Board Mission

Mission Statement

Sagicor Group Jamaica (Sagicor) is committed to the development of our staff, agents and the wider community that we serve, providing high quality financial solutions and outstanding service to our customers, while earning superior returns for our shareholders.

Board Mandate

The Board of Directors and senior management of Sagicor are committed to:

- Managing the business and affairs of the companies within Sagicor in such a manner as to ensure their soundness and the alignment of the interests of all stakeholders.
- Honesty, integrity and ethical conduct in all areas of business.
- Governing in compliance with law, avoiding actual or apparent conflicts of interests and disclosing the same when they arise, acting in good faith and objectively and confidentially where the need arises.
- Accordingly, Sagicor's Board of Directors and Senior Management believe that good corporate governance is essential to the effective, efficient and prudent operations of the Company's business. An internal control environment with strong corporate governance structures and procedures has therefore been developed and is continually being strengthened.

The mandate of the Board is to:

- Establish standards of business and ethical behavior for Directors, Senior Management and other personnel and obtain reasonable assurance, on a regular basis, that the Company has an ongoing appropriate and effective process for ensuring adherence to those standards;
- Approve the company's strategic direction, objectives, code of conduct, risk tolerances and significant policies and review the company's performance against the strategic direction and objectives;
- Recruit and retain a qualified and competent chief executive officer and senior management team and ensure that compensation and incentive plans are appropriate;
- Develop and annually review an appropriate succession plan for the chief executive officer and other members of the senior management team. The appropriate succession plan will be developed by the Human Resource and Executive Compensation Committee and approved by the board;
- Ensure that the company has a consistent and effective risk management process to manage and control the risks arising from its business activities;
- Ensure that the company complies with the laws of the countries in which the company operates;

- Ensure that the company is in sound financial condition and operates in a safe manner within an appropriate internal control environment;
- Confirm through independent verification or audit that Sagicor's code of conduct, risk tolerance, policies, procedures and controls are being complied with;
- Ensure that stakeholders receive meaningful information with an appropriate degree of transparency with which to judge reasonably, the effectiveness of the board of directors and senior management in meeting their corporate governance responsibilities;
- Ensure that the board is effectively exercising its corporate governance responsibilities.
- The Company believes that a diverse and highly qualified group of directors is critical to the effectiveness of its business and that the Board of Directors should provide a breath of expertise.
- Independent Directors must be in the majority and should be independent of management and free from any interest and any business or other relationship, other than an interest or relationship arising purely from their shareholding or a customer relationship being conducted strictly in accordance with the company's normal business practices.
- Upon joining the Board, Directors must familiarize themselves with the Board's policies and the company's corporate profile, organizational structure and corporate governance policies, procedures and practices.

Definition of Independent Director

To be considered an independent director the Board will determine that a director has no direct or indirect material relationship with the company.

For the purposes of this definition material relationship is defined as a relationship that could in the view of the board be reasonably expected to interfere with the exercise of a director's judgment independent of management.

Each director has a responsibility to notify the board of any change in his status that may put his or her independence at risk.

On an annual basis the board will determine the independence of each director and will disclose the basis of this determination in the annual report.

Board Functions

Areas of responsibilities

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

- Corporate governance;
- Compliance with laws, regulations and the Company's code of business conduct;

- Corporate citizenship, ethics, environment;
- Strategy and operating plans;
- Business development including major investments and disposals;
- Financing and treasury;
- Appointment, Evaluation or Removal of Directors;
- Recommendation for remuneration of Directors
- Risk management;
- Financial reporting and audit;
- Pensions.

Specific responsibilities for Chairman, Company Secretary and Directors

The **Chairman** is principally responsible for the effective operation and chairing of the Board and for ensuring that information that it receives is sufficient to make informed judgments. He also provides support to the Managing Director, particularly in relation to external affairs.

The **Company Secretary** is responsible for ensuring that Board processes and procedures are appropriately followed and support effective decision-making and governance. He/she is appointed by, and can only be removed by the Board.

Each **Board member** is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board meetings is a prerequisite therefore unless explicitly agreed upfront; a Director may appoint an alternate Director to attend regular Board meetings in his/her absence. Directors who are unable to attend a board meeting have a responsibility to review board papers received prior to the meeting and submit any general comments or questions to the Company Secretary for discussion at the board meeting.

In-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions and management should be allowed direct involvement and review of operational activities. Similarly, management should communicate to Board members opportunities to interact in strategy and day-to-day business settings. Board members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company.

Selection and Composition of the Board

The Board is responsible for the over-viewing of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and therefore the Directors require diversity in skills and characteristics.

Size of the Board

- The Board will have a minimum of 10 and a maximum of 15 Directors. Considering the size of the organization and the environment in which it operates, the Board believes such numbers are adequate.

Executive and Independent Directors

- At any time the number of Executive Directors should not exceed two (2) Directors.

Conflicts of Interest/Disclosure

- Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information promptly to the Jamaica Stock Exchange.
- With respect to 'black out dates', no Director should trade in the Sagicor's shares during the period from which the Company declares the payment of a dividend to the payment date of such dividend.
- 'Black out' periods start thirty (30) days after the end of each quarter and end twenty-four (24) hours after the release of interim or final Financial results.
- A Director who has an interest in the Company or in any transactions with the Company which could create or appear to create a conflict of interest must disclose such interests to the Company. These would include:
  - Any Interest in contracts or proposed contracts with the company
  - General disclosure on interest in a firm, which does business with the company
  - Interest in securities held in the Company
  - Emoluments received by the Company
  - Loans or Guarantees granted by the Company to/for the Director.
- Disclosure shall be made at the first opportunity to the Conduct Review Committee in writing and such disclosure shall be recorded in the Minutes of the Conduct Review Committee and Board Meetings.
- The Director shall then excuse himself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue. The Disclosure of a Director's interest shall include interests of his family and affiliates, and the Code of Conduct for Securities transactions by Directors and Managers as set out in Appendix III.
- Every Director shall annually subscribe to the Code of Ethics set out in Appendix 1 of the Procedures of the Conduct Review Committee. Every Director shall annually complete and return to the Board, the Conflict of Interest Statement set out in Appendix II of the Procedures of the Conduct Review Committee.

Election, terms, re-election and retirement

Election, terms, re-election and retirement of each Board member is conducted in accordance with the Articles of Association of the Company, Articles 86 to 114, with the exception that each Board member is to retire during the financial year, when the Director reaches the age of 65 years, unless a special resolution of exemption to this rule is passed at the Annual General Meeting of the Company.

Equally, the maximum number of terms of the Chairman should not exceed 10 successive years, unless a special resolution of exemption of this rule is passed by the Board.

Board Compensation

The level of compensation of the **Independent Directors** reflects the time commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Independent Directors of the quality required. The compensation is competitive and subject to regular review to what is paid in comparable situations elsewhere.

The Human Resource and Executive Compensation Committee will annually review and recommend to the Board appropriate directors remuneration. A review by the Board of the remuneration policies for **Executive Directors** will take place during a regular Board meeting annually**.**

Director Selection

Director Orientation and Education

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities.

The Board also recognizes the importance of education for its Directors. It is the responsibility of the Board to advise the Independent Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director educational training programs.

Access to outside advisors and funds

The Company will make such funds available to the Board and in particular the Independent Directors as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their