

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
If you are in any doubt as to how to deal with it, you should consult your own Investment Advisor,  
Stock-broker, Bank Manager, Accountant, Attorney-at-Law or other professional advisor.**



**SAGICOR FINANCIAL CORPORATION**

**OFFER TO PURCHASE**

**any and all of the outstanding Common Shares of**

**BARBADOS FARMS LIMITED**

**(not already owned or controlled by Sagicor Financial Corporation)**

**On the basis of**

**BDS \$5.00 per share to be paid or satisfied as follows:**

- (a) 65% of the purchase price by the issue of shares in Sagicor Financial Corporation
- (b) The balance of 35% of the purchase price to be paid in cash

(For the purposes of this offer one (1) Sagicor Financial Corporation share is to be valued at BDS \$5.00).

This offer (the "Offer") by **SAGICOR FINANCIAL CORPORATION** (the "Offeror"), to purchase any and all of the outstanding Common Shares (the "Shares") of **Barbados Farms Limited** ("Barbados Farms") will be open for acceptance until 4:00 p.m. (Barbados time) on the 9th day of January 2008 (the "Expiry Date and Time"), unless withdrawn or extended by the Offeror.

**This Offer is conditional upon the Offeror acquiring not less than 51% of all of the issued and outstanding Common Shares of Barbados Farms and the certain further conditions which are described under "Conditions of the Offer", "Statutory Conditions of the Offer" and "Right of Rescission" in Sections 9, 10 and 11 of the Offer.**

The Shares are listed for trading on the Barbados Stock Exchange under the stock symbol "BFL".

Shareholders of Barbados Farms who wish to accept the Offer must complete and sign the accompanying letter of acceptance provided herewith (the "Letter of Acceptance"), and deposit this, in accordance with the instructions in the Letter of Acceptance.

If you have sold all your Shares, you should at once hand this document and the Letter of Acceptance to the purchaser or the bank or broker or other agent through whom your sale was conducted for transmission to the purchaser.

**This Offer has not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document.**

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction and any representation to the contrary is an offence.*

**7th December, 2007**

**CORRECTED VERSION**



## CONTENTS

DEFINITIONS .....	4
SUMMARY .....	6
OFFER .....	8
1. THE OFFER .....	8
2. OFFER PRICE .....	8
3. TIME FOR ACCEPTANCE .....	8
4. MANNER OF ACCEPTANCE .....	9
5. GENERAL .....	9
6. POWER OF ATTORNEY .....	9
7. FURTHER ASSURANCES .....	10
8. DEPOSITING SHAREHOLDERS REPRESENTATIONS AND WARRANTIES .....	10
9. CONDITIONS OF THE OFFER .....	10
10. STATUTORY CONDITIONS OF THE OFFER .....	11
11. RIGHT OF RESCISSION .....	11
12. EXTENSION, VARIATION OR CHANGE IN THE OFFER .....	13
13. COMPLETION OF OFFER; WITHDRAWAL OF OFFER .....	13
14. TRANSFER OF SHARES – BARBADOS STOCK EXCHANGE .....	13
15. TAKE UP OF AND PAYMENT FOR DEPOSITED SHARES .....	14
16. RIGHT TO WITHDRAW DEPOSITED SHARES .....	14
17. RETURN OF DEPOSITED SHARES .....	15
18. NOTICE AND DELIVERY .....	15
19. OTHER TERMS OF THE OFFER .....	15
20. OTHER INFORMATION .....	16
CIRCULAR .....	17
1. THE OFFEROR .....	17
2. BARBADOS FARMS .....	17
3. BUSINESS RELATIONSHIP BETWEEN THE OFFEROR AND BARBADOS FARMS .....	18
4. BACKGROUND TO THE OFFER .....	18
5. SHARE OPTIONS .....	18
6. PURPOSE OF THE OFFER .....	18
7. SOURCE OF FUNDS .....	18
8. OWNERSHIP OF AND TRADING IN SECURITIES OF BARBADOS FARMS .....	18
9. OWNERSHIP AND TRADING OF SHARES OF THE OFFEROR .....	19
10. VALUATION INFORMATION .....	19
11. (a) ARRANGEMENTS, AGREEMENTS OR UNDERSTANDINGS OF DIRECTORS OF BARBADOS FARMS LIMITED .....	19
(b) ARRANGEMENTS AGREEMENTS OR UNDERSTANDINGS OF SAGICOR FINANCIAL CORPORATION AND SHAREHOLDERS OF BARBADOS FARMS .....	19
12. PRICE RANGE AND TRADING VOLUMES OF THE SHARES .....	19
13. FINANCIAL INFORMATION .....	19
14. PRO FORMA FINANCIAL STATEMENTS .....	19
15. TAX CONSIDERATIONS .....	22
16. OTHER MATTERS RELATING TO THE OFFER .....	22
17. OFFEREE'S STATUTORY RIGHTS, ACQUISITION OF REMAINING SHARES .....	22
18. DIRECTORS' AND OFFICERS' INTERESTS IN BARBADOS FARMS .....	23
19. ADVISORS TO THE OFFEROR .....	23
20. APPROVAL OF OFFEROR'S BOARD OF DIRECTORS .....	23
21. APPROVAL AND CERTIFICATE OF SAGICOR FINANCIAL CORPORATION .....	23
22. MANAGER'S INFORMATION .....	24
23. LETTERS OF ACCEPTANCE .....	25
ANNEX 'A' - BARBADOS FARMS FINANCIAL INFORMATION .....	30
ANNEX 'B' – SAGICOR FINANCIAL CORPORATION FINANCIAL INFORMATION .....	35

## NOTICE REGARDING INFORMATION

The information contained in the Circular concerning Barbados Farms Limited is based solely on publicly available information. With respect to this information, the Offeror has relied exclusively upon the same, without independent verification by the Offeror.

## COMPLIANCE WITH SECURITIES LAWS

This Offer has not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. This document however contains particulars given in compliance with the applicable securities laws in Barbados and is in conformity with the regulations, rules and procedures of the Barbados Stock Exchange Inc.

## LEGAL NOTICE OF RIGHTS

A determination, description, calculation, opinion of the Offeror as to any matter provided for in the Offer Documents might be held by the courts not to be final, conclusive or binding if it could be shown to have an unreasonable, incorrect, or arbitrary basis, or not to have been made in good faith.

## MANAGER FOR THE OFFER

The Offeror has appointed RBC Royal Bank of Canada (Investment and Trust Services Department) as its Manager (the "Manager") for the Offer.

Questions and requests for assistance may be directed to the Manager.

Additional copies of the Offer and Circular and the Letter of Acceptance may be obtained without charge on request from the Manager.

**RBC ROYAL BANK OF CANADA  
(INVESTMENT AND TRUST SERVICES DEPARTMENT)  
P.O. Box 68 Broad Street  
Bridgetown, Barbados  
Tel: (246) 467-4140 or (246) 467- 4000  
Fax: (246) 427-8393**

The Offeror will pay certain fees to the Manager for performing the services on behalf of the Offeror in connection with the Offer.

## TAX CONSIDERATIONS

Shareholders should be aware that any disposition of Shares to the Offeror pursuant to the Offer may have tax consequences. Such consequences may not be fully described herein.

## DEFINITIONS

In the accompanying Summary, Offer and Circular, unless the context otherwise requires or unless defined elsewhere herein, the following terms have the meanings indicated:

**"Affiliate"** means an affiliate within the meaning of the Barbados Companies Act;

**"Applicable Jurisdiction"** means Barbados;

**"Associate"** means an associate within the meaning of the Barbados Companies Act;

**"BCSDI"** means Barbados Central Securities Depository Inc.;

**"Barbados Take-Over Bid Regulations"** means The Take-Over Bid Regulations, 2002 made under the Barbados Companies Act;

**"Barbados Farms"** means Barbados Farms Limited;

**"Barbados Farms Directors"** means the board of directors of Barbados Farms;

**"BD\$\$"** or **"\$"** means Barbados Dollars unless otherwise stated

**"BSE"** means the Barbados Stock Exchange Inc.;

**"Business Day"** means any day other than a Saturday, Sunday or a statutory or civic holiday observed in Barbados;

**"Circular"** means the Circular included herein;

**"Effective Time"** has the meaning ascribed thereto under "Power of Attorney" in Section 6 of the Offer;

**"Expiry Date and Time"** means the 9th day of January 2008 at 4:00 p.m. (Barbados time) or such later date or dates as may be fixed by the Offeror from time to time pursuant to Section 12 of the Offer, unless the Offer is withdrawn by the Offeror;

**"Governmental Entity"** means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;

(b) any subdivision, agent, commission, commissioner, board, or authority of any of the foregoing; (c) any Securities Regulatory Authority, self-regulatory organization or the Stock Exchanges; or (d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law, orders, ordinances, judgments, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity and the term “applicable” with respect to such Laws and in a context that refers to one or more parties, means such Laws as are applicable to such party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

“**Letter of Acceptance**” has the meaning set out in the preamble of the Offer;

“**Manager**” means **RBC ROYAL BANK OF CANADA (INVESTMENT AND TRUST SERVICES DEPARTMENT)**;

“**Notice of Intent**” means the notice of intent published on 2nd of December, 2007 by Sagicor Financial Corporation, publicly stating its intention to acquire any and all of the issued and outstanding shares of Barbados Farms;

“**Offer**” means the offer to purchase any and all of the outstanding Common Shares of Barbados Farms at **BDS \$5.00 per share to be paid or satisfied as follows:**

- a. 65% of the purchase price by the issue of shares in Sagicor Financial Corporation
- b. The balance of 35% of the purchase price to be paid in cash

(for the purpose of this offer one (1) Sagicor Financial Corporation share is to be valued at BDS \$5.00)

“**Offer Documents**” means, collectively, the Offer and the Circular;

“**Offeror**” means Sagicor Financial Corporation (Sagicor Financial), a company incorporated under the Laws of Barbados.

“**Offer Period**” means the period commencing on the date of the Offer and ending at the Expiry Date and Time;

“**Options**” means any outstanding options to acquire Shares under an option plan issued by Barbados Farms;

“**Other Property**” has the meaning ascribed thereto under “Power of Attorney” in Section 6 of the Offer;

“**Payment Agent**” means the Manager;

“**Person**” includes an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrator, legal representative, Governmental Entity or any other entity, whether or not having legal status;

“**Purchased Shares**” has the meaning ascribed thereto under “Power of Attorney” in Sections 6 of the Offer;

“**Shareholders**” means the holders of Shares, and “Shareholder” means any one of them;

“**Shares**” means the outstanding Common Shares in the capital of Barbados Farms;

“**Stock Exchange**” means the BSE;

SAGICOR FINANCIAL CORPORATION  
**OFFER TO PURCHASE**  
any and all of the outstanding Common Shares of

**BARBADOS FARMS LIMITED**  
(not already owned or controlled by Sagicor Financial  
Corporation  
“Sagicor Financial”)

SUMMARY

*The following is a summary only and is qualified by the detailed provisions contained elsewhere in the Offer and Circular. Shareholders are urged to read the Offer and Circular in their entirety. Capitalized terms used in this summary, where not otherwise defined herein, are defined in the Offer and Circular. The information concerning Barbados Farms contained herein and in the Offer and Circular has been taken from or is based upon publicly available documents or records of Barbados Farms on file with public sources at the time of the Offer, unless and to the extent otherwise indicated, and has not been independently verified by the Offeror. All currency amounts expressed herein, unless otherwise indicated, are expressed in Barbados dollars.*

**The Offer**

The Offeror is offering, upon the terms and subject to the conditions of the Offer, to purchase all of the outstanding Shares, including Shares which become outstanding on the exercise of Options, at a price equal to **BDS \$5.00 per share to be paid or satisfied as follows:**

- a. 65% of the purchase price by the issue of shares in Sagicor Financial Corporation
- b. The balance of 35% of the purchase price to be paid in cash

(For the purposes of this offer one (1) Sagicor Financial Corporation Share is to be valued at BDS \$5.00).

