

Annual Information Form

Sagicor Financial Company Ltd.
For the Year Ended December 31, 2022

Dated March 30, 2023

TABLE OF CONTENTS

General Information	3	Capital Structure	33
Documents Incorporated by Reference	3	General Description	33
Warning Regarding Non-IFRS Financial Measures.....	4	Common Shares of Sagicor	33
Forward-Looking Statements	4	Preferred Shares of Sagicor.....	33
Corporate Structure	5	Sagicor Warrants.....	33
Incorporation.....	5	Credit Ratings.....	33
Sagicor Financial Company Ltd.	6	Dividends	35
Intercorporate Relationships	6	Dividend Policy.....	35
General Development of the Business	6	Market for Securities of Sagicor.....	36
Three-Year History	6	Trading Price and Volume.....	36
Description of the Business.....	9	Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer.....	38
General Description.....	9	Founders' Shares	38
Sagicor Jamaica	10	Forward Purchasers' Shares.....	38
Sagicor Life	11	Directors and Executive Officers	39
Sagicor Life USA.....	11	Name, Occupation and Security Holdings ...	39
Products and Services.....	11	Cease Trade Orders, Bankruptcies, Penalties or Sanctions	42
Competitive Environment	12	Conflicts of Interest.....	43
Risk Factors.....	13	Information to be Provided on the Audit Committee	43
Overview.....	14	Charter of the Audit Committee.....	43
Economic Risks	14	External Auditor Service Fees	46
Market Risks	15	Interests of Management and Others in Material Transactions	46
Credit Risks	16	Legal Proceedings and Regulatory Actions	46
Liquidity Risks.....	17	Transfer Agent and Registrar	47
Capital Risks.....	17	Material Contracts.....	47
Insurance Risks	19	Experts and Interests of Experts.....	51
Operational Risks	22	Additional Information	52
Conduct Risks	26	Schedule A Audit Committee Mandate.....	53
Legal and Regulatory Risks.....	26		
Strategic Risks.....	29		
Taxation Risks	30		

GENERAL INFORMATION

Unless the context otherwise indicates, references to “**Sagicor**” in this Annual Information Form (“**AIF**”) mean Sagicor Financial Company Ltd. and its consolidated subsidiaries following the completion of the Arrangement (as defined under the heading “*Corporate Structure*”). References to “**SFCL**” mean Sagicor Financial Corporation Limited, which became a subsidiary of Sagicor upon completion of the Arrangement (except for accounting purposes, as the transaction was effectively a reverse take-over for accounting purposes). Unless the context otherwise indicates, all information presented in this Annual Information Form is presented as at December 31, 2022 and for the year ended on that date and is presented on a consolidated basis.

All amounts indicated in this Annual Information Form are denominated in United States dollars unless otherwise specified. Sagicor’s results and financial statements are presented in accordance with International Financial Reporting Standards (“**IFRS**”) and Sagicor has adopted accounting policies for the computation of actuarial liabilities of life insurance and annuity contracts using approaches consistent with Canadian standards of practice as in force at December 31, 2017.

The following table sets forth the average and period-end rates of exchange for one U.S. dollar for the year ended December 31, 2022.

	Year ended December 31, 2022	
	<u>Closing Rate</u>	<u>Average Rate</u>
Barbados dollar.....	2.0000	2.0000
Eastern Caribbean dollar	2.7000	2.7000
Jamaica dollar.....	151.0082	153.2954
Trinidad and Tobago dollar.	6.7414	6.7402
Canadian dollar.....	1.3544	1.3013
United States dollar	1.0000	1.0000

The exchange rates above are provided solely for information and convenience. No representation is made that the U.S. dollar could have been, or could be, converted into Canadian dollars, or any other represented currency, at all or at the exchange rates stated. The exchange rates set forth above demonstrate trends in exchange rates, but the actual exchange rates used throughout this Annual Information Form may vary.

DOCUMENTS INCORPORATED BY REFERENCE
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This document should be read in conjunction with the following documents from Sagicor, certain parts of which are incorporated by reference:

- Management’s Discussion and Analysis for the year ended December 31, 2022 (the “**Management’s Discussion and Analysis**”); and

- the Consolidated Financial Statements for the years ended December 31, 2022 and 2021, including the Notes to the Consolidated Financial Statements (the “**Consolidated Financial Statements**”).

These documents were filed with the securities regulatory authorities of Canada (other than Québec) on March 27, 2023 and can be consulted on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at www.sedar.com. They are also available on Sagicor’s website at www.sagicor.com. All references found in this Annual Information Form are made to parts of the documents filed on SEDAR on the date indicated above.

WARNING REGARDING NON-IFRS FINANCIAL MEASURES

Sagicor reports its financial results and statements in accordance with IFRS. It also publishes certain financial measures that are not based on IFRS (“**non-IFRS measures**”). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles used for Sagicor’s audited financial statements. These non-IFRS measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS. Sagicor believes that these non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of Sagicor’s ongoing operations. Since non-IFRS measures do not have standardized definitions and meaning, they may differ from the non-IFRS measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. Sagicor strongly encourages investors to review its financial statements and other publicly filed reports in their entirety and not to rely on any single financial measure.

Sagicor believes that certain non-IFRS measures described below provide readers with a better understanding of management’s perspective on Sagicor’s performance. These measures enhance the comparability of Sagicor’s financial performance from period to period, as well as measure relative contributions to shareholder value. Non-IFRS measures do not have a standardized meaning and may not be comparable to similar measures disclosed by other financial institutions.

Non-IFRS measures published by Sagicor include but are not limited to: return on shareholders’ equity, book value per share, MCCSR, debt to capital ratio, debt to equity ratio, dividend pay-out ratio, total capital, and coverage ratio. Please see the “**Non-IFRS Financial Information**” section of the Management’s Discussion and Analysis for a reconciliation of these non-IFRS measures.

FORWARD-LOOKING STATEMENTS

This Annual Information Form includes “forward-looking information” and “forward looking statements” within the meaning of applicable securities laws (collectively “**forward-looking information**”) and assumptions about, among other things, Sagicor’s business, operations, and financial performance and condition approved by the board of directors of Sagicor (the “**Sagicor Board**”) on the date of this Annual Information Form.

This forward-looking information and these assumptions include, but are not limited to, statements about Sagicor’s objectives and strategies to achieve those objectives, and about its beliefs, plans, expectations, anticipations, estimates, or intentions. Information included in this Annual Information Form that is not a statement of historical fact is forward-looking information. When used in this Annual Information Form, words such as “believes”, “may”, “will”, “estimate”, “should”, “shall”, “plans”, “assumes”, “continue”, “outlook”, “could”, “anticipates”, “intends”, “expects”, and words of similar import, are intended to identify statements containing forward-looking statements. These statements appear in a number of places throughout the document. Such forward-looking statements are based on Sagicor’s estimates, assumptions, strategies and projections and are subject to known and unknown risks, uncertainties and

other factors, all of which are difficult to predict and many of which are beyond Sagicor's control and which may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. With respect to the forward-looking statements in this Annual Information Form, Sagicor has made certain assumptions with respect to, among other things, the anticipated acquisition of ivari (Canada) and the anticipated acquisition of Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited.

Although Sagicor believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements and they should not be interpreted as confirming market or analysts' expectations in any way. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. No assurance can be given that these expectations will prove to be correct, and the forward-looking statements included in this Annual Information Form should not be unduly relied upon.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the section "Risk Factors" of this Annual Information Form, in the "Cautionary Statement Regarding Forward-looking information" section of the Management's Discussion and Analysis and in the "Financial Risk", "Insurance Risk - Property & Casualty Contracts", "Insurance Risk - Life, Annuity & Health Contracts", and "Fiduciary Risk" notes to Sagicor's Consolidated Financial Statements, and elsewhere in Sagicor's filings with securities regulators, which are available for review at www.sedar.com.

The forward-looking statements in this Annual Information Form or in the documents incorporated by reference into the Annual Information Form reflect, unless otherwise indicated, Sagicor's expectations as of the date of this document. Sagicor does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

CORPORATE STRUCTURE

Incorporation

Sagicor was incorporated under the name "Alignvest Acquisition II Corporation" ("**Alignvest**") under the *Business Corporations Act* (Ontario) on February 7, 2017.

Sagicor was formed by way of a court approved plan of arrangement and scheme of arrangement (the "**Arrangement**") whereby Alignvest effected a business combination with SFCL at the effective time of the Arrangement on December 5, 2019 (the "**Effective Time**"). At the Effective Time, Alignvest discontinued from Ontario under the *Business Corporations Act* (Ontario) and continued to Bermuda under the *Bermuda Companies Act 1981* (the "**BCA**") and Alignvest's name was changed to "Sagicor Financial Company Ltd."

In connection with the continuance, Alignvest's authorized share capital was altered to consist of 10,000,000,000 common shares of par value US\$0.01 each (the "**Common Shares**") and a class of 10,000,000,000 preference shares of par value US\$0.01 each, issuable in series with such terms as are determined by the Sagicor Board from time to time. In addition, the existing share purchase warrants of Alignvest (the "**Alignvest Warrants**") were deemed to be amended to be share purchase warrants (the "**Sagicor Warrants**") to acquire Common Shares, commencing 30 days after the effective date of the Arrangement and up until 5:00 p.m. (Toronto time) on the date that is five years after the date of the Effective Time, or the next succeeding business day if such date is not a business day, at an exercise price of C\$11.50 per share, and the cashless exercise feature was eliminated. The Sagicor Warrants are governed by the terms of a warrant agreement dated May 25, 2017 (as supplemented on December 5, 2019, the "**Warrant Agreement**") between Alignvest and TSX Trust Company (the "**Warrant Agent**").

