoopers ("PwC") in Barbados. She is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and holds a Masters in Business Administration from the University of Warwick. She is also a member of the Hospitality Financial and Technology Professionals. Mrs Dear has over 31 years' experience in rendering audit and financial services to a wide variety of industries, including public companies, tourism and hospitality entities, manufacturing companies, statutory corporations and international funding agencies/government financed programs and projects. Mrs Dear was the PwC Industry lead partner for the public service assignments. She is a past President of the Institute of Chartered Accountants of Barbados and a former director of a general insurance company in Barbados.

Mr Arthur Bethell, a former senior insurance executive, **Dr Oscar Jordan**, GCM, a noted and widely published physician, and **Mr McNamara**, one of St Lucia' leading Attorneys-at-Law, each brings a wealth of experience to the Board of Directors. They continue to be effective and demonstrate commitment to the role of Director, including commitment of time for board and committee meetings. **Mrs Dear** brings a wealth of financial experience spanning different industries and will add financial depth to the Board. The Management of the Company does not contemplate that any of the persons named above will, for any reason, become unable to serve as a Director.

The Directors recommend that the shareholders vote FOR the election of the above-named Nominees.

RE-APPOINTMENT OF INCUMBENT AUDITORS

PricewaterhouseCoopers, Chartered Accountants, of The Financial Centre, Bishops Court Hill, St Michael, Barbados, are the incumbent Auditors of the Company. It is proposed to re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office until the next annual meeting of shareholders.

The Directors recommend that the shareholders vote FOR the re-appointment of PricewaterhouseCoopers and the authorization of Directors to fix the Auditors' remuneration.

CONSTRAINED SHARE OWNERSHIP PROVISIONS

The Company's Articles contain constrained share ownership provisions ("the Provisions") which provide that, at any time during the 5 year period immediately following the date of incorporation of the Company, no person may hold, or be beneficially entitled to, or control, or have any other interest, directly or indirectly, in any shares (whether in one or more classes of shares in the capital of the Company) that represent more than 5% of any class in the capital of the Company. The Articles provide further that, at any time after such 5 year period, no person may hold, or be beneficially entitled to, or control, or have any other interest, directly or indirectly, in any shares (whether in one or more classes of shares in the capital of the Company) that represent more than 20% of any class in the capital of the Company unless:

- (i) not less than two thirds of the directors then in office approve of the same;
- (ii) there is an agreement between the Company and such person restricting the transfer of such shares; and
- (iii) the Supervisor of Insurance of Barbados (or the Supervisor's successor regulatory authority) is satisfied that such shareholder is a fit and proper person.

The Trinidad and Tobago Securities and Exchange Commission has issued Guidelines ("the Guidelines") relating to the listing on the Trinidad and Tobago Stock Exchange ("the Exchange") of demutualized companies with constrained share ownership provisions limiting any single shareholder to owning a maximum of 5% of outstanding shares. Under the Guidelines, it is recommended that within two years of listing, such a company seek the approval of shareholders for the retention of its constrained share ownership provisions. The company may retain these provisions for a maximum period of five years after listing. At the expiration of the five-year period, the entity may retain its listing with constrained share ownership provisions only if it seeks and obtains the approval of shareholders and the Exchange. These approvals may only be granted for a further period not exceeding two years. Thereafter the entity may only continue to be listed if it removes the provisions completely.

The Company was incorporated on December 6, 2002 pursuant to the terms of the Demutualization Plan of the Company's wholly owned subsidiary, Sagicor Life Inc. The shares of the Company were listed on the Barbados Stock Exchange on February 4, 2003 and cross-listed on the Exchange on August 24, 2004.

In accordance with the Company's Articles, the 5% constrained share ownership provisions are due to expire on December 6, 2007, five years after incorporation of the Company. The Provisions were implemented in 2002 in order to give the Sagicor Group time to adjust from being a mutual society to a publicly listed company, consistent with the practice of demutualized companies in Canada, the demutualization model of which Sagicor Life Inc adopted.

The Company's business strategy is to:

- expand internationally and in the Caribbean;
- diversify its product offerings and cross-sell its products;
- effectively use its balance sheet, and
- continue to improve the efficiency of its operations.

The Provisions may limit the Company's ability to engage in transactions that require an offering or an exchange of shares, which in turn could limit its ability to engage in certain strategic acquisitions, thus having a material adverse effect on its strategic options and growth.

The Directors consider it appropriate at this time to remove the constrained share ownership provisions limiting any single shareholder to owning a maximum of 5% of outstanding shares, and to retain the constrained share ownership provisions limiting any single shareholder to owning a maximum of 20% of outstanding shares subject to the existing conditions. The rationale for this recommendation is:

- the Guidelines;
- the fact that the 5% constrained share ownership provisions will expire in any event within the next 18 months; and
- the potential constraints that the Provisions pose to the Company's ability to execute its strategy.

The Board of Directors therefore recommends that the Articles of the Company be amended to remove the constrained share ownership provisions limiting any single shareholder or group of shareholders to holding a maximum of 5% of outstanding shares, but retaining the constrained share ownership provisions limiting any single shareholder to holding a maximum of 20% subject to the condition that no person may hold, or be beneficially entitled to, or control, or have any other interest, directly or indirectly, in any shares (whether in one or more classes of shares in the capital of the Company) that represent more than 20% of any class in the capital of the Company unless:

- (i) not less than two thirds of the directors then in office approve of the same;
- (ii) there is an agreement between the Company and such person restricting the transfer of such shares; and
- (iii) the Supervisor of Insurance of Barbados (or the Supervisor's successor regulatory authority) is satisfied that such shareholder is a fit and proper person.