No fraction of a Sagicor Financial Share will be issued by Sagicor Financial. The Shareholders who would otherwise have become entitled to receive fractional Shares in respect of the number of Barbados Farms Shares that they tender to this Offer shall instead receive a cash payment from Sagicor Financial in lieu of such fractional shares.

The Offer is made only for Shares and is not made for any Options. Holders of Options who wish to participate in the Offer should exercise their Options and deposit the resulting Shares to the Offeror.

The obligation of the Offeror to take up and pay for Shares pursuant to the Offer is subject to certain conditions. See

“Conditions of the Offer”, “Statutory Conditions of the Offer” and “Right of Rescission” in Sections 9,10 and 11 of the Offer.

**The Offeror**

The Offeror is incorporated under the laws of the Barbados with registered number 21849. The Offeror currently does not directly own any of the Shares of Barbados Farms. However Sagicor General Insurance Inc. (a subsidiary of Sagicor Financial) owns 40,592 shares in Barbados Farms and Sagicor Equity Fund (of which Sagicor Life Inc., a wholly owned subsidiary, is the sole Trustee) owns 1,457,310 shares in Barbados Farms.

The Offeror’s registered office and principal place of business is located at Sagicor Corporate Centre, Wildey St Michael Barbados.

The Offeror is a holding company for the Sagicor Group, a financial services group that offers a comprehensive range of financial services, products and services, including life and health insurance, annuities and pension, property and casualty insurance, asset management, investment and merchant banking, securities brokerage, mutual funds and real estate development.

The Sagicor Group dates back to the establishment of the Barbados Mutual Life Assurance Society (BMLAS) in 1840. In order to pursue opportunities for growth, in December 2002 BMLAS demutualised by its re-incorporation under the Barbados Companies Act as a company with share capital and a new name, Sagicor Life Inc which is a wholly owned subsidiary of the Offeror.

The Offeror’s shares are listed on the Stock Exchanges of Barbados and Trinidad & Tobago (symbol SFC) as well as the London Stock Exchange (symbol SFI).

**Barbados Farms**

Barbados Farms is a company incorporated and domiciled in Barbados with its registered office at The Auto Dome, Warrens, St. Michael. The Shares of Barbados Farms are listed and traded on the BSE.

The property of Barbados Farms formerly formed part of the assets of Barbados Shipping & Trading Company Limited (BS&T). In 1986 such assets were spun off into a separate company incorporated in Barbados as Company No 2175 (Barbados Farms). The Shares of Barbados Farms were then distributed pro rata to those persons who at the time were shareholders of BS&T.

## **Purpose of the Offer**

This Offer is being made by the Offeror to acquire a controlling interest in the capital of Barbados Farms in accordance with the Barbados Take-Over Bid Regulations. The acquisition of the Shares will allow the Sagicor Group to participate in an economic activity which is important to the sustainable development of Barbados, and will facilitate the orderly transition of non productive lands into its next viable alternative.

## **Plans for Barbados Farms**

It is the intention of the Offeror to collaborate with the management of Barbados Farms to bring new and innovative thinking to its business to modernize and transform agricultural production in order to achieve efficiency and to improve the operating performance of the company. Non-productive assets will be restructured and re deployed to deliver value to the company and the country. Where feasible, lands not suitable for agriculture will be transitioned in an orderly manner to its next best use including housing developments through the provision of housing lot and or houses.

## **Time of Acceptance**

The Offer is open for acceptance until the Expiry Date and Time unless the Offer is withdrawn or extended by the Offeror. See “Time for Acceptance” in Section 3 of the Offer and “Extension, Variation or Change in the Offer” in Section 12 of the Offer.

### **1. Manner of Acceptance**

The offer may be accepted for all or part of the Barbados Farms Shares held by a shareholder by delivering or depositing the following documents to and with the Manager at its office specified herein and in the Acceptance and Transfer Form so as be received before the Expiry Date and Time:

- a. the enclosed Acceptance and Transfer Form duly completed and executed as required
- b. original statements of ownership of the Barbados Farms shares from the BCSDI.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing the Letter of Acceptance directly with the Manager.

## **Withdrawal of the Deposited Shares**

Any Shares deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time up to 2 business days prior to the Expiry Date and Time.

## **Completion of Offer; Withdrawal of Offer**

The Offeror will announce within 2 Business Days after the Expiry Date and Time whether it is proceeding with the Offer or whether there is an unfulfilled condition which the Offeror is invoking in order to withdraw the Offer. If the Offer is withdrawn, the Offeror shall return all deposited Shares forthwith. See “Completion of Offer; Withdrawal of Offer” in Section 13 of the Offer. If the Offeror is proceeding with the Offer, the Manager shall or shall cause the Letters of Acceptance and other relevant documents to be delivered to the BSE and BDSDI for execution of the transaction and transfer of ownership respectively.

## **Payment**

*Upon the terms and subject to the conditions of the Offer (as the same may be amended or waived by the Offeror), the Offeror will take up and pay for Shares deposited under the Offer as soon as reasonably possible after the Expiry Date and Time and in any event not later than 30 days following the Expiry Date and Time. (See “Take Up of and Payment for Deposited Shares” in Section 15 of the Offer).*

## **Conditions of the Offer**

*The Offeror will have the right to withdraw the Offer, and will not be required to take up or pay for any Shares deposited under the Offer, if any of the conditions described under “Conditions of the Offer”. “Statutory Conditions of the Offer” and “Right of Rescission” in Sections 9, 10 and 11 of the Offer have not been waived by the Offeror or satisfied at or prior to the Expiry Date and Time.*

## **Tax Considerations**

*The sale of Shares pursuant to the Offer may have tax consequences for Shareholders. (See Section 15 of the Circular, “Tax Considerations”).*

## **Manager**

The Offeror has engaged RBC Royal Bank of Canada (Investment and Trust Services Department) to act as its Manager in connection with the Offer.

## **Depository Arrangements**

The Manager will make such arrangements as may be required with the central securities depository in Barbados to facilitate the transfer of Shares in respect of which the Offer is accepted.

## SAGICOR FINANCIAL CORPORATION

### OFFER TO PURCHASE

any and all of the outstanding Common Shares of

**BARBADOS FARMS LIMITED**  
(not already owned or controlled by Sagicor Financial Corporation)

#### OFFER

The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer.

#### TO THE SHAREHOLDERS OF Barbados Farms:

##### 1. THE OFFER

The Offeror is offering, upon the terms and subject to the conditions of the Offer, to purchase any and all of the outstanding Shares, (including Shares which become outstanding on the exercise of Options), at **BDS \$5.00 per share to be paid or satisfied as follows:**

- a) 65% of the purchase price by the issue of shares in Sagicor Financial Corporation
- b) Balance of 35% of the purchase price to be paid in cash

(For the purposes of this offer one (1) Sagicor Financial Corporation Share is to be valued at BDS \$5.00).

No fraction of a Sagicor Financial Corporation Share will be issued by Sagicor Financial. The Shareholders who would otherwise have become entitled to receive fractional Shares in respect of the number of Barbados Farms Shares that they tender to this Offer shall instead receive a cash payment from Sagicor Financial in lieu of such fractional shares.

The Offer price may be adjusted in certain circumstances, as described in "Offer Price" in Section 2 of the Offer.

The Offer is made only for Shares and is not made for any Options. Any holder of Options who wishes to accept the Offer must exercise the Options to obtain Shares and deposit those Shares under the Offer. Any such exercise must be sufficiently in advance of the Expiry Date and Time to assure the holders of Options and other rights to purchase Shares that they will have the Shares available for deposit before the Expiry Date and Time.

Based upon Barbados Farms' public filings with Securities Regulatory Authorities, the Offeror believes that as of the date hereof, there are 20,607,294 Shares outstanding.

##### 2. OFFER PRICE

The Offer price is **BDS \$5.00 per share to be paid or satisfied as follows:**

- a) 65% of the purchase price by the issue of Sagicor Financial's Shares
- b) the balance of 35% of the purchase price to be paid in cash

(For the purposes of this offer one (1) Sagicor Financial Corporation share is to be valued at BDS \$5.00).

No fraction of a Sagicor Financial Corporation Share will be issued by Sagicor Financial. The Shareholders who would otherwise have become entitled to receive fractional Shares in respect of the number of Barbados Farms Shares that they tender to this Offer shall instead receive a cash payment from Sagicor Financial in lieu of such fractional shares..

The Offer price represents what the Offeror have determined is a fair value for the shares of Barbados Farms based on public information available to the Offeror at the date of this Offer.

*In the event of a change in circumstances after the date of this Offer, the Offeror may amend this Offer which is consistent with its own determination of the fair value for the shares of Barbados Farms. (See "Extension, Variation or Change in the Offer" in Section 12 of the Offer).*

If, on or after the date of the Offer, Barbados Farms should divide, combine or otherwise change any of the Shares or its capitalization, or disclose that it has taken or intends to take any such action, the Offeror, in its sole discretion and without prejudice to its rights under Sections 9, 10 and 11 of the Offer entitled "Conditions of the Offer", "Statutory Conditions of the Offer" and Right of Rescission", may make such adjustments as it considers appropriate to the purchase price and the other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amounts payable therefor) to reflect that division, combination or other change.

##### 3. TIME FOR ACCEPTANCE

The Offer is open for acceptance until 4:00 p.m. (Barbados time) on the 9th of January, 2008, or until such later time and date or times and dates to which it may be extended, unless the Offer is withdrawn by the Offeror.



#### 4. MANNER OF ACCEPTANCE

##### Letter of Acceptance

The offer may be accepted for all or part of the Barbados Farms Shares held by a shareholder by delivering or depositing the following documents to and with the Manager at its office specified herein and in the Acceptance and Transfer Form so as to be received before the Expiry Date and Time: the enclosed Acceptance and Transfer Form duly completed and executed as required and the original statement from the Barbados Central Securities Depository Inc (BCSDI) bearing the shareholder's National Identification Number or other form of identification as proof of the accepting shareholder's beneficial ownership of the Barbados Farms Shares.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing the Letter of Acceptance directly with the Manager.

#### 5. GENERAL

The Offer will be deemed to be accepted only if the Manager has actually physically received the requisite documents at or before the Expiry Date and Time. In all cases, payment for the Shares deposited and taken up by the Offeror pursuant to the Offer will be made only after timely receipt by the Manager of the Letter of Acceptance covering the Shares, properly completed and signed, and any other required documents.

The method of delivery of the Letter of Acceptance and all other required documents is at the option and risk of the person depositing those documents. The Offeror recommends that those documents be delivered by hand to the Manager and that a receipt be obtained therefor or, if mailed, that registered mail be used with an acknowledgement of receipt requested.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of Shares deposited pursuant to the Offer shall be assessed by the Offeror. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in strict compliance with the Letter of Acceptance and any other conditions of acceptance of this Offer or which may be unlawful to accept under the laws of any jurisdiction.