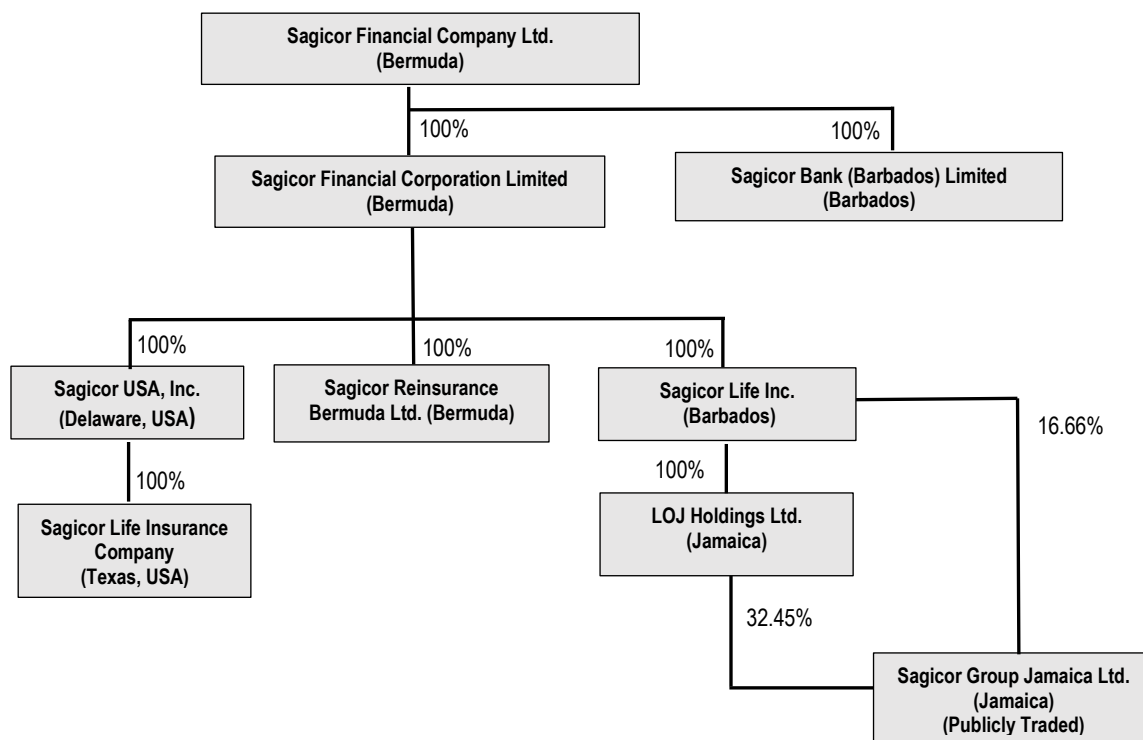
For more information on the Arrangement, see the management information circular of Alignvest dated February 7, 2019 (including the prospectus set out at Appendix “F” thereto), as amended April 26, 2019, which is available on Sagicor’s SEDAR profile at www.sedar.com.

Sagicor Financial Company Ltd.

Sagicor’s registered office is located at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with its principal office located at Cecil F De Caires Building, Wildey, St. Michael, Barbados.

Intercorporate Relationships

The organizational chart below indicates the inter-corporate relationships of Sagicor and its material subsidiaries, including their jurisdiction of incorporation in parentheses, as of the date hereof.



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Following the Arrangement between Alignvest and SFCL, Sagicor now wholly owns SFCL, which continues its existing business of providing insurance products and related financial services throughout the Caribbean, notably in Jamaica, Barbados, and Trinidad and Tobago, and life insurance products in the United States.

2022

- On November 15, Sagicor appointed Alan Ryder to the Sagicor Board to replace Mr. Jonathan Finkelstein, who stepped down. Regulatory approval for Mr. Ryder's appointment has been obtained.
- On August 26, S&P Global Ratings revised Sagicor's outlook to positive from stable on the proposed acquisition of ivari and affirmed Sagicor's BB+ rating. Fitch placed Sagicor's ratings on Rating Watch Positive in August 2022 following the announcement of its intended acquisition of ivari reflecting prospective improvement in the credit quality of Sagicor's insurance operating company group. On September 1, 2022, following the announcement of Sagicor's planned acquisition of ivari, AM Best placed the credit ratings of Sagicor and its subsidiaries under review with developing implications.
- On August 25, Sagicor announced that it entered into a definitive agreement to acquire Canadian middle-market individual life-insurer ivari (the "**Proposed Acquisition**"), a subsidiary of Wilton Re Ltd. with over 80 years of history in the region. ivari provides individual life and critical illness insurance solutions for approximately 700,000 policyholders across Canada and has over 250 employees. The transaction is expected to be financed largely through new debt and cash on hand. A commitment for up to US\$320 million of new debt financing was entered into in the form of a 5-year senior secured term loan facility. Sagicor may opt to replace or refinance this term loan with debentures issued in the debt capital markets or other financing sources in whole or in part if and when appropriate.
- On August 3, Lynda Gauthier was appointed Group Chief Risk Officer and Chief Sustainability Officer effective August 2.
- On July 15, Andre Mousseau was appointed President and CEO of Sagicor USA, Inc. ("**Sagicor Life USA**") by board resolution.
- On June 22, the Toronto Stock Exchange (the "**TSX**") accepted Sagicor's notice of intention to renew its normal course issuer bid ("**NCIB**"). Through the NCIB, Sagicor may purchase up to 9,134,417 of Sagicor's common shares during the 12-month period commencing June 24, 2022 and ending June 23, 2023 representing 10% of the public float of 142,672,643 issued and outstanding common shares (the "**NCIB shares**") as of June 14, 2022. In connection with the renewal of the NCIB, Sagicor also extended the term of its automatic share purchase plan in relation to purchases made in connection with the NCIB to allow it to purchase the NCIB Shares under the NCIB when Sagicor would ordinarily not be permitted to purchase shares due to regulatory restrictions and customary self-imposed blackout periods.
- On April 27, the facilities described below with maturity date April 26, 2022 were extended with bond issues in two Tranches; Tranche A up to J\$4,895,140,000 and Tranche B up to US\$26,400,000, carrying annual interest rates of 6.50% and 5.75% respectively. Interest is payable quarterly commencing July 27, 2022. The Tranches mature on May 26, 2023. On October 27 2020, SFCL refinanced a bond with two tranches with the issue of a bond in two tranches, with Tranche A up to J\$5,737.14 million and Tranche B up to US\$31.807 million carrying annual interest rates of 6.25% and 5.50%, respectively. The Tranches were extended on April 27, 2022.
- On April 4, Sagicor Group Jamaica Limited ("**Sagicor Jamaica**"), a subsidiary of Sagicor, completed the purchase of 100% of the shares in Alliance Financial Services Limited ("**AFSL**"). According to its publicly available audited statement of financial position, AFSL had 4.4 billion Jamaican dollars of total assets and 1.6 billion Jamaican dollars of total shareholders' equity as at September 30, 2020, equivalent to approximately US\$28 million and US\$10 million respectively.

2021

- On December 31, Timothy Hodgson retired as chair of the Sagicor Board. Mr. Hodgson assumed the role of chair on completion of the qualifying acquisition in 2019. He was succeeded by independent director, Mahmood Khimji, who also joined the Sagicor Board in 2019 on completion of the qualifying acquisition. Mr. Khimji was chair of the Capital Allocation Committee of the Sagicor Board.
- On December 15, Sagicor completed a \$150 million addition to the offering of its previously issued 5.300% Senior Notes due May 13, 2028 (the “**2028 Notes**”). The net proceeds from this offering were for general corporate purposes, including, but not limited to, supporting the growth of Sagicor’s U.S. business. Following the offering, the total outstanding principal amount of Sagicor’s 5.300% Senior Notes is \$550 million.
- On April 25, Bart Catmull, previously President and COO of Sagicor’s U.S. subsidiary, assumed the role of Group Chief Risk Officer. He replaced Andy Gallagher, who has assumed the role of Chief Executive Officer and Chief Risk Officer of Sagicor Reinsurance Bermuda Limited, Sagicor’s affiliate reinsurance subsidiary.
- On August 1, Andre Mousseau was promoted to Group Chief Operating Officer, in addition to his current role of Chief Financial Officer. In assuming the post of Group COO, Mr. Mousseau had additional responsibility for various group corporate functions as well as oversight of the group’s operating subsidiaries.
- On June 22, Sagicor announced that the TSX accepted Sagicor’s notice of intention to renew its NCIB through which Sagicor could purchase up to 9,131,133 of Sagicor’s common shares during the 12-month period commencing June 24, 2021 and ending June 23, 2022.
- On June 4, Dennis Harris was appointed to the Sagicor Board. Regulatory approval for Mr. Harris’ appointment has been obtained.
- On May 13, Sagicor completed an offering of \$400 million of 5.300% Senior Notes due May 13, 2028 and used the proceeds in part to retire \$318 million of 8.875% senior notes due August 2022 issued by its subsidiary Sagicor Finance (2015) Limited (the “**2022 Notes**”). Sagicor repurchased \$130 million of the 2022 Notes in aggregate principal in May and the remaining \$188 million in August.