A majority of not less than two-thirds of the votes cast by Shareholders at the Meeting, whether by proxy or otherwise, will constitute approval of this Special Resolution.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by any proxy given on the enclosed form of proxy to the persons named in the proxy will be voted or withheld from voting on any ballot in accordance with the instructions contained therein.

In the absence of shareholder instructions, COMMON SHARES represented by proxies received will be voted FOR:

(a) The election as Directors of:

- MR JOHN ARTHUR LIONEL BETHELL
- DR OSCAR WENDELL JORDAN, GCM, MB, CHB, FRCPE, DCH
- MR STEPHEN DAVID RUPERT McNAMARA
- MS JOYCE ETTIENNETTE DEAR, FCCA, MBA

(b) The re-appointment of the incumbent Auditors, PRICEWATERHOUSECOOPERS, and the authorization of the Directors to fix their remuneration.

(c) The amendment of the Restated Articles of Incorporation of the Company, pursuant to Section 197(1)(e) of the Act , to change or remove the rights, privileges, restrictions or conditions in respect of the Shares of the Company by:

- (i) deleting Article 3.1.5 of Schedule 2 of the Restated Articles of Incorporation and substituting therefor a new Article 3.1.5 as set out in Schedule 1 annexed to the Notice of the Meeting; and
- (ii) deleting Article 3.1.7 of Schedule 2 of the Restated Articles of Incorporation and substituting therefor a new Article 3.1.7 as set out in Schedule 2 annexed to the Notice of the Meeting.

The enclosed form of proxy confers discretionary authority upon the persons named with respect to amendments to or variations in matters identified in the Notice of Meeting or other matters that may properly come before the Meeting. The management of the Company knows of no matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters which are not now known to management should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgement.

Unless otherwise noted, a simple majority of the votes cast at the Meeting, whether by proxy or otherwise, will constitute approval of any matter submitted to a vote.

The contents of this Management Proxy Circular and the sending thereof to the holders of the common shares of the Company have been approved by the Directors of the Company.

No Directors' statement is submitted pursuant to Section 71(2) of the Act.

No Auditors' statement is submitted pursuant to Section 163(1) of the Act.

Dated July 17, 2006.



Sandra Osborne
Corporate Secretary

SAGICOR FINANCIAL CORPORATION

SHAREHOLDER PROXY

THIRD ANNUAL MEETING OF SHAREHOLDERS

The undersigned shareholder(s) of **SAGICOR FINANCIAL CORPORATION** hereby appoint(s) **J Arthur L Bethell**, Chairman, or failing him, **Dodridge D Miller**, President and Chief Executive Officer and Director, or instead of either of them:

.....
(PLEASE PRINT NAME OF PROXY ON THIS LINE ONLY IF YOU WISH TO APPOINT A PROXY OTHER THAN THE CHAIRMAN OR PRESIDENT)

of
(PLEASE PRINT PROXY'S ADDRESS HERE)

as my/our proxy to attend, vote and otherwise act for and on behalf of the undersigned in respect of all other matters that may properly come before the **THIRD ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 11, 2006** and any adjournments thereof.

The Directors and Management recommend Shareholders vote FOR items numbered 1, 2 and 3 below:

- 1 Election as Directors of the Nominees listed below:

	Vote FOR	WITHHOLD from Voting
JOHN ARTHUR LIONEL BETHELL	<input type="checkbox"/>	<input type="checkbox"/>
DR OSCAR WENDELL JORDAN, GCM	<input type="checkbox"/>	<input type="checkbox"/>
STEPHEN DAVID RUPERT McNAMARA	<input type="checkbox"/>	<input type="checkbox"/>
JOYCE ETTIENNETTE DEAR	<input type="checkbox"/>	<input type="checkbox"/>

- 2 Re-appointment of Incumbent Auditors and Authorization of Directors to fix their Remuneration:

	Vote FOR	WITHHOLD from Voting
	<input type="checkbox"/>	<input type="checkbox"/>

- 3 Adoption on Special Resolution to amend the Articles to change or remove the rights, privileges, restrictions or conditions in respect of the Shares of the Company:

	Vote FOR	WITHHOLD from Voting
	<input type="checkbox"/>	<input type="checkbox"/>

.....
NAME OF SHAREHOLDER(S) (PLEASE PRINT)

.....
SIGNATURE OF SHAREHOLDER(S)

.....
DATE

NOTES ON PROXY:

This form must be executed by the shareholder or by his/her attorney duly authorized in writing. If the shareholder is a body corporate, an estate, or trust, the form must be executed by the officers or attorney thereof or the person, duly authorized, in which case each signatory should state the capacity in which he/she signs.

If this form is not dated in the space provided, it will be deemed to bear the date on which it was mailed to the shareholder.

This proxy authorization form confers discretionary authority upon the person whom it appoints in respect of any variation or amendments or additions to the matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting or any adjournment thereof.

THIS IS YOUR PROXY AUTHORIZATION FORM. PLEASE COMPLETE, SIGN AND RETURN THIS FORM BY **5:00 PM ON AUGUST 9, 2006**, OR AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR HOLDING THE MEETING OR ADJOURNED MEETING, TO THE CORPORATE SECRETARY, SAGICOR FINANCIAL CORPORATION, SAGICOR CORPORATE CENTRE, WILDEY, ST MICHAEL, BARBADOS.