The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Shares. There shall be no duty or obligation of the Offeror, the Manager, or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular and the Letter of Acceptance will be final and binding.

Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares directly with the Manager.

#### 6. POWER OF ATTORNEY

The execution of a Letter of Acceptance irrevocably constitutes and appoints the Offeror and any other person designated by the Offeror in writing (each an "Appointee") as the true and lawful agent, Attorney and Attorney-in-fact of the Shareholder delivering the Letter of Acceptance with respect to (i) the Shares deposited under the Offer pursuant to the Letter of Acceptance and taken up by the Offeror (the "Purchased Shares"), as registered in the name of the depositing Shareholder on the securities register maintained by Barbados Farms or its transfer agent or held for the account of the depositing Shareholder in a central securities depository, and (ii) any and all rights and benefits arising from such Purchased Shares, including any and all dividends, distributions, payments, securities, property or other interests that may be accrued, declared, issued, transferred, made or distributed on or in respect of the Purchased Shares on or after the date of the Offer, and any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (each a "Distribution" and collectively, "Distributions") (collectively, "Other Property"), effective from and after the time that the Offeror notifies the Manager that it agrees to take up and pay for the Purchased Shares (the "Effective Time"), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest):

- (a) to take all action necessary or advisable to effect, register or record the transfer and/or cancellation of such Purchased Shares and any Other Property on the appropriate register maintained by the Barbados Central Securities Depository on behalf of the Barbados Farms;
- (b) for so long as any Purchased Shares are registered or recorded in the name of or held for the account of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, to vote any and all Purchased Shares, to execute and deliver any and all instruments of proxy, authorizations or consents in a form and on terms satisfactory to the Offeror in respect of any or all Purchased Shares and any Other Property, to revoke any such instrument, authorisation or consent given prior to or after the Effective Time, to designate in such instrument, authorization or consent and/or designate in any such instruments of proxy any person or persons as the proxy of such Shareholder in respect of the Purchased Shares and/or Other Property, for all purposes

including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof) of holders of securities of Barbados Farms;

- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Other Property that may be payable to or to the order of, or endorsed in favour of, such Shareholder and/or designate in any such instruments of proxy any person(s) as the proxy or the proxy nominee(s) of the Shareholder in respect of such Other Property for all purposes; and
- (d) to exercise any other rights of a holder of Purchased Shares and Other Property.

Once the Offeror has announced that it is proceeding with the Offer under section 13 of this Offer a Shareholder agrees not to vote any of the Purchased Shares and/or Other Property at any meeting (whether annual, special or otherwise, or any adjournments thereof) of holders of securities of Barbados Farms and not to exercise any of the other rights or privileges attached to the Purchased Shares and/or Other Property, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of the Purchased Shares and/or Other Property, and to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy of the holder of the Purchased Shares and/or Other Property. Upon such appointment, all prior proxies and other authorisations (including, without limitation, all appointments of any agent, attorney or attorney in fact) or consents given by the holder of such Purchased Shares and/or Other Property with respect thereto will be revoked and no subsequent proxies or other authorisations or consents may be given by such person with respect thereto.

## **7. FURTHER ASSURANCES**

A Shareholder accepting the Offer covenants under the terms of the Letter of Acceptance to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Shares and any Other Property to the Offeror and acknowledges that all authority therein conferred or agreed to be conferred is, to the extent permitted by law, irrevocable and may be exercised during any subsequent legal incapacity of such

holder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such holder.

## **8. DEPOSITING SHAREHOLDERS' REPRESENTATIONS AND WARRANTIES**

The deposit of Shares pursuant to the procedures herein will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer, including the depositing Shareholder's representation and warranty that: (i) such Shareholder has full power and authority to deposit, sell, assign and transfer the Shares being deposited (and any Other Property); (ii) such Shareholder owns the Shares which are being deposited (and any Other Property) free and clear of all liens, restrictions, charges, encumbrances, claims, equities and rights of others; and (iii) when such Shares are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Other Property) free and clear of all liens, restrictions, charges, encumbrances, claims, equities, and rights of others. The acceptance of the Offer pursuant to the procedures set forth above shall constitute an agreement between the depositing Shareholder and the Offeror in accordance with the terms and conditions of the Offer.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set forth in Sections 4 and 6.

## **9. CONDITIONS OF THE OFFER**

The Offeror's obligation to take up the Shares under the Offer shall be subject to the satisfaction or waiver of the following conditions at the Expiry Date and Time:

- (a) at least 51.% of all of the issued and outstanding Common Shares of Barbados Farms shall have been tendered pursuant to this Offer and not withdrawn;
- (b) the Offeror shall have determined, acting reasonably, that (i) no act, action, suit or proceeding shall have been taken or threatened in writing before or by any Governmental Entity (including any individual, company, firm, group or other entity) and (ii) no Law shall have been proposed, enacted, promulgated or applied, in either case, which has the effect of altering the status of Barbados Farms by:
  - (i) requiring Barbados Farms to cease trading, or enjoining Barbados Farms from the conduct of any lawful activity or business; or

- (ii) prohibiting or imposing material and adverse limitations or conditions on the purchase by or the sale to the Offeror of the Shares or the right of the Offeror to own or exercise full rights of ownership of the Shares; or
  - (iii) seeking to prohibit or limit the ownership or operation by the Offeror of any material portion of the business or assets of Barbados Farms or to compel the Offeror to dispose of or hold separate any material portion of the business or assets of Barbados Farms as a result of the Offer; or
  - (iv) requiring that the purchase by the Offeror in accordance with this Offer will be subject to the payment of transfer taxes, stamp duties or other similar taxes or imposts;
- (c) there shall not have developed, occurred or come into effect or existence any event, action, state, condition, natural disaster or major financial occurrence of national or international consequence, including, without limiting the generality of the foregoing, any military conflict, civil or military insurrection or terrorist action or like event, including, which in the reasonable judgement of the Offeror adversely affects, or may adversely affect, the financial markets, or the business, financial condition, operations or affairs of Barbados Farms; and
- (d) the receipt of all regulatory permissions, consents and authorisations needed for the Offeror to effect the purchase of the Shares as contemplated herein.

The Offeror's obligation to take up the Shares under the Offer shall not be subject to the recommendation of acceptance of the Offer by the Directors of Barbados Farms.

The foregoing conditions are for the exclusive benefit of the Offeror and may be waived by the Offeror in whole or in part at any time. The foregoing conditions may be asserted by the Offeror regardless of the circumstances (including any action or inaction by the Offeror or any of its affiliates) giving rise to any such condition. The failure by the Offeror at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed to be an ongoing right that may be asserted at any time and from time to time until the Expiry Date and Time or the date on which the Offer is withdrawn.

Any waiver of a condition or the termination or withdrawal of the Offer shall be effective upon written notice (or other communication confirmed in writing) being given by the Offeror to that effect to the Regulator and the Manager. The Offeror,

forthwith after giving any such notice, will make a public announcement of such waiver or withdrawal and, to the extent required by applicable law, cause the Manager as soon as is practicable thereafter to notify the Shareholders in the manner set forth under "Notice and Delivery" in Section 18 of the Offer. If the Offer is withdrawn, the Offeror shall not be obligated to take up, accept for payment or pay for any Shares deposited under the Offer, and the Manager will promptly return or cause the return of all Letters of Acceptance and related documents in its possession to the parties by whom they were deposited.

#### **10. STATUTORY CONDITIONS OF THE OFFER**

This offer is subject to the satisfaction or waiver of the following conditions at or prior to the Expiry Date and Time and it may be withdrawn by the Offeror if:

- a. the total number of Barbados Farms shares that are validly tendered in response to this offer represents less than 51% of the issued and outstanding shares in the capital of Barbados Farms.
- b. The government or Governmental Entity moves to prevent the Offeror from proceeding or to alter the status of Barbados Farms materially.
- c. A natural disaster or the Directors of Barbados Farms intervene between the date of the Offer and the Expiry Date and Time to materially change the value or nature of Barbados Farms.

If any of the abovementioned events should occur the Offeror reserves the right by Notice in writing sent to the Regulator and the Manager at their principle office and the shareholder within 2 business days after the Expiry Date and Time to withdraw this offer or to elect not to take, accept for payment or pay for all or any of the Barbados Farms shares to which this offer relates. Where Sagicor Financial withdraws this offer as such the Manager shall forthwith return the Acceptance and Transfer Forms and statements, confirmation or other documents as the case may be representing all Barbados Farms shares tendered pursuant to this offer by registered mail to the persons entitled thereto.

The foregoing conditions are for the exclusive benefit of Sagicor Financial. Sagicor Financial shall however have the right to waive such conditions in whole or in part at any time.

#### **11. RIGHT OF RESCISSION**

If at any time before Sagicor Financial has made payment under Section 15 hereof:

- (a) the Directors of Barbados Farms :-
  - (i) allot or issue any further shares or securities of Barbados Farms;

- (ii) grant any options over any shares in the capital of Barbados Farms;
  - (iii) enter into any agreement to issue or allot any additional shares in the capital of Barbados Farms;
  - (iv) pass any resolution to vary or amend any article or by-law of Barbados Farms;
  - (v) enter into any agreement or arrangement other than in the normal course of business;
  - (vi) intervene to change materially the value or nature of Barbados Farms; or
  - (vii) give notice that they intend to do any of the foregoing; or
- (b) the Shareholders of Barbados Farms enter into or give notice of their intention to enter into any Shareholders' agreement of any nature whatsoever;
- (c) a natural disaster intervenes so as to change materially the value or nature of Barbados Farms;
- (d) the Government or any Governmental Entity moves to prevent the Take-Over Bid or to alter materially the status of Barbados Farms;
- (e) there are any actual or proposed changes in legislation or rules applicable to this Offer (other than those already announced at or before the Expiry Date and Time);
- (f) any necessary permission or approval of the Exchange Control Authority of Barbados for the sale and purchase of the Barbados Farms Shares being transferred pursuant to an acceptance of this Offer is refused;
- (g) the transfers in respect of the Barbados Farms Shares to be acquired by Sagicor Financial or its nominee in pursuance of this Offer are deemed not to have been made through the Barbados Stock Exchange, so as to be exempt from any property transfer tax payable under the Property Transfer Tax Act of Barbados and/or stamp duty payable under the Stamp Duty Act of the Laws of Barbados respectively.
- (h) Sagicor Financial discovers the existence of any action, which was not previously disclosed to Sagicor Financial, by any person or company other than Sagicor Financial, including, without limitation, a governmental or regulatory authority or by Barbados Farms or a subsidiary of Barbados Farms or Barbados Farms' directors or officers, which results in a material change in the business, operations, capital or affairs of Barbados Farms and its subsidiaries, considered as a whole;
- (i) any Barbados Farms Shares tendered and deposited by a Shareholder pursuant to this Offer (i) are deemed to exclude any rights or benefits arising therefrom, including the right to all dividends, distributions, payments, securities, rights, assets or other interest that may be declared, paid, issued, distributed, made or transferred on or after the Expiry Date and Time on or in respect of the Barbados Farms Shares to which this Offer relates or (ii) are subject to any lien, charge, encumbrance, claim or equity whatsoever, or
  - (j) any matter or event whatsoever that occur which in the absolute opinion of Sagicor Financial may adversely affect the financial position of Barbados Farms in any material way;
- Then Sagicor Financial may, without prejudice to any other remedy which Sagicor Financial may have against Barbados Farms or its Directors, rescind Sagicor Financial's agreement to purchase all of the Barbados Farms Shares in respect of which valid acceptances have been received pursuant to this Offer (or such of them as shall be deemed to exclude any rights or benefits arising therefrom or are subject to any lien, charge, encumbrance or equity) upon giving written notice thereof to the Manager at its principal office and the persons to whom this Offer is made.
- If the Offer is rescinded pursuant to this Section, the Manager shall request the return of the documents deposited in safe custody with the Depository and upon receipt thereof the Acceptance and Transfer Form and statements, confirmations or other documents, as the case may be, representing all Barbados Farms Shares tendered pursuant to this Offer will be returned by the Manager by registered mail to the persons entitled thereto.
- The foregoing conditions are for the exclusive benefit of Sagicor Financial and may be waived by Sagicor Financial in whole or in part at any time. The foregoing conditions may be asserted by Sagicor Financial regardless of the circumstances (including any action or inaction by Sagicor Financial or any of its affiliates) giving rise to any such condition. The failure by Sagicor Financial at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed to be an ongoing right that may be asserted at any time and from time to time until the Expiry Date and Time or at the date on which the Offer is withdrawn.