2020

- On December 31, Ravi Rambarran, President & CEO, of Sagicor Life Inc. (“**Sagicor Life**”) retired. He was replaced by Robert Trestrail effective January 1, 2021.
- On October 30, Monish Dutt was reappointed to the Sagicor Board after the passing of John Shettle, a member of the Sagicor Board. Mr. Dutt also assumed the role of Chair of the Audit Committee and became a member of the Investment & Risk and Capital Allocation Committees.
- On July 1, Paul Inniss assumed the role of Executive Vice President and General Manager, Barbados of Sagicor Life, replacing J. Edward Clarke, who retired June 30, 2020.
- On June 30, at the annual and special meeting of shareholders, Gilbert Palter and Jonathan Finkelstein were elected to the Sagicor Board. Douglas (Rik) Parkhill and Monish Dutt did not seek re-election at the annual and special meeting.

- On June 17, the Sagicor Board authorized a share buyback program allowing the purchase of up to 3,000,000 of Sagicor’s shares under an NCIB during the 12-month period commencing June 22, 2020 and ending June 21, 2021. The total amount was subsequently expanded to 8,000,000 shares effective September 9, 2020.
- During Q2, Sagicor Reinsurance Bermuda Ltd. (“**SRBL**”) executed a reinsurance arrangement with Sagicor Life Insurance Company with details noted in the Consolidated Financial Statements referenced in this document.
- On February 13, Fitch Global Ratings upgraded SFCL’s Long-Term Issuer Default Rating (IDR) to ‘BB’ from ‘BB-’. In addition, Fitch upgraded SFCL’s senior debt ratings to ‘BB-’ from ‘B+’.

DESCRIPTION OF THE BUSINESS

General Description

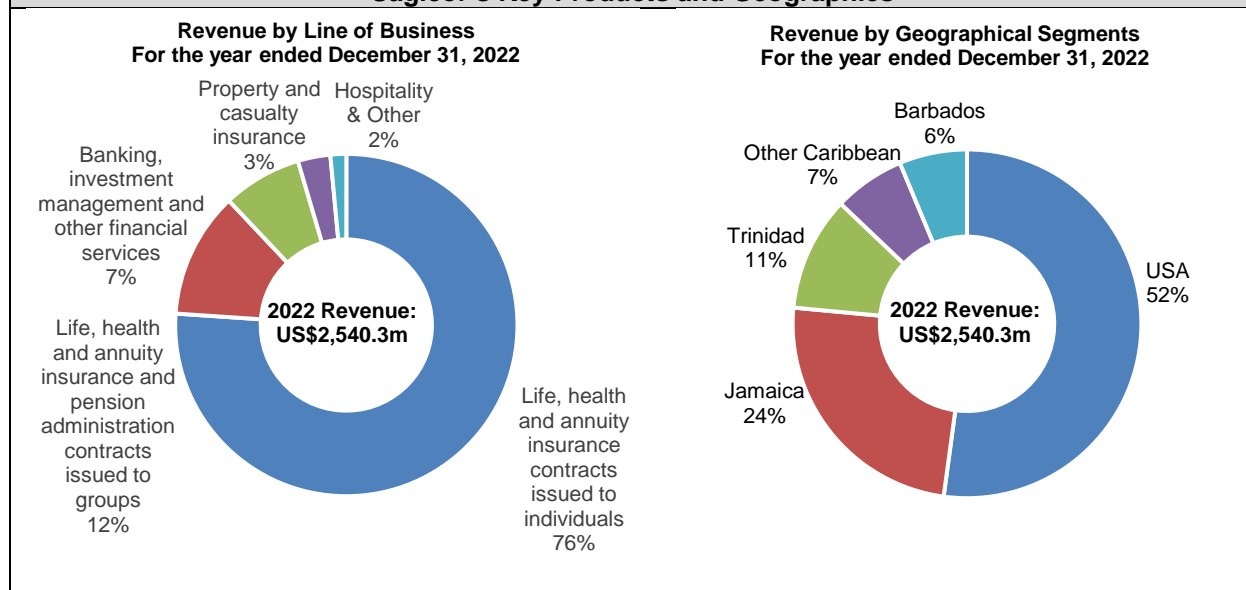
Sagicor is a market-leading provider of insurance products and related financial services throughout the Caribbean, notably in Jamaica, Barbados, and Trinidad and Tobago, and has a growing presence as a provider of life insurance products in the United States. On August 25, 2022, Sagicor announced that it had entered into a definitive agreement to acquire ivari, a leading middle-market individual life insurer in Canada with over 80 years of history in the region.

Sagicor has an over 180-year history of operations in the Caribbean and is the second oldest insurer in the Americas. With its over 3,600 employees and over 1,100 advisors, Sagicor has operations in 20 countries, operates in four different languages, and manages 14 different currencies.

The 20 countries are: Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Dominica, Cayman Islands, Costa Rica, Curacao, Grenada, Haiti, Jamaica, Panama, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos, and the United States of America. The four languages are the major languages of the Caribbean, namely English (which is the primary language used by Sagicor), French, Dutch and Spanish. The 14 currencies are: Eastern Caribbean dollar, Aruban florin, Bahamian dollar, Barbadian dollar, Belize dollar, Cayman Islands dollar, Costa Rican colón, Netherlands Antillean guilder, Haitian gourde, Jamaican dollar, Panamanian balboa, Trinidad and Tobago dollar, United States dollar, and Canadian dollar.

Sagicor’s core products and services include life and health insurance, annuities, pension investment and administration, property and casualty insurance, and a suite of ancillary non-insurance financial products and services, including banking and investment management, which it provides to two client segments, individuals and groups. Where Sagicor distributes these products, it utilizes a captive distribution network in the Caribbean and a network of independent insurance brokers in the United States. Sagicor’s business by product and by geography is shown below.

Sagikor's Key Products and Geographies



Sagikor operates through its three main business segments: Sagikor Jamaica, Sagikor Life and Sagikor Life USA.

Sagikor Jamaica

Sagikor operates in Jamaica through its controlled subsidiary, Sagikor Jamaica. Sagikor Jamaica is a full-service financial institution offering a wide range of insurance and non-insurance solutions. Sagikor Jamaica's primary insurance products are individual life insurance and employee benefits, which is comprised of both group health and group pension. Sagikor Jamaica's non-insurance solutions include banking and investment management products and services. Sagikor Jamaica's strong brand, together with Sagikor's wide range of products and skilled sales force, has allowed it to maintain a leading position in Jamaica's life insurance market, and has allowed the company to expand into new areas as opportunities arise, while maintaining consistent growth over time.

Sagikor Jamaica's acquisition of a Canadian chartered bank's Jamaican operations in June 2014 was a part of its efforts to grow. The acquisition included a commercial bank and an inactive securities dealer. The merged commercial banking operation, now called Sagikor Bank Jamaica Limited ("**SBJL**"), is the fourth largest commercial bank in Jamaica by assets with J\$192.5 billion of total assets as of December 31, 2022. We continued our focus on service delivery to our clients specifically finding new, innovative and consistent ways to being "In Our Clients' Corner" meaning meeting them where they needed us to do so most. Our four main areas of specialization can be broken up into the corporate, SME, retail and payments units where we provide our clients with commercial banking services, credit and debit card services, savings and deposits, foreign exchange sales and purchases, payments solutions (inclusive of Point of Sale (POS) devices, payment gateway services and corporate secretarial services. Sagikor Bank Jamaica Limited now operates through 16 branches located in key markets throughout Jamaica, including Kingston, Mandeville, May Pen, Black River, Savanna-la-mar, Montego Bay, and Ocho Rios. As an investment bank, Sagikor Investments Jamaica Limited ("**SIJL**") (an affiliate of SBJL) focuses on securities trading, asset management, stock brokerage, corporate finance, advisory services, underwriting, cash management and custody services. It has several securities licenses and designations including as a Bank of Jamaica primary dealer, and unit trust and stockbroking licenses.

Sagicor Life

Sagicor operates in the Caribbean primarily through its subsidiary, Sagicor Life. Sagicor Life operates in the Southern Caribbean, in Trinidad and Tobago, as well as Barbados. Sagicor's operations in the Eastern Caribbean are conducted in six territories (Antigua, the Commonwealth of Dominica, St. Lucia, Grenada, St. Kitts and Nevis, and St. Vincent) through three branches (Antigua, Grenada, and St. Lucia) and three agencies (Dominica, St. Kitts and Nevis and St. Vincent). Sagicor no longer writes new business in Anguilla or Montserrat. Sagicor also operates in Belize and the Dutch and Northern Caribbean. It is a leading insurance player in its various markets. Sagicor Life provides life, health, annuity insurance business, pension administration services and asset management.

Sagicor Life has entered into agreements to acquire the traditional insurance portfolios of Colonial Life Insurance Company (Trinidad) Limited ("**CLICO**") and British American Insurance Company (Trinidad) Limited. In addition, contracts with respect to CLICO's pension fund administration, management and investment services operations (as well as supporting investment assets) are to be acquired and assumed by Sagicor Life. Approximately \$1.2 billion of total investment assets are proposed to be acquired to offset a similar amount of actuarial liabilities which are expected to be assumed. The transactions are subject to regulatory and court approvals as well as other customary closing conditions.

Sagicor Life USA

Through Sagicor Life USA, Sagicor's strategy has expanded into a market with significant growth potential and where Sagicor can develop global best practices that can then be introduced into its Caribbean geographies. It also continues to look for opportunities to grow its policy and premium base by acquiring strategic blocks of life insurance business or policies, or other life insurance companies. Sagicor Life USA offers life insurance and fixed annuities to individuals in 45 states and the District of Columbia.

Products and Services

Sagicor's main lines of business are life and health insurance, employee benefits, including group health and group life benefits, annuities, asset management and banking services and property and casualty insurance. Sagicor sells these products and services to both individuals and groups. Sagicor's customers and suppliers are diversified. More details on these products can be found below.

- Insurance products include those that pay benefits on life's contingencies including death, survivorship, accident, sickness, disability, and critical illness.
- Annuities are provided on both a payout basis, typically after retirement, and on an accumulation basis, typically before retirement.
- Asset management services are provided primarily through mutual funds, in which some life insurance policies participate.
- Banking products and services consist primarily of deposits, secured loans, and debit and credit cards, cambio and remittance services, the latter of which are solely provided by Sagicor's Jamaican subsidiaries. Sagicor Bank (Barbados) Limited products and services consist of deposits, savings products, loans and debit and credit cards. Sagicor has appropriate policies in place for its lending operations.
- Property and casualty insurance addresses property damage that may arise from natural disasters or other types of accidents.

Gross premiums from individual insurance products collectively contributed 81% and 81% of Sagicor's gross premium income and fees in the year ended December 31, 2022 and the year ended December 31, 2021, respectively.

Gross premiums from Sagicor's group insurance products collectively represented 11% and 12% of Sagicor's gross premium income and fees in the year ended December 31, 2022 and the year ended December 31, 2021, respectively.

Fees from Sagicor's non-insurance products and services represented 3% and 4% of Sagicor's premium revenue and fees in the year ended December 31, 2022 and the year ended December 31, 2021, respectively.

The following table shows a breakdown of gross premium revenues and fees as well as other revenues from our ancillary services for the year ended December 31, 2022.

Sagicor's Gross Premium Revenue and Fees	
	Year ended December 31, 2022
	(in millions of US\$)
Individual Insurance:	
Life	475.2
Annuities	1,300.7
Health	17.5
Total individual	1,793.4
Group Insurance:	
Health	162.3
Life	37.1
Creditor	12.2
Pensions	27.9
Total group	239.5
Property and casualty insurance	126.8
Asset management products	3.2
Banking	64.1
Total	2,227.0

Competitive Environment

Jamaica

The Jamaican insurance industry is concentrated among a few large companies. Based on 2022 premiums written data from the Insurance Association of Jamaica, we believe Sagicor Jamaica is the market leader in individual life insurance (64% market share), group life (61% market share), group health (64% market share), and pensions (81% market share).

The number of active market participants in the financial services industry in Jamaica has remained stable over the last few years. Sagicor expects this trend to continue.

Sagicor Life Jamaica Limited, Sagicor Bank Jamaica Limited and Sagicor Investments Jamaica Limited (along with their direct parent, Sagicor Jamaica) have primary competitors that consist of financial

conglomerates with diverse financial services operations that are licensed and regulated by either the Bank of Jamaica or the Financial Services Commission of Jamaica. The competitive product offerings and demographics of the customer base within the peer groups are fairly similar.

Southern and Eastern Caribbean

The Southern and Eastern Caribbean is a mature market for traditional insurance products, including life insurance and property and casualty insurance. Sagicor is one of the largest companies providing group life insurance and group health insurance in the Southern and Eastern Caribbean based on gross premiums written.

Sagicor's competitors include other regional insurers that compete with Sagicor in many jurisdictions, as well as local insurers that specialize in smaller territories. In some jurisdictions, Sagicor faces competition from banks, securities brokerage firms, investment advisors and other financial intermediaries marketing insurance products, annuities and mutual funds.

Significant price competition exists for sales through brokerage distribution. Sagicor attempts to mitigate this competition by selling its products principally through dedicated advisors and by increasing the number of Sagicor's advisors in the Southern and Eastern Caribbean.

United States of America

Sagicor Life Insurance Company, a subsidiary of Sagicor Life USA, markets its life insurance and annuity products through approximately 13,300 third-party marketing firms, financial institutions and independent agents (together "**Independent Agents**") located in 45 states and the District of Columbia in the United States. Sagicor Life USA markets its products primarily to individuals and small businesses and is focused on the large, underserved middle market, which is similar to the target demographic for which it is the market leader in the Caribbean.

The United States insurance market is highly fragmented. Where insurance is a commodity, scale, size and volume are necessary to achieve profitability amid strong competition. As a result, scaling its business in the United States continues to be part of Sagicor's strategic focus.

Sagicor Life USA has numerous competitors in each of its product lines and growth strategies. In the life and annuity market, Sagicor's main competitors are mid-to-large size insurance companies, including globally renowned companies. Sagicor partners with life insurance and annuity independent brokerage agencies in a wholesale capacity to achieve growth by leveraging their relationships with Independent Agents.

In 2023 and beyond, Sagicor Life USA will concentrate its focus on providing accumulation and living benefit-focused products throughout a consumer's life cycle, while utilizing technology to create an ease of doing business for new and existing distribution partners. These include an emphasis on no-fee, guaranteed annuity products, specifically our MYGA (multi-year guaranteed annuity) suite, offering consumers a measure of certainty in an unsettling economic environment.

Employees

As at December 31, 2022, Sagicor, including its subsidiaries, had in aggregate a total workforce of approximately 4,775 people, including advisors.

RISK FACTORS

The following discussion sets forth the material risk factors that could affect Sagicor's financial condition and operations. Readers should not consider any descriptions of these factors to be a complete set of all

potential risks that could affect Sagicor. Any of the risk factors discussed below could by itself, or combined with other factors, materially and adversely affect Sagicor's businesses, results of operations, financial condition, capital position, liquidity, competitive position or reputation, including by materially increasing expenses or decreasing revenues, which could result in material losses or a decrease in earnings.

Overview

The principal risk factors that could adversely affect Sagicor's business, results of operations, financial condition, capital position, liquidity, competitive position or reputation include economic, market, credit, liquidity, capital, insurance, operational, conduct, strategic risks, legal, and regulatory risks.

Economic Risks

Sagicor is highly dependent upon economic, political and other conditions and developments in Barbados, Jamaica, Trinidad and Tobago, the United States and the other jurisdictions in which it operates, and may be adversely affected by geopolitical events.

Sagicor has a diversified geographic footprint with operations across the U.S, the Caribbean and Central America. While many of those regions continue to recover from the impact of COVID-19, we remain exposed to inflationary pressures, ongoing geopolitical tensions, and constrained oil supply, which could constrict the purchasing power of consumers, raise business costs, reduce tourism-based activities, and increase market fluctuations. Over the course of 2022, a number of central banks around the world have instituted certain measures to help curb these macroeconomic pressures, including multiple and material increases in interest rates, which have increased the risk of recession, and as such, could negatively impact Sagicor's results of operations and growth prospects.

Furthermore, countries in the Caribbean and Central America differ widely from one another with respect to structure, constitution, stability and the maturity of their legal and regulatory systems. To the extent that Sagicor's operations depend on governmental approvals and regulatory decisions, our operations may be adversely affected by changes in the political structure or government representatives in each of the markets in which Sagicor operates. Caribbean governments traditionally have played a central role in the economy and continue to exercise significant influence over many aspects of it. They may make changes in policy, or new laws or regulations may be enacted or promulgated, relating to, for example, monetary policy, taxation, exchange controls, interest rates, regulation of banking and financial services and other industries, government budgeting and public sector financing.

We have grown our operations in the U.S. to help diversify our footprint and minimize the geopolitical risks we are exposed to through our Caribbean and Central America operations. For 2022, U.S. revenue accounted for 52% of Sagicor's total Group revenue. We anticipate closing the Proposed Acquisition of ivari (Canada) during 2023, subject to regulatory approvals and other customary closing conditions, which should further diversify our operating footprint.

Our financial targets may prove materially inaccurate or incorrect.

Our financial targets and other forward-looking information or statements included in this AIF and elsewhere are based on assumptions of future events that may or may not occur, which assumptions may not be fully disclosed in this AIF. Financial targets are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these targets are based will be realised. Actual results may differ materially from targeted results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition.

Market Risks

Fluctuations in the fixed income and equity markets may adversely affect Sagicor's profitability and financial condition.

Investment returns are an important part of Sagicor's overall profitability, and fluctuations in the fixed income or equity markets could have a material adverse effect on Sagicor's consolidated financial condition, results of operations and cash flows.

Fluctuations in interest rates affect investment returns and the market values of Sagicor's investments. Generally, investment income will be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature or are sold and as the proceeds are reinvested at lower rates. During periods of rising interest rates, prices of fixed income securities tend to fall and realized gains upon their sale are reduced or losses may occur.

We invest a portion of our assets in equities and non-investment grade debt because regulations in the countries which are non-investment grade require a minimum level of investment in domestic assets, which are generally subject to greater risks and more volatility than investment grade rated fixed income securities. General economic conditions, stock market conditions and many other factors beyond our control can adversely affect the non-investment grade debt markets.

Sagicor's investment returns are also susceptible to changes in general economic conditions, including changes that impact the general creditworthiness of the issuers of debt securities and equity securities held in our portfolios. The value of Sagicor's fixed income investments may be affected by changes in the investee's credit rating. Should the credit rating of the issuer fall so low that regulatory guidelines prohibit the holding of such securities to back insurance liabilities, the resulting disposal may lead to a significant loss on our investment.

Fluctuations in interest rates and returns from equity markets also impact consumer behaviour. More specifically, the demand for general insurance lines can vary with the overall level of economic activity.