## **12. EXTENSION, VARIATION OR CHANGE IN THE OFFER**

The Offer is open for acceptance until the Expiry Date and Time, unless the Offer is withdrawn or the Offer Period is extended.

Subject as hereinafter described, the Offeror may, in its sole discretion, at any time and from time to time, extend the Expiry Date and Time or vary the Offer by giving written notice (or other communication subsequently confirmed in writing) of such extension or variation to the Regulator and the Manager at their respective principal offices. Upon the giving of such notice or other communication extending the Expiry Date and Time, the Expiry Date and Time shall be, and be deemed to be, so extended. The Offeror, as soon as practicable thereafter, will cause the Manager to provide a copy of the notice, in the manner set forth under “Notice and Delivery” in Section 18 of the Offer, to all Shareholders to whom the Offer Documents have been furnished and whose Shares have not been taken up at the date of the extension or variation. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Manager, make a public announcement of the extension or variation to the extent and in the manner required by applicable Law. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Manager at its principal office.

Notwithstanding the foregoing, except for extensions in connection with changes in the information contained in this Offering Circular, as described in the following paragraph, or as otherwise required by applicable Law, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer (other than those waived by the Offeror) have been fulfilled or complied with, unless the Offeror first takes up and pays for all Shares then deposited under the Offer and not withdrawn.

If, before the Expiry Date and Time, or after the Expiry Date and Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror), or the Offeror otherwise determines to supplement or change the information contained in the Offer or the Circular in any way, the Offeror will give written notice of such change or supplement to the Manager at its principal office and will cause the Manager to provide as soon as practicable thereafter a copy of such notice in the manner set forth under “Notice and Delivery” in Section 18 of the Offer, to all Shareholders to whom the Offer Documents have been furnished and whose Shares have not been taken up under the Offer at the date

on which the Offeror notifies the Manager of such change or supplement. As soon as possible after giving notice of a change in, or supplement to, information to the Manager, the Offeror will make a public announcement of the change in information. Any notice of change in, or supplement to, information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Manager at its principal office.

Where the terms of the Offer are varied in any material respect (except a variation consisting solely of the waiver of a condition), or the Offeror notifies the Manager of a change in, or supplement to, the information contained in the Offer or the Circular, the Offer will remain open for a minimum of fourteen (14) days after the date of such variation or such notice to the Manager, unless otherwise permitted by applicable Law.

During any such extension, or in the event of any variation or change in information, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Offeror in accordance with the terms hereof, subject to the Shareholders’ rights to withdraw deposited Shares, as described in “Right to Withdraw Deposited Shares” in Section 16 of the Offer. An extension of the Expiry Date and Time, a variation of the Offer or a change in information contained in the Offer or the Circular does not, unless otherwise expressly stated, constitute a waiver by the Offeror of any of its rights set out under “Conditions of the Offer”, “Statutory Conditions of the Offer” and “Right of Rescission” in Sections 9, 10 and 11 of the Offer.

If the consideration being offered for the Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Shares are taken up under the Offer, whether or not such Shares were taken up before the increase.

## **13. COMPLETION OF OFFER; WITHDRAWAL OF OFFER**

The Offeror will announce within 2 Business Days after the Expiry Date and Time either that it is proceeding with the Offer or that there is an unfulfilled condition which the Offeror is invoking in order to withdraw the Offer. If the Offer is withdrawn, the Offeror shall return all deposited Shares forthwith.

## **14. TRANSFER OF SHARES - BARBADOS STOCK EXCHANGE**

If the Offeror is proceeding with the Offer, the transfer of all deposited Shares shall be effected on the floor of the BSE. In order to give effect to the transfer of the deposited Shares on the floor of the BSE, the Manager acting as Manager (and acting pursuant to the powers of attorney granted in

the Letters of Acceptance), shall execute any and all further documents necessary to effect the transfers thereof.

#### **15. TAKE UP OF AND PAYMENT FOR DEPOSITED SHARES**

Upon the terms and subject to the conditions of the Offer, the Offeror will take up and pay for Shares duly and validly deposited pursuant to the Offer in accordance with the terms hereof as soon as reasonably possible and in any event not later than 30 days following the Expiry Date and Time.

For the purposes of the Offer, the Offeror will be deemed to have taken up and accepted for payment Shares validly deposited under the Offer and not withdrawn as and when the Offeror gives written notice to the Manager, at its principal office, to that effect.

The Offeror reserves the right, in its sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares if any condition specified under “Conditions of the Offer”, “Statutory Conditions of the Offer” and “Right of Rescission” in Sections 9, 10 and 11 of the Offer is not satisfied or waived by the Offeror. The Offeror will not, however, take up and pay for any Shares deposited under the Offer unless it simultaneously takes up and pays for all Shares then validly deposited under the Offer.

The Offeror will pay for Shares validly deposited under the Offer and not withdrawn by depositing sufficient funds on account with the Payment Agent. The Manager will act as the agent of persons who have deposited Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons. Receipt of payment by the Manager will be deemed to constitute receipt of payment by persons depositing Shares. Under no circumstances will interest accrue or be paid by the Offeror or the Manager on the purchase price of the Shares purchased by the Offeror, regardless of any delay in making such payment.

Settlement with each Shareholder who has validly deposited and not withdrawn Shares under the Offer will be effected by the Offeror directly or through the Manager by forwarding a cheque, representing the cash payment for such securities to which such Shareholder is entitled. Unless otherwise directed in the Letter of Acceptance, any such cheque will be issued in the name of the registered holder of Shares so deposited. Unless the person who deposits Shares instructs the Manager to hold such cheque for pick-up, such cheque will be forwarded by registered mail to such person at the address specified in the Letter of Acceptance. If no address is specified therein, such cheque will be forwarded to the address of the holder as shown in the records maintained by the Company or with the BCSDI. Cheques mailed in accordance with this

paragraph will be deemed to have been delivered upon the date of mailing.

Depositing Shareholders will not be obliged to pay brokerage fees or commissions or bank transfer fees if they accept the Offer by depositing their Shares directly with the Manager.

The issuance of Sagicor Financial Shares to shareholders shall be subject to compliance with all applicable laws and regulations. Sagicor Financial shall apply for a listing of such Sagicor Financial Shares on the BSE. Neither the Companies Act nor the Articles of Incorporation or By-Laws of Sagicor Financial prohibit the issue of Sagicor Financial Shares to shareholders.

#### **16. RIGHT TO WITHDRAW DEPOSITED SHARES**

Except as otherwise provided in this Section 16, all Shares deposited pursuant to the Offer are irrevocable.

Unless otherwise required or permitted by applicable Law, any Shares deposited in acceptance of the Offer may be withdrawn at the place of deposit by or on behalf of the depositing Shareholder:

- (a) at any time up to 2 business days prior to the Expiry Date and Time;
- (b) if the Shares have not been paid for by the Offeror within 30 days of the Expiry Date and Time; or
- (c) at any time before the expiration of 14 days from the date of:
  - (i) a notice of change relating to a change which has occurred in, or a supplement has been made to, the information contained in the Offer or the Circular, as amended from time to time, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), in the event that such change occurs before the Expiry Date and Time or after the Expiry Date and Time but before the expiry of all other rights of withdrawal in respect of the Offer; or
  - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Shares where the Expiry Date and Time is not extended for more than 14 days or a variation consisting solely of a waiver of a condition of the Offer);

provided such deposited Shares have not been taken up by the Offeror at the date of the notice.

Withdrawals of Shares deposited pursuant to the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Manager at the place of deposit within the time limits indicated above.

Notices of withdrawal:

- (i) must be made by a method, including a manually signed facsimile transmission, that provides the Manager with a written or printed copy;
- (ii) must be signed by or on behalf of the person who signed the Letter of Acceptance accompanying the Shares which are to be withdrawn;
- (iii) must specify such person's name, the number of Shares to be withdrawn, the name of the registered holder; and
- (iv) must be actually received by the Manager at the place of deposit of the applicable Shares.

The withdrawal will take effect upon actual physical receipt by the Manager of the properly completed and signed written notice of withdrawal.

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be assessed by the Offeror, and such determination will be final and binding. There will be no obligation on the Offeror, the Manager or any other person to give any notice of any defects or irregularities in any withdrawal and no liability will be incurred by any of them for failure to give any such notice.

If the Offeror is delayed in taking up or paying for Shares or is unable to take up or pay for Shares, then, without prejudice to the Offeror's other rights, Shares deposited under the Offer may be retained by the Manager on behalf of the Offeror and such Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as set forth in this Section 16 or pursuant to applicable Laws.

Any Shares withdrawn will be deemed to be not validly deposited for the purposes of the Offer, but may be re-deposited subsequently at or prior to the Expiry Date and Time by following the procedures described under "Manner of Acceptance" in Section 4 of the Offer.

## 17. RETURN OF DEPOSITED SHARES

If any deposited Shares are not taken up and paid for pursuant to the terms and conditions of the Offer for any reason, the Shares not purchased will be returned to the

depositing Shareholder as soon as is practicable following the termination or withdrawal of the Offer. Shares that are held in a central securities depository will be transferred to the account from which they were originally transferred for the purpose of tendering under the Offer, as soon as practicable after the termination or withdrawal the Offer.

## 18. NOTICE AND DELIVERY

Without limiting any other lawful means of giving notice, any notice that the Offeror or the Manager may give or cause to be given under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid to the registered holders of Shares at their respective addresses appearing in the registers of the Company or the BCSDI, and unless otherwise specified by applicable law, will be deemed to have been received on the third day following mailing. These provisions apply notwithstanding any accidental omission to give notice to anyone or more Shareholders and notwithstanding any interruption of mail services following mailing.