Sagicor's financial condition and results of operating may be adversely affected by foreign exchange fluctuations. Foreign exchange controls may also restrict Sagicor's ability to receive distributions from its subsidiaries and any such distributions may be subject to withholding taxes.

We publish our consolidated financial statements in U.S. dollars. Therefore, fluctuations in exchange rates used to translate other currencies into U.S. dollars will impact our reported consolidated financial condition, results of operations and cash flows from period to period. These fluctuations in exchange rates will also impact the value of our investments and the returns on our investments. Additionally, some of the jurisdictions in which Sagicor operates may limit its ability to exchange local currency for U.S. dollars. For a discussion of the impact of changes in foreign exchange rates on Sagicor's results of operations, see the "Risk Management" section of the Management's Discussion and Analysis.

Depreciation or volatility of the Barbados dollar, Jamaican dollar or Trinidad and Tobago dollar against the U.S. dollar or other currencies could cause policyholders, depositors and investors to lose confidence in Sagicor. Should a significant depreciation of those currencies against the U.S. dollar occur in the future when Sagicor has a significant net long open position in those currencies, such depreciation could have a material negative effect on Sagicor's results of operations, liquidity and financial condition.

Changes in the current exchange rate or in exchange rate policies could also result in higher domestic interest rates, liquidity shortages, exchange controls and the withholding of financial assistance to Caribbean countries by multilateral institutions. These developments could, in turn, result in a reduction or contraction of economic activity, sovereign and corporate loan defaults, lower deposits and increased cost of funds, which could have a material adverse effect on Sagicor's financial condition, liquidity and results of operations.

The ability of Sagicor's operating companies to transfer funds to Sagicor may be limited by a variety of regulatory and commercial constraints. Foreign exchange controls may significantly restrict the ability of Sagicor's operating companies to pay interest and dividends and repay loans in U.S. dollars. It may be difficult to convert large amounts of local currency into U.S. dollars or U.S. dollars into local currency because of limited foreign exchange markets. In addition, there are countries that restrict the export of cash even in local currencies. In cases where distributions to Sagicor are permitted to be made, such distributions may be subject to withholding taxes.

Credit Risks

Sagicor's exposure to the credit risk of its obligors could adversely affect its profitability.

Sagicor takes on exposure to credit risk, which is the risk associated with an obligor's potential inability or unwillingness to fulfill its contractual obligations on a timely basis and may arise from the risk of default of a primary obligor and indirectly from a secondary obligor. Credit risks are primarily associated with our investments, securities, lending, revolving credit and reinsurance portfolios. Sagicor has significant concentrations of credit risk with respect to our holding of bonds and treasury bills issued by the governments of Jamaica, Barbados and Trinidad and Tobago, securitized mortgage bonds of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation (quasi-U.S. government entities) and cash resources held by a Canadian chartered bank. Furthermore, Sagicor Jamaica is exposed to credit risks in both its securities and lending activities. Defaults by obligors could have a material adverse effect on Sagicor's business, results of operations and financial condition.

A financial strength downgrade in Sagicor's AM Best ratings or any other negative action by a rating agency may increase policy surrenders and withdrawals, adversely affect relationships with advisors and negatively affect Sagicor's financial condition and results of operations.

Claims paying ability and financial strength ratings are factors in establishing the competitive position of insurers. Various recognized rating agencies review the financial performance and condition of insurers and publish their financial strength ratings as indicators of an insurer's ability to meet policyholder and contract holder obligations. These ratings are important in maintaining public confidence in our products, our ability to market our products and our competitive position. A ratings downgrade, the potential for such a downgrade or other negative action by a rating agency with respect to the financial strength ratings on any of Sagicor's rated insurance subsidiaries could materially affect our financial results and financial position if the number of policy lapses or surrenders and withdrawals by policyholders increase, new sales of insurance and investment products are lower, relationships with advisors, brokers and Independent Agents are adversely affected, prices for our services and products are reduced, reinsurance at a reasonable price on reasonable terms is more difficult to obtain if at all, and our cost of funding increases as a result of the ratings downgrade.

Rating agencies assign ratings based upon several factors. While most of these factors relate to the rated company, some factors relate to the views of the rating agency, general economic conditions and circumstances outside the rated company's control. In addition, rating agencies use various models and formulas to assess the strength of a rated company, and from time to time rating agencies have, in their discretion, altered the models and may do so in the future in ways that may negatively impact the financial strength ratings of Sagicor and our subsidiaries and make it more difficult to maintain or obtain comparable ratings going forward.

In addition, a rating agency, at its discretion, can lower or entirely withdraw a previously assigned credit rating. Real or anticipated changes in Sagicor's credit ratings will generally affect the market value of Sagicor's debt. Any lowering of Sagicor's credit ratings would likely make it more difficult or more expensive for Sagicor to obtain additional debt financing in the future.

Liquidity Risks

Illiquidity of certain investment assets may prevent Sagicor from selling investments at fair prices in a timely manner.

We are exposed to daily demands on our available cash resources for payment of policy benefits and withdrawals, operating expenses and taxes, loan drawdowns, repayment of borrowings, maturing deposit liabilities and other obligations. If demands on our cash resources exceed Sagicor's projections, Sagicor may be forced to liquidate longer-term assets at unfavorable prices to meet those demands. This may occur in a number of circumstances, including where a particular market experiences an unexpected increase in withdrawals of the cash value of the policies. There is no assurance that in the event of such an occurrence that Sagicor would readily be in a position to meet all requests without liquidating some long-term assets at potentially non-favorable prices.

No assurance can be given that we will be able to repay or refinance our indebtedness on favourable terms or at all.

If we are unable to fully redeem, repay or repurchase our obligations, (i) we would be forced to seek to restructure our obligations under these instruments and no assurance can be provided that any such restructuring efforts would be successful and (ii) we may be forced to divert funds from reinvesting in our business or attempt to sell assets to satisfy our obligations under these instruments, and there is no assurance that we would have sufficient funds from these sources to satisfy our obligations under these instruments.

Capital Risks

The market price of the Common Shares may be highly volatile.

Market prices for insurance companies have at times been volatile and subject to substantial fluctuations. Future announcements concerning Sagicor or our competitors, including those pertaining to financing arrangements, government regulations, developments concerning regulatory actions affecting Sagicor, litigation, additions or departures of key personnel, cash flow, and economic conditions and political factors in Barbados, Jamaica, Trinidad and Tobago, the United States or other regions may have a significant impact on the market price of the Common Shares. In addition, there can be no assurance that the Common Shares will continue to be listed on the TSX.

The market price of the Common Shares could fluctuate significantly for many other reasons, including for reasons unrelated to Sagicor's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by our subscribers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within our industry experience declines in their stock price, the share price of the Common Shares may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders often institute securities class action lawsuits against the company. A lawsuit against Sagicor could cause us to incur substantial costs and could divert the time and attention of our management and other resources.

The market price of Sagicor's Common Shares may be adversely affected by capital management activities and/or market activity beyond management's control.

The market price of the Common Shares may decline as a result of any sales of significant numbers of Common Shares in the public market or the perception that such sales or exercise might occur, and the expiration of lock up periods applicable to certain Sagicor shareholders.

If Sagicor raises additional financing through the issuance of equity securities (including securities convertible or exchangeable into equity securities) or completes an acquisition or merger by issuing

additional equity securities, such issuance may substantially dilute the interests of shareholders of Sagicor and reduce the value of their investment.

The amount of statutory capital that Sagicor's insurance subsidiaries have and the amount of statutory capital that they must hold to maintain their financial strength and credit ratings and meet other requirements can vary significantly from time to time and are sensitive to a number of factors outside of Sagicor's control.

Sagicor's insurance subsidiaries are subject to regulations that establish minimum capitalization requirements, some fixed and some risk-based (in Jamaica and the USA). Risk-based capital formulas for life insurance companies include capital for credit risk, interest rate risk, and policyholder behaviour risks. In any particular year, statutory surplus amounts and risk-based capital ratios may increase or decrease depending on a variety of factors, including but not limited to the following:

- the amount of statutory income or losses generated by Sagicor's insurance subsidiaries (which are sensitive to credit market conditions);
- the amount of additional capital Sagicor's insurance operations must hold to support business growth;
- changes in reserve requirements applicable to Sagicor's insurance operations;
- our ability to access capital markets to provide reserve relief;
- changes in equity-market levels;
- the value of certain fixed-income and equity securities in Sagicor's investment portfolio;
- changes in the credit ratings of investments held in Sagicor's portfolio;
- the value of certain derivative instruments;
- changes in interest rates;
- credit market volatility;
- changes in consumer or policyholder behavior; and
- changes to the statutory capital regime.

Most of these factors are outside of Sagicor's control. The financial strength and credit ratings of Sagicor's insurance operations are significantly influenced by their statutory surplus amounts and capital adequacy ratios. Rating agencies may implement changes to their internal models that have the effect of increasing or decreasing the amount of statutory capital Sagicor's insurance operations must hold to maintain their current ratings. In addition, rating agencies may downgrade the investments held in Sagicor's portfolio, which could result in a reduction of Sagicor's capital and surplus and Sagicor's risk-based capital ratio.

A failure to maintain adequate levels of surplus capital may result in increased regulatory scrutiny, a downgrade by private rating agencies and limit our subsidiaries' ability to make dividends. Our ability to service our debt is dependent on the ability of our subsidiaries to distribute dividends to us. Our subsidiaries may require additional capital.