If mail service is interrupted following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Subject to applicable law, if post offices in Barbados are not open for the deposit of mail, any notice which the Offeror or the Manager may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is published once in the following newspaper:

<u>Newspaper</u>	<u>Country</u>
<i>The Barbados Advocate</i>	<i>Barbados</i>

The Offer will be mailed to registered holders of Shares and will be furnished by the Offeror to brokers, investment advisors, banks and similar persons whose names, or the names of whose nominees, appear in the register maintained by the Company or BCSDI on behalf of Barbados Farms in respect of the Shares or, if security position listings are available, who are listed as beneficial owners in a clearing agency's security position listing, where such listings are received.

## 19. OTHER TERMS OF THE OFFER

**No stockbroker, investment dealer or other person (including the Manager), has been authorised to give any information or make any representation on behalf of the Offeror other than as expressly set forth herein or in the accompanying Circular, and**

if any such information is given or made it **must not** be relied upon as having been authorised.

The Offer and the accompanying Circular together constitute the Take-Over Bid circular required under the Barbados Take-Over Bid Regulations with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

Without in any way assuming the responsibility of non-resident shareholders to obtain such consents as may be required by the jurisdiction in which they reside for them to accept the Offer, the Offeror will apply to the Central Bank of Barbados for blanket approval on behalf of non-resident shareholders as may be required under the laws of Barbados.

The Offer and all contracts resulting from the acceptance hereof shall be governed by, and construed in accordance with the laws of Barbados. Each party to a contract resulting from an acceptance of the Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of Barbados.

The provisions of the Circular form part of the terms and conditions of the Offer. The Offeror, in its sole discretion, will be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including the satisfaction of the conditions of the Offer), the Circular, and the Letter of Acceptance, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares.

The Offeror reserves the right to transfer to one or more affiliated companies the right to purchase all or any portion of the Shares deposited pursuant to the Offer but any such transfer will not relieve the Offeror of its obligations under the Offer and in no way will prejudice the rights of persons depositing Shares to receive payment for Shares validly deposited and accepted for payment pursuant to the Offer.

## 20. OTHER INFORMATION

The number of any securities of the offeree company beneficially owned or over which control or direction is exercised by the undermentioned persons is as follows:

(i) The Offeror	None
(ii) Sagicor (Equity) Fund	1,457,310
(iii) Sagicor General Insurance Inc.	40,592

**Dated: December 7, 2007**

### SAGICOR FINANCIAL CORPORATION



**Terrence Martins**  
Director



**Dodridge Miller**  
Director



## SAGICOR FINANCIAL CORPORATION

### OFFER TO PURCHASE

any and all of the outstanding Common Shares of

### BARBADOS FARMS LIMITED

#### CIRCULAR

*This Circular is furnished in connection with the accompanying Offer dated, the 7th day of December, 2007 by the Offeror to purchase any and all of the issued and outstanding Shares, including Shares that become outstanding on the exercise of Options. Shareholders should refer to the Offer for details of its terms and conditions, including details as to payment and withdrawal rights. The terms and provisions of the Offer and the Letter of Acceptance are incorporated into and form part of this Circular. Defined terms used in the Offer are used in this Circular with the same meaning unless the context otherwise requires.*

*The information concerning Barbados Farms contained in the Offer and this Circular has been taken from or is based upon publicly available documents and records of Barbados Farms on file with regulatory authorities and other public sources at the time of the Offer, unless otherwise indicated, and has not been independently verified by the Offeror. Although the Offeror has no knowledge that would indicate that any of the statements contained herein and taken from or based on such information are untrue or incomplete, it does not assume any responsibility for the accuracy or completeness of such information, or for any failure by Barbados Farms to disclose publicly events or acts that may have occurred or that may affect the significance or accuracy of any such information and that are unknown to the Offeror. Unless otherwise indicated, information concerning Barbados Farms is given as at December 20, 2006, the date on which Barbados Farms published its last audited financial statements for the year ended June 30, 2006.*

#### 1. THE OFFEROR –Historical details

The Offeror is incorporated under the Laws of the Barbados with registered number 21849. The Offeror's registered office and principal place of business is located at Sagicor Corporate Centre, Wildey, St Michael, Barbados.

The Offeror currently does not directly own any of the Shares of Barbados Farms. However Sagicor General Insurance Inc. (a subsidiary of Sagicor Financial) owns 40,592 shares in Barbados Farms and Sagicor Equity Fund (of which Sagicor Life Inc. is the sole Trustee) owns 1,457,310 shares in Barbados Farms.

The Offeror is a holding company for the Sagicor Group, a financial services group that offers a comprehensive range of

financial services, products and services, including life and health insurance, annuities and pension, property and casualty insurance, asset management, investment and merchant banking, securities brokerage, mutual funds and real estate development.

The Sagicor Group dates back to the establishment of the Barbados Mutual Life Assurance Society (BMLAS) in 1840. In order to pursue opportunities for growth, in December 2002 BMLAS demutualised by its re-incorporation under the Barbados Companies Act as a company with share capital and a new name, Sagicor Life Inc which is a wholly owned subsidiary of the Offeror.

The Offeror's shares are listed on the Stock Exchanges of Barbados and Trinidad & Tobago (symbol SFC) as well as the London Stock Exchange (symbol SFI).

The following table sets forth the volume of trading and the high and low closing price of the Sagicor Financial shares traded on the BSE for the periods indicated .

#### SHARES TRADED ON BARBADOS STOCK EXCHANGE

##### SAGICOR FINANCIAL CORPORATION

2007	Barbados Stock Exchange		
	Volume	High Price [BD\$]	Low Price [BD\$]
June	556,641	\$4.15	\$4.00
July	312,163	\$4.20	\$4.15
August	140,705	\$4.35	\$4.16
September	196,364	\$4.33	\$4.21
October	198,299	\$4.77	\$4.26
November	338,385	\$5.20	\$4.77
Total	1,742,557		

Sagicor Financial does not beneficially own, directly or indirectly, any of the outstanding Shares or any securities convertible or exchangeable for Shares. Sagicor Financial has not either directly or indirectly, purchased, sold or traded any shares of Barbados Farms in the immediately preceding 6 months.

#### 2. BARBADOS FARMS

Barbados Farms is a company incorporated and domiciled in Barbados with its registered office at the Auto Dome, Warrens, St. Michael, Barbados. The shares of Barbados Farms are listed for trading on the BSE.

Barbados Farms is authorized to issue an unlimited number of shares of one class designated Common Shares. There are 20,607,294 Shares listed on the BSE.

## Corporate Information of Barbados Farms

Barbados Farms was incorporated in Barbados on 17 October 1986.

### Board of Directors

G. A. A. KING, B Sc (HONS), C.I.T.P.- Chairman

M. A. BRATHWAITE- Managing Director

R.I. BANFIELD B.A. (Hons)

L.M. CORBIN F.C.C.A.

H A MURRELL, LL.B

Sir CHARLES WILLIAMS

### Secretary

Natalie M. Brace, LL.B

### Managers

Applewaites –R.E. Greaves

Buttals – R.H. Johnson

Castle – G.M. Jodan

Workshop – R .L. A. Cozier

### Registered Address

The Auto Dome

Warrens

St Thomas

Barbados

### Auditors

Ernst & Young

Chartered Accountants

## SHARES TRADED ON BARBADOS STOCK EXCHANGE

### BARBADOS FARMS LIMITED

	Barbados Stock Exchange		
2007	Volume	High Price [BDS\$]	Low Price [BDS\$]
June	3,519	\$2.00	\$2.00
July	5,356	\$2.01	\$2.01
August	2,108	\$2.21	\$2.21
September	780	\$2.35	\$2.35
Total	11,763		

### 3. BUSINESS RELATIONSHIP BETWEEN THE OFFEROR AND BARBADOS FARMS

Except for transactions in the common course of their respective businesses, none of the Offeror, or its affiliates has any business or commercial arrangements with Barbados Farms or its affiliates, and has no business relationship with Barbados Farms.

Certain entities within the Sagicor Group own Shares including 1,457,310 Shares owned by Sagicor (Equity) Fund and 40,592 Shares owned by Sagicor General Insurance inc, but these entities are not able in any way to influence or direct the voting of any of the Shares not held by them (including whether or not the holders of other Shares accept the Offer).

### 4. BACKGROUND TO THE OFFER; PLANS FOR BARBADOS FARMS

The acquisition of the Shares will allow the Sagicor Group to participate in an economic activity which is important to the sustainable development of Barbados and to facilitate the orderly transition of non-productive lands into its next viable alternative use.

### 5. SHARE OPTIONS

The Offer is made only for Shares. Any holder of vested and exercisable Options who wishes to accept the Offer should exercise the Options in order to obtain Shares and deposit such Shares in accordance with the Offer.

Holders of Options should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision to exercise or not exercise their Options.

### 6. PURPOSE OF THE OFFER

This Offer is being made by the Offeror to acquire a controlling interest in the capital of Barbados Farms in accordance with the Barbados Take-Over Bid Regulations.

### 7. SOURCE OF FUNDS

The Offeror's obligation to purchase the Shares tendered in the Offer is not subject to any financing condition. Sagicor Financial will pay or satisfy the share purchase as follows: 65% of the purchase price by the issue of shares in Sagicor Financial Corporation and the balance of 35% of the purchase price to be paid in cash. The cash component will be funded from internal resources of Sagicor Financial.

### 8. OWNERSHIP OF AND TRADING IN SECURITIES OF BARBADOS FARMS

Neither the Offeror or any other associate or affiliate, has traded in any securities of Barbados Farms during the period of 6 months prior to the Offer. The Offeror has not (either directly or indirectly), purchased any Shares in the market but reserves its right to do so.

**9. OWNERSHIP AND TRADING OF SHARES OF THE OFFEROR**

To the knowledge of the Offeror, none of Barbados Farms or any of its subsidiaries or any other person or company acting jointly or in concert with Barbados Farms owns or has ever purchased or sold any securities of the Offeror.

**10. VALUATION INFORMATION**

The Offeror has not commissioned any independent valuation of Barbados Farms or the Shares. The Offer price was determined by reference solely to the publicly available financial information at the date hereof.

**11. ARRANGEMENTS, AGREEMENTS OR UNDERSTANDINGS**

**11. (A) ARRANGEMENTS, AGREEMENTS OR UNDERSTANDINGS OF DIRECTORS OF BARBADOS FARMS LIMITED**

There are no contracts or arrangements and no contracts or arrangements are at present proposed to be made between the Offeror and any of the directors or officers of Barbados Farms, including any payment or other benefit proposed to be made or given by way of compensation in respect of loss of office or in respect of their remaining in or retiring from office if the Offer is successful.

**11. (B) ARRANGEMENTS, AGREEMENTS OR UNDERSTANDING BETWEEN SHAREHOLDERS OF BARBADOS FARMS AND THE OFFEROR**

The Offeror intends if possible to enter into "lock up" Agreements with shareholders of Barbados Farms to agree to purchase their shares during the currency of the Take-Over Bid.

**12. PRICE RANGE AND TRADING VOLUMES OF THE SHARES**

The Shares are listed and posted for trading on the Stock Exchange. Based upon information provided by Barbados Farms, the Offeror has been advised that as of the date hereof there are 20,607,294 Shares outstanding. The following table sets forth the volume of trading and the high and low closing price of the Shares traded on the BSE for the periods indicated.