The capacity for an insurance company's growth in premiums is in part a function of its statutory surplus. Maintaining appropriate levels of statutory surplus, as measured by a jurisdiction's insurance regulations, is considered important by the relevant insurance regulatory authorities and the private agencies that rate insurers' claims-paying abilities and financial strength. Failure to maintain certain levels of statutory surplus could result in increased regulatory scrutiny, action by regulatory authorities or a downgrade by rating agencies.

If there are any revisions to the risk-based capital formula or the regulatory capital requirements within the jurisdictions in which Sagicor's subsidiaries operate, Sagicor's insurance operations may require additional capital. The additional capital required may not be available on favourable terms, if at all. The need for additional capital could limit Sagicor's subsidiaries' ability to distribute funds to Sagicor and adversely affect our ability to pay dividends and meet our debt and other payment obligations. Our ability to service our debt is accordingly dependent on the ability of our subsidiaries to distribute dividends to us.

There are some risks associated with the adoption of LICAT 2023.

The 2023 version of Life Insurance Capital Adequacy Test (LICAT) guideline, which came into force on January 1, 2023 in conjunction with the transition from IFRS 4 to IFRS 17 effective the same date (“**LICAT 2023**”), represents changes instituted by the Office of the Superintendent of Financial Institutions (“**OSFI**”) to the former 2019 version. There are risks associated with LICAT 2023 if Sagicor should choose to adopt LICAT 2023 or if Sagicor closes the Proposed Acquisition of ivari.

Risks related to LICAT 2023 include:

- The impact on operational readiness. The adoption of LICAT 2023 poses significant operational challenges for the insurance industry in the development and implementation of necessary technology systems solutions. LICAT 2023 introduces complex estimation techniques, computational requirements and disclosures which necessitate a major transformation to Sagicor’s systems along with actuarial and financial reporting processes. Once a system solution is available, significant efforts are required to integrate it into the financial reporting environment, perform impact studies, and educate and socialize the potential impacts with stakeholders.
- The projected capital levels for transition at January 1, 2023 can only be made with predictive models that have limited information on the actual impacts of liabilities or market changes. There may be a misalignment between the opening estimates and the actual calculations performed under the new accounting, tax and capital frameworks.

OSFI is currently reviewing its Segregated Fund Guarantee Capital Framework. Effective January 1, 2025, the current approach to determining required capital will be replaced by a standardized approach. Other elements of the capital framework are being reviewed for implementation in 2025 and beyond.

Insurance Risks

The unpredictable nature of the property and casualty insurance industry may cause fluctuations in Sagicor’s results.

Historically, the property and casualty insurance industry has been unpredictable and operating results of insurers have fluctuated significantly because of volatile and unpredictable developments, many of which are beyond the control of any insurer. Sagicor expects to experience these effects, which could have a material adverse effect on our results of operations.

The unpredictability and competitive nature of the general insurance business historically has contributed to quarter-to-quarter and year-to-year fluctuations in underwriting results and net earnings in the general insurance industry. In addition, unanticipated underwriting losses and claims reserve adjustments experienced by Sagicor’s general insurance subsidiaries could have an adverse impact on our financial condition and results of operations.

Sagicor may be unable to reinsure risks on terms that are commercially reasonable or satisfactory to Sagicor, or Sagicor’s reinsurers may fail to meet assumed obligations, increase rates, or be subject to adverse developments, negatively affecting Sagicor’s business, financial condition and result of operations.

We transfer our exposure to certain risks to others through reinsurance arrangements. The risk is managed through proportional and excess retention treaties with several companies. As of December 31, 2022, our property and casualty business is reinsured by Swiss Reinsurance, Munich Re, R&V Versicherung, Transatlantic Re, Everest Re and others. Under our reinsurance arrangements, these insurers assume a portion of the losses and expenses associated with our policy losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Reinsurers may be subject to many of the same risks that our company is affected by,

which may strain the resources of reinsurers. Any decrease in the amount of our reinsurance will increase our risk of exposure.

When we obtain reinsurance, we still remain primarily liable for the reinsured risks, even if the reinsurer does not meet its reinsurance obligations to us. Therefore, the inability of our reinsurers to meet their financial obligations or disputes about the scope of reinsurance coverage could materially affect our operations. Our reinsurers may become financially impaired by the time they are called upon to pay amounts due. In addition, reinsurance may prove inadequate to protect against losses or may become unavailable in the future at commercially reasonable rates.

Our ability to compete is dependent on the availability of reinsurance or other substitute risk financing solutions. Premium rates charged by us are based, in part, on the assumption that reinsurance will be available at a certain cost. Under certain reinsurance agreements, the reinsurer may increase the rate it charges us for the reinsurance. Therefore, if the cost of reinsurance were to increase, if reinsurance were to become unavailable on commercially reasonable terms or at all, if alternatives to reinsurance were not available to us, or if a reinsurer should fail to meet its obligations, our business, financial condition and results of operations could be materially adversely affected.

In recent years, access to reinsurance has become more costly for members of the insurance industry, including us. In addition, the number of life and P&C reinsurers has decreased as the reinsurance industry has consolidated and or changed their risk appetite for the region. The decreased number of participants in the life and P&C reinsurance market resulted in increased concentration of risk for insurers, including us. If the reinsurance market further contracts, our ability to continue to offer our products on terms favourable to us could be negatively impacted, resulting in adverse consequences to our business, operations and financial condition.

Differences between actual claims experience and estimated claims at the time the product was priced may result in increased losses, and Sagicor's reserves may be insufficient to cover actual policy benefits.

We price our insurance products using best estimate assumptions and build in a margin for the possibility that actual claims experience could differ from expected experience. Sagicor regularly reviews emerging experience against predicted losses and reprices the existing products where allowed, as well as repricing new products. Sagicor is subject to the risk that actual loss experiences will emerge differently than estimated when the product was designed and priced or repriced, resulting in an adverse effect on Sagicor's results of operations and financial condition. Loss reserves do not represent an exact calculation of liability, but rather are estimates of the expected cost upon the ultimate settlement of losses. These estimates are based on actuarial and statistical projections of facts and circumstances at the time of estimation and estimates of trends in loss severity and other variable factors, including new bases of liability and general economic conditions. Sagicor's actuarial liabilities may be insufficient to cover actual policy benefits. Sagicor's policy benefits on long-term insurance and annuity contracts are generally payable over the remaining lives of the insureds and annuitants. Sagicor's ability to pay these benefits is influenced by future investment yields, future operating expenses and taxes, future policy renewals and lapses and the future mortality and morbidity of the existing insureds and annuitants.

Sagicor's loss reserves may prove to be inadequate to cover our actual loss experience. Sagicor maintains loss reserves in our property and casualty insurance lines to cover our estimated liability for losses. For some types of losses, most significantly general third-party liability, personal injury claims and catastrophic natural events such as hurricanes, it has been necessary, and may over time continue to be necessary, to revise estimated potential loss exposures and the related loss reserves. Additional losses, including losses arising from changes in the legal environment, the type or magnitude of which Sagicor cannot foresee, may emerge in the future. Consequently, actual losses and related expenses paid may differ from estimates reflected in the loss reserves in Sagicor's financial statements. To the extent loss reserves are insufficient to cover actual losses or loss adjustment expenses, we would experience a reduction in our earnings or a heightened loss.

At the date of each valuation of actuarial liabilities, Sagicor's actuaries review the assumptions made at the last valuation date. The valuation of actuarial liabilities depends on the economic scenario used, the investments allocated to back the liabilities, the underlying assumptions used and the margins for adverse deviations (the difference between the assumption for a calculation and the corresponding best estimate assumption). Sagicor's actuaries test the validity of each assumption by reference to current data and, where appropriate, change the assumptions for the current valuation.

Sagicor's experience and industry experience suggest that policy benefits will in fact be settled over the period of the policy, and that Sagicor's actuarial liabilities will be sufficient to cover actual policy benefits. In addition, Sagicor maintains provisions for adverse deviation (PfADs), which are intended to mitigate any potential adverse development. Nonetheless, this does not remove the uncertainty which exists over the timing and amount of future benefit cash outflows. There are significant uncertainties in estimating the amount and timing of settlement of policy benefits. Those policy benefits payable under long-term insurance and annuity contracts may be triggered (i) by an insurable event, such as a death, disability or critical illness claim; (ii) at a specified time, such as in the case of an annuity settlement or a policy maturity; or (iii) on the exercise of a surrender or withdrawal request by the policyholder.

If future investment yields fall below those assumed in the actuarial valuations, lower cash flows will be available for reinvestment, and as a result Sagicor may not have sufficient assets to cover future benefit cash outflows.

If future operating expenses or taxes increase over that assumed in the actuarial valuations, Sagicor will utilize more assets to pay expenses or taxes, potentially resulting in insufficient assets to cover actual policy benefits.

If future policy renewal is lower than assumed in the actuarial valuations, Sagicor's profitability and solvency may decline, resulting in an inability to sustain future operations.

If the future mortality or morbidity rates of the existing insureds are higher than assumed in the actuarial valuations, Sagicor will pay out higher benefits earlier than expected, potentially depleting our assets and adversely affecting our ability to pay other benefits.

If the future mortality rates of the existing annuitants and beneficiaries are lower than assumed in the actuarial valuations, Sagicor will pay out benefits for longer periods than anticipated, potentially depleting our assets and adversely affecting our ability to continue payment of annuities and other benefits.

The performance of Sagicor's group life insurance may be adversely affected by the characteristics of the employees insured or through unexpected catastrophic events such as natural disasters.