2007	Barbados Stock Exchange		
	Volume	High Price [BDS\$]	Low Price [BDS\$]
June	3,519	\$2.00	\$2.00
July	5,356	\$2.01	\$2.01
August	2,108	\$2.21	\$2.21
September	780	\$2.35	\$2.35
Total	11,763		

The closing price of the Shares on the date on which this document was submitted for printing, was BDS\$ 2.21. The closing price of the Shares on the BSE on the date immediately preceding that on which Sagicor Financial made a public notification of its intention to make a Take-Over Bid for the shares of Barbados Farms, was BDS\$2.21.

**13. FINANCIAL INFORMATION**

Summary financial information extracted from Barbados Farms' published audited financial statements as submitted to the Shareholders of Barbados Farms is annexed hereto as Annex "A".

Summary financial information extracted from Sagicor Financial Corporation unaudited financial statements for the period ended September 30, 2007 is annexed hereto as Annex "B".

**14. PRO FORMA FINANCIAL STATEMENTS**

Below are the financial statements on a pro forma basis as at 30 September, 2007 which gives effect to the Take-Over Bid based on the information in the audited financial statements of Barbados Farms for the year ended June 30th 2006 and the unaudited financial statements for Sagicor Financial for the period ended September 30th 2007.

The pro-forma financial statements were prepared on the basis of the international accounting standards. The pro-forma financial statements assume that 100% of the Barbados Farms shareholders would accept the Sagicor Financial offer. The pro-forma financial highlights take into account interest costs related to the new debt by Sagicor Financial by this acquisition.

The Summary of the information contained in the pro forma financial statements is set out below:

**Consolidated pro-forma financial statement**

<b>BALANCE SHEET IN \$ooo</b>	<b>PRO FORMA BALANCE SHEET</b>	<b>PURCHASE ALLOCATION</b>	<b>BFL JUN 30 2006 (audited)</b>	<b>SFC SEPT 30 2007 (unaudited)</b>
<b>ASSETS</b>				
Investment property	186,048	-	-	186,048
Property, plant and equipment	273,976	89,174	10,860	173,942
Investment in associated companies	58,270	-	-	58,270
Intangible assets	214,512	-	-	214,512
Financial investments	5,325,654	-	1,418	5,324,236
Reinsurance assets	652,553	-	-	652,553
Income tax assets	46,199	-	574	45,625
Miscellaneous assets and receivables	391,392	-	3,369	388,023
Cash resources	153,598	(36,063)	525	189,136
<b>Total assets</b>	<b>7,302,203</b>	<b>53,112</b>	<b>16,746</b>	<b>7,232,345</b>
<b>LIABILITIES</b>				
Actuarial liabilities	2,730,193	-	-	2,730,193
Other insurance liabilities	611,151	-	-	611,151
Investment contract liabilities	481,231	-	-	481,231
Senior notes and loans payable	3,822,575	-	-	3,822,575
Deposit and security liabilities	323,223	-	-	323,223
Provisions	1,583,517	-	-	1,583,517
Income tax liabilities	44,958	-	1,226	43,732
Accounts payable and accrued liabilities	20,182	-	-	20,182
<b>Total liabilities</b>	<b>6,127,898</b>	<b>0</b>	<b>2,884</b>	<b>6,125,014</b>
<b>EQUITY</b>				
Share capital	530,362	64,913	2,061	463,388
Reserves	42,033	(6,305)	6,305	42,033
Retained earnings	335,046	(5,496)	5,496	335,046
<b>Total shareholders' equity</b>	<b>907,441</b>	<b>53,112</b>	<b>13,862</b>	<b>840,467</b>
Participating accounts	22,556	-	-	22,556
Minority interest in subsidiaries	244,308	-	-	244,308
<b>Total equity</b>	<b>1,174,305</b>	<b>53,112</b>	<b>13,862</b>	<b>1,107,331</b>
<b>Total equity and liabilities</b>	<b>7,302,203</b>	<b>53,112</b>	<b>16,746</b>	<b>7,232,345</b>

Purchase price @ 5.00 per share	103,036
Settled by issue of Sagicor Shares @ 5.00 per share	66,974
Settled by cash	36,063

**INCOME STATEMENT IN BARBADOS \$'000**

	<b>PRO FORMA INCOME STATEMENT</b>	<b>Adjustments</b>	<b>BFL 12 months JUN 30 2006 (audited)</b>	<b>SFC 9 months SEPT 30 2007 (unaudited)</b>
<b>REVENUE</b>				
Premium revenue	758,100	o	o	758,100
Reinsurance premium expense	(156,222)	o	o	(156,222)
Net premium revenue	601,878	o	o	601,878
Net investment income	375,340	(1,485)	86	376,739
Share of operating income of associated companies	5,021	o	o	5,021
Fees and other revenue	81,998	o	6,163	75,835
<b>Total revenue</b>	<b>1,064,237</b>	<b>(1,485)</b>	<b>6,249</b>	<b>1,059,473</b>
<b>BENEFITS</b>				
Policy benefits and change in actuarial liabilities	454,086	o	o	454,086
Policy benefits and change in actuarial liabilities reinsured	(31,773)	o	o	(31,773)
Net policy benefits and change in actuarial liabilities	422,313	o	o	422,313
Interest expense	122,081	o	o	122,081
<b>Total benefits</b>	<b>544,394</b>	<b>o</b>	<b>o</b>	<b>544,394</b>
<b>EXPENSES</b>				
Administrative & operating expenses	209,600	o	7,008	202,592
Commissions and related compensation	99,057	o	o	99,057
Premium taxes	10,856	o	o	10,856
Finance costs	18,246	o	36	18,210
Depreciation and amortisation	24,070	o	176	23,894
<b>Total expenses</b>	<b>361,829</b>	<b>o</b>	<b>7,220</b>	<b>354,609</b>
<b>INCOME FROM ORDINARY ACTIVITIES</b>	<b>158,014</b>	<b>(1,485)</b>	<b>(971)</b>	<b>160,470</b>
Income taxes	(23,553)	74	97	(23,724)
<b>NET INCOME FOR THE PERIOD</b>	<b>134,461</b>	<b>(1,411)</b>	<b>(874)</b>	<b>136,746</b>
<b>Attributable to:</b>				
Shareholders	98,109	(1,411)	(874)	100,394
Participating policyholders	3,114	o	o	3,114
Minority interest	33,238	o	o	33,238
	<b>134,461</b>	<b>(1,411)</b>	<b>(874)</b>	<b>136,746</b>
Basic earnings per common share	<b>35.0 cents</b>			<b>37.6 cents</b>
Diluted earnings per common share	<b>35.0 cents</b>			<b>37.6 cents</b>

## 15. TAX CONSIDERATIONS

The following is a summary of certain tax consequences for Shareholders who accept the Offer who are residents of the specified countries.

### Barbados Tax Consequences

*Property Transfer Tax:* No property transfer tax will be chargeable in Barbados in respect of the transfer of the Shares pursuant to the Offer in accordance with section 3(3) of the Property Transfer Tax Act (Barbados), which exempts from Property Transfer Tax, the transfer of securities of a public company through the BSE.

*Stamp Duties:* No stamp duty is chargeable in Barbados in respect of the transfer of the Shares on the BSE pursuant to the Offer, in accordance with section 73 of the Securities Act (Barbados), which exempts from the payment of stamp duty, documents in respect of the transfer of any security in accordance with the rules of a self regulatory organisation registered under the Securities Act (Barbados).

*Capital Gains Tax:* There are no capital gains taxes in Barbados. Gains arising on a sale, transfer or other disposition of the Shares will generally be considered capital gains under the Barbados tax laws if the Shares are held as capital property.

*Income and Corporation Taxes:* In certain circumstances, the purchase of Shares, by the Offeror pursuant to this Offer may have adverse income tax consequences for the Shareholder in Barbados. Specifically, a Shareholder will not be subject in Barbados to any tax on gains realised on the transfer of the Shares, except where such Shares are held as a trading asset in a business or in the course of an adventure in the nature of trade carried on in Barbados. A gain on the sale, transfer or other disposition of Shares held as a trading asset in a business (or in the course of an adventure or concern in the nature of trade or business), by a Shareholder who is (a) resident in Barbados or (b) though not resident in Barbados, carrying on a business in Barbados involving the Shares as a trading asset or deemed trading asset, may be subject in Barbados to tax on gains on the transfer of such Shares.

***This summary is not exhaustive of all income tax considerations and is of a general nature only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representations with respect to the tax consequences to any particular Shareholder are made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular***

***circumstances, including the application and effect of the income and other tax laws of any country, state or other local tax authority.***

## 16. OTHER MATTERS RELATING TO THE OFFER

### Arrangements with Payment Agent

The Manager, RBC Royal Bank of Canada (Investment and Trust Services Department) will act as payment agent on behalf of the Offeror. The Offeror will deposit funds for payment of the Purchased Shares with the Manager, which will make payments therefrom for and on behalf of the Offeror. In its capacity as payment agent, the Manager will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith, including without limitation applicable securities law compliance matters.

### Arrangements with BCSDI

BCSDI will receive reasonable and customary compensation from the Offeror for any service it performs in connection with the Offer, and will be reimbursed for certain out-of-pocket expenses in connection therewith.

## 17. OFFEREE'S STATUTORY RIGHTS AND ACQUISITION OF REMAINING SHARES

### Offeror's Intentions with Respect to Remaining Shares and Offerees' Statutory Rights

The Offeror may invoke any rights it may have to acquire Shares of any Shareholders who do not accept the Offer, pursuant to under Sections 186 et. seq. of the Barbados Companies Act or otherwise.

In the event that within 120 days after the date of this Offer, the Offeror acquires 90% or more of the Shares, prior to the expiration of 180 days of the date of the Offer or 60 days after the Expiry Date and Time (whichever is the later), the Offeror may give notice to any Shareholder who does not accept the Offer (in this section, a "Dissenting Shareholder"), of its intention to acquire the Shares of all such Dissenting Shareholders upon the terms of the Offer.

Any Dissenting Shareholder is entitled not to accept the terms of the Offer and to demand payment of the fair value of his Shares, and to have that value determined in accordance with the Barbados Companies Act. Shareholders should refer to

the applicable provisions of the Barbados Companies Act, for particulars of their legal rights.

**18 DIRECTORS' AND OFFICERS' INTERESTS IN BARBADOS FARMS**

To the knowledge of the Directors and Officers of Sagicor Financial, none of the Directors and Officers of Sagicor Financial and their respective associates beneficially owns or exercises control or direction over shares of Barbados Farms, except as disclosed below:

	No. of Common Shares owned or controlled	No. of Common Shares owned by associates
<b>Directors</b>		
Terrence A. Martins	Nil	Nil
Stephen D. R. McNamara	Nil	Nil
Andrew Aleong	Nil	Nil
David W. Allan	Nil	Nil
Professor Sir Hilary McD. Beckles	Nil	Nil
Marjorie M. Chevannes-Campbell	Nil	Nil
Dr Jeannine Comma	Nil	Nil
Joyce E Dear	Nil	Nil
Christopher D. deCaires	Nil	Nil
Dr Oscar W. Jordan	Nil	Nil
William P. Lucie-Smith	Nil	Nil
Dodridge D. Miller	Nil	Nil
<b>Officers</b>		
Edward Clarke	Nil	50
J Andrew Gallagher	Nil	Nil
Maxine MacLure	Nil	Nil
Ravi Rambarran	Nil	Nil
Philip Osborne	Nil	Nil
Sandra Osborne, QC	Nil	Nil
Melba Smith	Nil	Nil

**19. ADVISORS**

The under-mentioned advisors to the Offeror have given and have not withdrawn their consent for their names to appear in this circular in the form and context in which it appears.