Group life insurance may be affected by many factors, including the characteristics of the employees insured, Sagicor's risk selection process, our ability to retain employee groups with lower claim incidence rates, the geographical concentration of employees and mortality rates. Changes in any of these factors may adversely affect Sagicor's results of operations.

Loss reserves for certain types of tort-related claims, including third-party liability personal injury claims and environmental pollution claims, are especially difficult to estimate. The need to make more frequent and larger additions to those reserves could adversely affect our results of operations and financial condition.

We have had limited experience related to environmental pollution claims (and our historical losses related to such claims have not been material), but we may in the future be subject to such claims. Establishing reserves for casualty coverages relating to such claims and claim adjustment expenses is subject to uncertainties that are greater than those presented by other claims. Estimating the ultimate cost of both reported and unreported claims with respect to environmental pollution, third-party liability and mass torts is subject to a higher degree of variability due to a number of additional factors, including, among others, coverage issues, the risks and unpredictability inherent in major litigation, the uncertainty of our ability to

recover reinsurance with respect to such claims and changes in the legal and legislative environment in which we operate.

Statistical methods and techniques employed to estimate the ultimate cost of claims for more traditional property and casualty exposures are less precise in estimating claim and claim adjustment reserves for asbestos, environmental pollution and mass torts and, therefore, should we experience a large number of these claims in the future, we will have little experience to rely on. These statistical methods and techniques are supplemented with additional estimating techniques and methodologies, many of which involve significant judgements by management. Due to the inherent uncertainties in estimating reserves for asbestos, environmental pollution and mass tort claim and claim adjustment expenses, we may be required to record material changes in our claim and claim adjustment reserves in the future, which could materially adversely affect our results of operations, financial condition and equity; however, except for three environmental pollution claims, we have had no prior experience with any of these types of claims.

Key coverage issues with respect to environmental, third-party liability and other mass tort claims include: the trigger of coverage; the allocation of liability among triggered policies; the applicability of pollution exclusions and owned property exclusions; the potential for joint and several liability; the definition of an occurrence; and whether clean-up costs are considered damages under the policies (and accordingly, whether we would be liable for these costs).

If claims result in liability in excess of our recorded reserves, the claims payment and/or required increases to reserves could materially adversely affect our consolidated financial condition, results of operations and cash flow.

Additional losses, including losses arising from changes in the legal environment, the type or magnitude of which we cannot foresee, may emerge in the future. Any insufficiencies in loss reserves for future claims, including liability claims, could have a material adverse effect on our future consolidated financial condition, results of operations and cash flows.

Operational Risks

Fraudulent activity may create financial losses and negatively affect our customers or our reputation.

Fraud risk is the risk of loss resulting from acts or activities that are intended to defraud, misappropriate assets, or circumvent laws or regulations by customers, contractors or other third parties, directors, officers, employees or advisors. Fraud is any intentional dishonest act or omission designed to deceive others, resulting in a victim suffering or being exposed to a loss or the perpetrator achieving a gain. This can include a statement made, knowing it to be false, without belief in its truth; or recklessly, careless as to whether it be true or false. Fraud can result in a financial loss or reputational impact to Sagicor and have other impacts that are detrimental to customers and other stakeholders. Sagicor faces both internal and external fraud risks and may include identify theft, fraudulent claims, misrepresentation, forgery and collusion as incident types. Fraud can be difficult to detect due to the continuously evolving external fraud environment and increasingly sophisticated methods of organized criminals, and could harm our business, results of operations or financial condition.

A prolonged labour dispute could hurt Sagicor's business.

Approximately 17% of Sagicor's workforce were represented by unions and/or covered by collective bargaining agreements as at December 31, 2022 (approximately 17% as at December 31, 2021). There can be no assurance that Sagicor's non-unionized employees in the United States, Barbados or elsewhere will not become members of a union and/or become covered by a collective bargaining agreement, including through an acquisition of a business whose employees are subject to such agreement. If Sagicor experiences a prolonged labour dispute involving a significant number of our employees, Sagicor's business could be adversely affected. Currently, Sagicor's relationship with unions remains cordial and there has been no industrial action.

Sagicor depends on key personnel; if they were to leave Sagicor, Sagicor might have an insufficient number of qualified employees.

Sagicor believes that our ability to implement our business strategy and our future success depends on the continued service of Sagicor's senior management team, which has extensive experience in the industry and is vital in maintaining some of our major customer relationships. The loss of the technical knowledge, management and industry expertise of any of Sagicor's key employees could make it difficult for Sagicor to fully execute our business plan effectively.

Sagicor's future growth and success depend on our ability to attract, retain and motivate skilled managerial, financial, actuarial, sales, administrative and technical personnel. The market for qualified professionals is competitive and Sagicor may not continue to be successful in our efforts to attract and retain these professionals. The failure to continue to attract and retain additional key personnel could affect Sagicor's business, financial condition and results of operations.

There may be adverse consequences if the status of Sagicor's independent contractors is successfully challenged.

In the Caribbean region, we market our insurance products primarily through our advisors and brokers. As of December 31, 2022, Sagicor had over 1,100 advisors and approximately 100 brokers in the Caribbean region, all of whom are compensated based on performance. In the United States, Sagicor markets its life insurance products mainly through Independent Agents. As of December 31, 2022, Sagicor had approximately 13,300 Independent Agents in the United States. Sagicor currently treats its Independent Agents in the as independent contractors. However, the tests governing the determination of whether an individual is considered to be an independent contractor or an employee are typically fact sensitive and vary from jurisdiction to jurisdiction. Laws and regulations that govern the status of Sagicor's independent contractors are subject to change or interpretation by various authorities. If a federal, state or local authority or court enacts legislation (or adopts regulations) or adopts an interpretation that changes the manner in which employees and independent contractors are classified or makes any adverse determination with respect to some or all of Sagicor's independent contractors, Sagicor could incur significant costs in complying with such laws, regulations or interpretations, including, in respect of tax withholding, social security payments and recordkeeping, or Sagicor could be held liable for the actions of such future and past independent contractors or may be required to modify our business model, any of which could have a material adverse effect on Sagicor's business, financial condition and results of operations. In addition, there is the risk that Sagicor may be subject to significant monetary liabilities arising from fines or judgments as a result of any such actual or alleged non-compliance with federal, state or local tax or employment laws. Further, if it were determined that Sagicor's agents and brokers should be treated as employees, Sagicor could possibly incur additional liabilities with respect to any applicable employee benefit plan.

Computer viruses, network security breaches, disasters or other unanticipated events could affect Sagicor's data processing systems or those of its business partners and could damage Sagicor's business and adversely affect its financial condition and results of operations.

Sagicor retains confidential information in our computer systems, and relies on sophisticated commercial technologies to maintain the security of those systems. Despite Sagicor's implementation of network security measures, our servers could be subject to physical and electronic break-ins and similar disruptions from unauthorized tampering with our computer systems. Anyone who is able to circumvent Sagicor's security measures and penetrate our computer systems could access, view, misappropriate, alter, or delete any information in the systems, including personally identifiable customer information and proprietary business information. In addition, an increasing number of jurisdictions in which Sagicor operates require that customers be notified of unauthorized access, use, or disclosure of their information. Any compromise of the security of Sagicor's computer systems that results in inappropriate access, use or disclosure of personally identifiable customer information could damage Sagicor's reputation in the marketplace, deter people from purchasing our products, subject Sagicor to significant civil and criminal liability and require Sagicor to incur significant technical, legal and other expenses.

In the event of a disaster such as a natural catastrophe, an industrial accident, a blackout, a computer virus, a terrorist attack, or a war, Sagicor's computer systems may be inaccessible to our employees, customers, or business partners for an extended period of time. Even if Sagicor's employees are able to report to work, they may be unable to perform their duties for an extended period of time if Sagicor's data or systems are disabled or destroyed. Any such occurrence could materially adversely affect Sagicor's business, operations and financial condition.

Implementation of new IT systems could adversely affect our operations.

Across all our operating units, we are in the process of harmonizing our systems for life administration as well as finance, accounting, expense allocation and consolidation. Successful implementation of these systems will be critical to our cost-reduction initiatives and to our ability to comply with our financial reporting and internal audit compliance obligations. Integration and conversion of information from the legacy systems to the new systems will affect many aspects of our business, including our accounting, operations, purchasing, sales, marketing and administrative functions, and could disrupt our business, distract management and increase our costs. If we were to experience difficulties or delays in the implementation of these new systems, our ability to service our customers on a timely basis could be adversely affected, which would harm our results of operations and relationships with our customers. Additionally, any integration difficulties or delays could adversely affect the processing and reporting of our accounting and financial results. A failure to report on a timely basis could trigger adverse actions by regulatory entities in many jurisdictions where we operate. There can be no assurance that we would be able to correct any such difficulties or problems in a timely manner.

Sagicor's business model depends on the performance of various third parties including actuarial consultants and other service providers.

Sagicor relies on various third parties to provide services for our business operations. As such, Sagicor's results may be affected by the performance of those other parties. For example, Sagicor is dependent upon independent consultants to perform actuarial analyses and to manage certain of our assets. Additionally, Sagicor's operations are dependent on various service providers and on various technologies, some of which are provided or maintained by certain key outsourcing partners and other parties.

The third parties upon whom Sagicor depends may default on their obligations to Sagicor due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud, loss of key personnel or other reasons. Such defaults could have a material adverse effect on Sagicor's financial condition and results of operations. In addition, certain of these other parties may act, or be deemed to act, on behalf of Sagicor or represent Sagicor in various capacities. Consequently, Sagicor may be held responsible for obligations that arise from the acts or omissions of these other parties.