**Attorneys-at-Law**

**Barry L.V. Gale Q.C.**  
**Karen A Perreira**

**Tweedside Road**  
**Blades and Williams Bldg**  
**St Michael**  
**Barbados**  
**Tel: (246) 427-9264**  
**Fax: (246) 429-8056**

**20. APPROVAL OF OFFEROR'S BOARD OF DIRECTORS**

The contents of the Offer and Circular have been approved and the sending thereof to the Shareholders of Barbados Farms has been authorised by the Board of Directors of the Offeror.

*Unless otherwise indicated, information Contained in this Circular is given as at 7 December, 2007, the date on which this document was submitted for printing.*

**APPROVAL AND CERTIFICATE OF SAGICOR FINANCIAL CORPORATION**

The contents of the Offer and Circular have been approved and the sending, communication or delivery thereof to the Shareholders has been authorised, by the Board of Directors of Sagicor Financial Corporation. To the knowledge of the Directors and Officers of the Offeror, the foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**DATED: December 7, 2007**



**Terrence Martins**  
**Director**



**Dodridge Miller**  
**Director**

The Manager for the Offer is:

**RBC ROYAL BANK OF CANADA  
(INVESTMENT AND TRUST SERVICES DEPARTMENT)  
P.O. Box 68 Broad Street  
Bridgetown, Barbados  
Tel: (246) 467-4140 or (246) 467- 4000  
Fax: (246) 427-8393**

**Any questions and requests for assistance may be directed by Shareholders  
to the Manager at its respective  
Telephone numbers and locations set out above**



**LETTER OF ACCEPTANCE  
IN RESPECT OF THE OFFER  
DATED December 7, 2007  
BY  
SAGICOR FINANCIAL CORPORATION  
TO  
THE SHAREHOLDERS  
OF  
BARBADOS FARMS LIMITED**

THIS LETTER OF ACCEPTANCE AND POWER OF ATTORNEY ("LETTER OF ACCEPTANCE"), IS IN RESPECT OF THE OFFER (THE "OFFER"), DATED December 7, 2007 BY SAGICOR FINANCIAL CORPORATION (THE "OFFEROR"), TO PURCHASE ANY AND ALL OF THE OUTSTANDING COMMON SHARES (THE "SHARES") OF BARBADOS FARMS LIMITED ("BARBADOS FARMS"), UPON THE TERMS AND CONDITIONS SET FORTH THEREIN.

THE OFFER TOGETHER WITH THE CIRCULAR ACCOMPANYING THE OFFER CONSTITUTES THE OFFER TO PURCHASE.

**PLEASE NOTE CAREFULLY THE INSTRUCTIONS FOR COMPLETION IN RESPECT OF THIS LETTER OF ACCEPTANCE.**

**LETTER OF ACCEPTANCE  
IN RESPECT OF THE OFFER  
DATED December 7, 2007  
BY  
SAGICOR FINANCIAL CORPORATION**

**TO: SAGICOR FINANCIAL CORPORATION**

**AND TO: Royal Bank of Canada  
INVESTMENT AND TRUST SERVICES DEPARTMENT  
P.O. Box 68 Broad Street  
Bridgetown, Barbados  
(in its capacity as Manager for the Offer)**

**AND TO: BARBADOS CENTRAL SECURITIES DEPOSITORY INC.  
First Floor  
Carlisle House  
Hincks Street  
Bridgetown  
Barbados**

The undersigned hereby acknowledges receipt of the Offer, and subject only to the rights of withdrawal set forth in the Offer, hereby irrevocably accepts the Offer and deposits and tenders in accordance with and pursuant to the Offer, the number of Shares indicated below.

NAME OF REGISTERED HOLDER	
ADDRESS	
EMAIL/TELEPHONE NUMBER	
NATIONAL ID NUMBER OR PASSPORT NUMBER	
NUMBER OF SHARES DEPOSITED AND TENDERED PURSUANT TO OFFER	

**LETTER OF ACCEPTANCE  
IN RESPECT OF  
THE OFFER DATED December 7, 2007  
BY  
SAGICOR FINANCIAL CORPORATION**

The undersigned hereby irrevocably constitutes and appoints **SAGICOR FINANCIAL CORPORATION and RBC ROYAL BANK OF CANADA (INVESTMENT AND TRUST SERVICES DEPARTMENT)** (the Manager listed in the Offer), and each of them, and any other person designated by the Offeror in writing, the true and lawful agent, attorney and attorney-in-fact of the undersigned with respect to (1) the Purchased Shares, and (2) any and all rights and benefits arising from such Purchased Shares, including any and all dividends, distributions, payments, securities, property or other interests that may be accrued, declared, issued, transferred, made or distributed on or in respect of the Purchased Shares on or after the date of the Offer, and any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (each a "Distribution" and collectively, "Distributions") (collectively, "Other Property"), effective from and after the time that the Offeror agrees to take up and pay for the Purchased Shares (under section 15 of the Offer), with full power of substitution, in the name of and on behalf of the undersigned to undertake:

- (1) anyone or more of the following actions as the same may be deemed necessary or advisable:
  - (a) to complete the appropriate share transfer instrument to effect the transfer of the Purchased Shares in the name of the Offeror in the share registers of the Company, to deliver the share certificates representing the Purchased Shares, and to take all other actions necessary or advisable to cause the transfer of the Purchased Shares to the Offeror on the Barbados Stock Exchange,
  - (b) where required to effect the transfer of the Purchased Shares for the account of the Offeror in Barbados, to complete the appropriate share transfer instrument to effect the transfer of the Shares tendered hereby to the name of a designated central securities depository to be held by such central securities depository for the account of the undersigned and to open and deal with such accounts in the name of or on behalf of the undersigned,
  - (c) where required to effect the transfer of the Purchased Shares for the account of the Offeror in

Barbados, to give direction for or consent to any direction given in respect of the withdrawal of the Shares tendered hereby from any securities depository in which held for the account of the undersigned, and to give direction for or consent to any direction given in respect of the transfer such Purchased Shares to the Company and/or Barbados Central Securities Depository Inc. (the "Barbados Depository"), and

(d) to take all other actions necessary or advisable to permit the completion of the transfer of the Purchased Shares for the account of the Offeror on the Barbados Stock Exchange, and to instruct and direct the Company and/or Barbados Depository to transfer the Purchased Shares to the account of the Offeror;

- (2) to register or record the Purchased Shares or any of them, and any Other Property, on the books of the Company in such manner as the agent, attorney-in-fact or any of them may determine, or in the name of the Offeror or such other person or persons as the Offeror may specify;
- (3) if and when and for as long as any or all of the Purchased Shares are registered or recorded in the name of the undersigned (whether or not they are now so registered or recorded), to execute and deliver, provided the same is not contrary to applicable law, at any time and from time to time, as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of all or any of such Purchased Shares and any Other Property, and to designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of the undersigned in respect of such Purchased Shares and such Other Property;
- (4) to execute, endorse and negotiate, for and in the name of and on behalf of the undersigned, any and all cheques or other instruments representing any distribution or distributions payable to or to the order of the undersigned; and
- (5) to execute, all such further documents, transfers and other assurances as may be necessary or advisable to effectively convey the Purchased Shares to the Offeror.

The undersigned further authorises the Manager to receive the payment for the Purchased Shares for and on behalf of

the undersigned (together with any certificates representing shares not deposited in accordance herewith), and requests the Manager to forward the payment and such certificates (if any) to the address of the undersigned indicated herein.

The undersigned hereby revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, hereinbefore conferred or agreed to be conferred by the undersigned at any time with respect to the Purchased Shares or any of them (and any and all Distributions or Other Property) and no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, will be granted with respect thereto by or on behalf of the undersigned.

Once the Offeror has announced that its proceeding with the offer under section 13 of this offer, the undersigned agrees not to vote any of the tendered or Purchased Shares, or Other Property, or any or all of them, as the case may be, at any meeting or meetings (whether annual, special or otherwise) of shareholders of the Company or of any class of shares, and any adjournment or adjournments thereof, and not to exercise any or all of the other rights or privileges attaching to any or all of the tendered or Purchased Shares, or Other Property, or otherwise act with respect thereto and agrees to execute and deliver to the Offeror, provided the same is not contrary to any applicable law, at any time and from time to time, as and when requested by and at the expense of the Offeror, any and all instruments of proxy, authorisations or consents, in form and on terms satisfactory to the Offeror, in respect of any or all of the tendered or Purchased Shares, or Other Property and to designate in any such instruments of proxy the person or persons specified by the Offeror as the proxy of the proxy nominees of the undersigned in respect of the Purchased Shares, or Other Property.

The undersigned hereby represents and warrants to the Offeror that the undersigned has full power and authority to tender, sell, assign and transfer the Purchased Shares and the Other Property to the Offeror to the extent herein provided, free and clear of any encumbrances, liens, charges, or other security interests, and without any adverse claim.

Each and every authority, whether as attorney or otherwise herein conferred by the undersigned is irrevocable, is granted in consideration of the purchase of the Shares deposited herewith by the Offeror in accordance with the terms of the Offer (and is therefore coupled with an interest). Each and every authority, whether as attorney or otherwise herein conferred by the undersigned shall survive the death, insolvency, bankruptcy or incapacity of the undersigned, may be exercised following the death or during the insolvency, bankruptcy or incapacity of the undersigned and shall be binding upon the successor and assigns and upon

the executors, administrators, heirs and other personal representatives of the undersigned.

**LETTER OF ACCEPTANCE**  
IN RESPECT OF THE OFFER  
DATED ..... 2007  
BY SAGICOR FINANCIAL CORPORATION

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The undersigned hereby covenants and agrees to execute all such documents, transfer and other assurance as may be necessary or desirable to effectively convey the Purchased Shares to the Offeror.

DATED the     day of                                     , 200     .

Signature of Shareholder .....

Name - (Please Print)

Address

National ID Number or  
Passport Number

Witness:\*\* .....

Name of witness:

Address:

\*\* To be witnessed by Attorney-at-law, Notary Public, Justice of the Peace, Registered Stock Broker, Gazetted Police Officer or Bank Manager.

## Barbados Farms Summary Financial Information

Extracted from Financial Statements dated June 30, 2006, issued by Barbados Farms.

### BARBADOS FARMS LIMITED

#### STATEMENT OF LOSS FOR THE YEAR ENDED JUNE 30, 2006

	2006	2005
Turnover	\$5,948,282	\$6,015,927
<b>(Loss) Income from operations before undernoted items</b>	<b>\$(1,060,275)</b>	<b>\$122,429</b>
Depreciation	(175,530)	(168,034)
Interest income	86,059	110,490
Interest expense	(36,422)	(20,139)
Gain on disposal of property, plant and equipment	215,236	8,368
<b>Income (Loss) before taxation</b>	<b>(970,932)</b>	<b>53,114</b>
Taxation	97,108	(91,652)
<b>Net Loss for the year</b>	<b>\$(873,824)</b>	<b>\$(38,538)</b>
<b>Loss per share</b>	<b>(4.20) cents</b>	<b>(0.19) cents</b>

**BARBADOS FARMS LIMITED****BALANCE SHEET  
AS AT JUNE 30, 2006**

	2006	2005
<b>Current Assets</b>		
Cash	\$524,790	\$1,544,452
Cash on deposit	1,317,763	1,906,344
Accounts receivable and prepaid expenses	1,466,978	1,231,373
Inventories	840,245	1,095,692
Biological assets	587,549	639,709
Taxation recoverable	145,950	94,735
	<hr/>	<hr/>
	4,883,275	6,512,305
Non-current asset classified as held for sale	475,493	85,484
	<hr/>	<hr/>
	5,358,768	6,597,789
	<hr/>	<hr/>
<b>Current Liabilities</b>		
Accounts payable and accruals	1,590,415	1,452,589
	<hr/>	<hr/>
<b>Working Capital</b>	3,768,353	5,145,200
<b>Investments</b>	100,002	100,002
<b>Property, Plant &amp; Equipment</b>	10,859,654	10,843,002
<b>Deferred Tax Asset</b>	427,696	330,588
<b>Pension Liability</b>	(1,225,667)	(1,014,705)
<b>Deferred Revenue</b>	(68,153)	(50,159)
	<hr/>	<hr/>
<b>Net Assets</b>	\$13,861,885	\$15,353,928
	<hr/>	<hr/>
<b>Shareholders' Equity</b>		
Share capital	\$2,060,729	\$2,060,729
Revaluation surplus	6,305,352	6,344,495
Retained earnings	5,495,804	6,948,704
	<hr/>	<hr/>
	\$13,861,885	\$15,353,928
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**BARBADOS FARMS LIMITED****STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED JUNE 30, 2006**

	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Revaluation Surplus</b>	<b>Total</b>
<b>Balance at June 30, 2004</b>	\$2,060,729	\$7,370,223	\$6,373,660	\$15,804,612
Dividend paid during the year (2 cents per share)	-	(412,146)	-	(412,146)
Net loss for the year	-	(38,538)	-	(38,538)
Transfer from revaluation Surplus	-	29,165	(29,165)	-
<b>Balance at June 30, 2005</b>	2,060,729	6,948,704	6,344,495	15,353,928
Dividend paid during the year (3 cents per share)	-	(618,219)	-	(618,219)
Net loss for the year	-	(873,824)	-	(873,824)
Transfer from revaluation Surplus	-	39,143	(39,143)	-
<b>Balance at June 30, 2006</b>	<b>\$2,060,729</b>	<b>\$5,495,804</b>	<b>\$6,305,352</b>	<b>\$13,861,885</b>



**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2006**

	<b>2006</b>	<b>2005</b>
<b>Cash flows from operating activities</b>		
(Loss) Income before taxation	\$(970,932)	\$53,114
Adjustments for:		
Change in fair value of biological assets, net	52,160	(129,970)
Depreciation	175,530	168,034
Gain on disposal of property, plant and equipment	(215,236)	(8,368)
Interest income	(86,059)	(110,490)
Interest expense	36,422	20,139
Net pension expense	210,962	165,598
Agricultural rebate	(22,096)	(20,307)
	<hr/>	<hr/>
Operating (loss) income before working capital changes	(819,249)	137,750
(Increase) decrease in receivables and prepaid expenses	(238,546)	568,749
Decrease (increase) in inventories	255,447	(274,294)
Increase in accounts payable and accruals	137,826	231,661
	<hr/>	<hr/>
Cash (used in) generated from operations	(664,522)	663,866
Interest paid	(36,422)	(20,139)
Interest received	89,000	123,823
Corporation tax refunded	-	39,527
Withholding taxes paid	(11,125)	(15,478)
	<hr/>	<hr/>
Net cash (used in) from operating activities	(623,069)	791,599
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Increase in non-current assets held for sale	(390,009)	-
Purchase of property, plant and equipment	(233,846)	(596,208)
Proceeds from sale of property, plant and equipment	256,900	27,258
	<hr/>	<hr/>
Net cash used in investing activities	(366,955)	(568,950)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Dividends paid	(618,219)	(412,146)
	<hr/>	<hr/>
<b>Net Decrease in cash and cash equivalents</b>	(1,608,243)	(189,497)
<b>Cash and cash equivalents - beginning of the year</b>	3,450,796	3,640,293
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<b>Cash and cash equivalents - end of the year</b>	<u>\$1,842,553</u>	<u>\$3,450,796</u>

**STATISTICAL HIGHLIGHTS**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Arable Hectares	1,198	1,237	1,237	1,237	1,237
Canes reaped (tonnes)	51,592	63,330	49,094	51,738	56,332
Turnover (\$000's)	5,948	6,016	5,462	5,737	6,090
Net (Loss) Income (\$000's)	(874)	(39)	(827)	68	1,030
Net Assets Value per share (¢)	67.3	74.5	76.7	84.7	85.0
Share price at June 30 (\$)	1.75	1.52	1.25	.70	.63
(Loss) Earnings per share (¢)	(4.2)	(0.2)	(4.0)	.3	5.0
Dividends per share (¢)	0.0	3.0	2.0	4.0	4.0
Dividend cover (times)	0.0	(0.1)	(2.0)	.1	1.2

## Sagicor Financial Corporation Summary Financial Information

Extracted from Financial Statements dated September 30, 2007, issued by Sagicor Financial Corporation.

<b>CONSOLIDATED BALANCE SHEET</b>		
<i>Amounts expressed in thousands of Barbados dollars</i>	<b>September 30 2007 (unaudited)</b>	<b>December 31 2006 (audited)</b>
<b>ASSETS</b>		
Financial investments	5,324,236	5,049,644
Other investments and assets	1,908,109	1,676,910
Total assets	<u>7,232,345</u>	<u>6,726,554</u>
<b>LIABILITIES</b>		
Policy liabilities	3,822,575	3,494,279
Other liabilities	2,302,440	2,147,664
Total liabilities	<u>6,125,015</u>	<u>5,641,943</u>
<b>EQUITY</b>		
Shareholders' equity	840,466	827,699
Participating accounts	22,556	19,805
Minority interest	244,308	237,107
Total equity	<u>1,107,330</u>	<u>1,084,611</u>
Total liabilities and equity	<u><b>7,232,345</b></u>	<u><b>6,726,554</b></u>

## CONSOLIDATED INCOME STATEMENT

Amounts expressed in  
thousands of Barbados dollars

	Nine months ended September 30		Three months ended September 30	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
<b>REVENUE</b>				
Net premium revenue	601,878	556,399	215,355	195,002
Net investment and other income	457,595	392,634	165,935	131,947
<b>Total revenue</b>	<b>1,059,473</b>	<b>949,033</b>	<b>381,290</b>	<b>326,949</b>
<b>BENEFITS AND EXPENSES</b>				
Benefits	544,394	511,107	181,022	178,663
Expenses	354,609	310,738	127,142	107,126
<b>Total benefits and expenses</b>	<b>899,003</b>	<b>821,845</b>	<b>308,164</b>	<b>285,789</b>
<b>INCOME FROM ORDINARY ACTIVITIES</b>	<b>160,470</b>	<b>127,188</b>	<b>73,126</b>	<b>41,160</b>
Income taxes	(23,724)	(20,648)	(8,859)	(7,343)
<b>NET INCOME FOR THE PERIOD</b>	<b>136,746</b>	<b>106,540</b>	<b>64,267</b>	<b>33,817</b>
<b>NET INCOME ATTRIBUTABLE TO:</b>				
Shareholders	100,394	80,210	49,633	29,838
Participating policyholders	3,114	260	293	(4,074)
Minority interest	33,238	26,070	14,341	8,053
	<b>136,746</b>	<b>106,540</b>	<b>64,267</b>	<b>33,817</b>
<b>Net income attributed to shareholders - EPS</b>				
Basic earnings per common share	37.6 cents	30.1 cents	18.6 cents	11.2 cents
Fully diluted earnings per common share	37.6 cents	30.1 cents	18.6 cents	11.2 cents

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts expressed in  
thousands of Barbados dollars

### Nine months ended September 30, 2007 (unaudited)

	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	Total
Balance, beginning of period	460,470	96,212	271,017	19,805	237,107	1,084,611
Net losses recognised directly in equity	-	(57,778)	(155)	29	(20,899)	(78,803)
Net income for the period	-	-	100,394	3,114	33,238	136,746
Total recognised gains / (losses)	-	(57,778)	100,239	3,143	12,339	57,943
Issue of shares	967	-	-	-	2,323	3,290
Value of employee services rendered	-	1,563	-	-	157	1,720
Net disposal (purchase) of treasury shares	1,951	-	-	-	-	1,951
Dividends declared	-	-	(34,643)	-	(7,785)	(42,428)
Other movements	-	2,035	(1,567)	(392)	167	243
	2,918	(54,180)	64,029	2,751	7,201	22,719
Balance, end of period	463,388	42,032	335,046	22,556	244,308	1,107,330

### Nine months ended September 30, 2006 (unaudited)

	Share Capital	Reserves	Retained Earnings	Participating Accounts	Minority Interest	Total
Balance, beginning of period	458,451	106,526	165,329	20,920	201,508	952,734
Net losses recognised directly in equity	-	(30,614)	-	(179)	(1,260)	(32,053)
Net income for the period	-	-	80,210	260	26,070	106,540
Total recognised gains / (losses)	-	(30,614)	80,210	81	24,810	74,487
Issue of shares	5,652	-	-	-	2,385	8,037
Value of employee services rendered	-	525	-	-	-	525
Purchase of treasury shares	(4,000)	-	-	-	-	(4,000)
Dividends declared	-	-	(31,980)	-	(6,005)	(37,985)
Other movements	-	(1,249)	1,632	(383)	-	-
	1,652	(31,338)	49,862	(302)	21,190	41,064
Balance, end of period	460,103	75,188	215,191	20,618	222,698	993,798

**CONSOLIDATED STATEMENT OF CASH FLOWS**

*Amounts expressed in  
thousands of Barbados dollars*

	<b>Nine months ended September 30</b>	
	<b>2007</b>	<b>2006</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>CASH FLOWS</b>		
Cash flows used in operating activities	(193,275)	30,487
Cash flows from / (used in) investing activities	14,300	(14,500)
Cash flows (used in) / from financing activities	(18,533)	141,886
Effects of exchange rate changes	(2,448)	(8,881)
Net (decrease) / increase in cash and cash equivalents	(199,956)	148,992
Cash and cash equivalents at beginning of period	514,712	274,342
<b>Cash and cash equivalents at end of period</b>	<b>314,756</b>	<b>423,334</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These interim financial statements have been prepared in condensed form under the accounting policies adopted by the company at the close of its last financial year (December 31, 2006).

The September 2006 comparative results have been restated to reflect certain changes in the mechanisms for valuing policies in the participating funds and for accounting for these funds. These changes were made in the 2006 year end financial statements and their impact on the comparative period is incorporated in these statements.

### 2. ACQUISITION

Effective September 1, 2007, Sagicor acquired a 90% interest in Lloyd's of London Insurance Syndicate 1206 and its associated companies. These companies were re-branded and are now known as the Sagicor at Lloyd's Group.

This acquisition has contributed Bds\$13.0 million to revenue and Bds\$ 0.1 million to Group net income for the period September 1 - 30. The acquisition has brought Bds\$ 322.5 million and Bds\$ 294.6 million in additional assets and liabilities respectively to the Group balance sheet.

The Group has now commissioned a valuation to determine the acquired intangible assets, the results of which will be incorporated in the 2007 year end financial statements.