As a public company, we are required to develop and maintain proper and effective internal controls over financial reporting. We may not complete our analysis of our internal controls over financing reporting in a timely manner, or these internal controls may not be effective, which could adversely affect investor confidence in Sagicor and, as a result, negatively impact the value of the Common Shares.

As a publicly traded company, we are subject to reporting and other obligations under applicable securities laws. These reporting and other obligations place significant demands on our management, administrative, operational and accounting resources. In order to meet such requirements, we have, among other things, established and implemented financial and management controls, reporting systems and procedures. However, if we are unable to accomplish any such necessary objectives in a timely and effective manner, our ability to comply with our financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause us to fail to satisfy our reporting obligations or result in material misstatements in our financial statements. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be adversely affected which could also cause investors to lose confidence in our reported financial information, which could result in a reduction in the market price of the Common Shares.

Model risk may arise from the inappropriate use or interpretation of models or their output, or the use of deficient models, data or assumptions.

We rely on some highly complex models for pricing, valuation and risk measurement, and for input to decision making. Consequently, the risk of inappropriate use or interpretation of our models or their output, or the use of deficient models, could have a material adverse effect on our business.

Negative publicity in the insurance industry could adversely affect Sagicor.

A number of Sagicor's products and services are ultimately distributed to individual consumers. From time to time, consumer advocacy groups or the media may focus attention on Sagicor's products and services, thereby subjecting the insurance industry to periodic negative publicity. Negative publicity may also result in increased regulation and legislative scrutiny of practices in the insurance industry as well as increased litigation. Such consequences may increase Sagicor's costs of doing business and adversely affect Sagicor's profitability by impeding Sagicor's ability to market our products and services or increasing the regulatory burdens under which Sagicor operates.

Sagicor's fiduciary relationship with certain counterparties could adversely affect its profitability.

As part of Sagicor's Caribbean operations, it provides investment management, administration and corporate trust services to pension and mutual funds and other corporate entities, which requires Sagicor to make allocation, purchase and sale decisions in relation to a wide range of investments. These services give rise to fiduciary risk that may expose Sagicor to claims for maladministration or underperformance of these funds. As of December 31, 2022, Sagicor administered approximately \$3.7 billion in assets on behalf of clients to whom it owed fiduciary obligations. Claims arising out of Sagicor's fiduciary obligations could result in a negative impact to our reputation, which could adversely affect Sagicor's financial condition and results of operating.

Pandemics, natural disasters and extreme weather-related events such as hurricanes, as well as climate change, may adversely affect Sagicor.

General insurance companies may experience greater claim incidences or losses from catastrophic events, such as pandemics, natural disasters or extreme weather-related events. These types of events may impact the availability of reinsurance, and may have a material adverse effect on Sagicor's consolidated financial condition, results of operations and cash flows, especially in those markets where Sagicor offers property and casualty insurance.

A local, regional, national or international outbreak of a contagious disease, including the COVID-19 coronavirus, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, may adversely impact Sagicor's business, employees, financial condition or results of operations. While the impact of the COVID-19 virus on Sagicor has been limited thus far, it may have an adverse effect on global economic activity, and could result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Sagicor.

Catastrophes include windstorms, hurricanes, earthquakes, tornadoes, floods and fires. In addition, drought can give rise to subsidence damage, resulting in substantial volumes of claims, particularly under household buildings policies. The incidence and severity of these catastrophes are inherently unpredictable. The extent of Sagicor's losses from catastrophes is a function of the total amount of losses our clients incur, the number of our clients affected, the frequency of the events and the severity of the particular catastrophe. Most catastrophes occur in limited geographic areas. However, windstorms, hurricanes, floods and earthquakes may produce significant damage in large, heavily populated areas, and subsidence claims can arise in a number of geographic areas as a result of exceptional weather conditions. Many of Sagicor's policyholders carry insurance covering property in areas that are particularly susceptible to hurricanes. The

frequency and intensity of such catastrophic events may continue to increase as a result of climate change, and Sagicor may incur greater than anticipated losses in respect of such events in the future. Sagicor's efforts to protect itself against catastrophe losses, such as the use of selective underwriting practices, the purchasing of reinsurance and the monitoring of risk accumulations, may not be adequate.

Conduct Risks

Inappropriate conduct may cause unfair outcomes for customers and adversely affect Sagicor's business, results, financial condition, and reputation.

Conduct risk is the risk of unfair outcomes for customers as a result of inadequate or failed processes and/or inappropriate behaviours, offerings or interactions by Sagicor's advisors, brokers and Independent Agents. A failure to identify and mitigate conduct risk impacts not only Sagicor's customers but can also have adverse reputational and financial consequences for Sagicor due to the cost of customer remediation, damage to reputation and/or regulatory fines.

Legal and Regulatory Risks

Changes in accounting standards could impact the timing and recognition of earnings, and as our result, our shareholders' equity.

IFRS 17 Insurance Contracts ("**IFRS 17**") is effective for insurance companies for annual periods beginning on or after January 1, 2023. It will replace IFRS 4 "Insurance Contracts", and will materially change the timing of the recognition of earnings from Sagicor's insurance business and therefore our shareholders' equity. Furthermore, the requirements of the new standard are complex and will necessitate significant enhancements to finance infrastructure and processes and could impact Sagicor's business strategy.

Risks related to the new standards include:

- The impact on regulatory capital. In addition to the impact on timing of recognition of earnings and equity, the regulatory capital framework in Canada will be affected by the change in accounting standards. This will be important following the closing of the Proposed Acquisition of ivari.
- The impact on Sagicor's business strategy as a result of temporary volatility. Sagicor's capital position and income for accounting purposes could be influenced by prevailing market conditions, resulting in volatility of reported results, which may require changes to business strategies and the introduction of new non-IFRS financial measures to explain Sagicor's results. The impact to business strategy could include changes to hedging and investment strategy, product strategy and the use of reinsurance and, as a result, could impact Sagicor's exposures to other risks such as credit and liquidity risks.
- Under IFRS 17, an insurer may elect to present the impact of changes in discount rates on insurance contract liabilities in other comprehensive income (the "OCI option"). If the OCI option is elected and derivatives used for economic hedging purposes do not qualify for hedge accounting, a mismatch in accounting net income may occur, as changes in the fair value of these derivatives would be recorded in net income, while the impact of changes in discount rates on insurance contract liabilities would be recorded in other comprehensive income. In addition, if derivatives used for economic hedging purposes qualify for hedge accounting, IFRS 9 requires that the difference, if any, between the impact of changes in discount rates on the hedged portion of insurance contract liabilities and the change in the fair value of the hedging derivatives to be reported in net income as hedge ineffectiveness.
- The impact on tax. In certain jurisdictions, including Canada, the implementation of IFRS 17 could have a material effect on tax positions and other financial metrics that are dependent upon IFRS accounting values.

- The impact on operational readiness. The adoption of IFRS 17 poses significant operational challenges for the insurance industry in the development and implementation of necessary technology systems solutions. The standard introduces complex estimation techniques, computational requirements and disclosures which necessitate a major transformation to Sagicor's systems along with actuarial and financial reporting processes. Once a system solution is available, significant efforts are required to integrate it into the financial reporting environment, perform impact studies, and educate and socialize the potential impacts with stakeholders.
- The impact of inconsistencies in timing of adoption among various jurisdictions. As an insurer with subsidiaries in various jurisdictions, regional differences in effective dates will require Sagicor to maintain more than one set of financial records to support both consolidated financial statements and for local subsidiary reporting requirements.

For more information, please see note 2.27 entitled "Future accounting developments and reporting changes" in Sagicor's consolidated financial statements for the year ended December 31, 2022.

Litigation and regulatory proceedings outcomes could adversely affect Sagicor's business.

Sagicor is routinely involved in legal or arbitration proceedings with respect to liabilities that are the subject of policy claims. As insurance industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage may emerge. These issues can have a negative effect on Sagicor's business by either extending coverage beyond our underwriting intent or by increasing the number and size of claims.

In addition, to the extent that legal or regulatory decisions in any of the jurisdictions in which Sagicor operates increase court awards, the impact of which may be applied prospectively or retrospectively, claims and benefits reserves may prove insufficient to cover actual losses, loss adjustment expenses or future policy benefits. In such event, or where Sagicor has previously estimated that no liability would apply, Sagicor would have to add to its loss reserves and incur a reduction in our earnings. Such insufficiencies could have a material adverse effect on Sagicor's future consolidated financial condition, results of operations and cash flows.

We are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters when, in the opinion of management and our professional advisors, it is probable that a payment will be made by us, and the amount can be reasonably estimated. In respect to claims asserted against us, which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended, cannot be reasonably estimated or will result in exposure to us which is immaterial to both the financial position and the results of operations.

Sagicor's business is highly regulated and subject to numerous laws and regulations.

Sagicor's business is subject to government regulation in each of the countries in which it conducts business. Such regulation is vested in government agencies having broad administrative, and in some instances, discretionary authority with respect to many aspects of Sagicor's business, which may include, among others, insurance company investment laws and regulations, state adopted statutory accounting principles, antitrust laws, minimum solvency requirements, laws regarding risk-based assessments, privacy laws, securities laws, stock exchange requirements, insurable interest laws and anti-money laundering, anti-corruption and anti-terrorism laws.

Furthermore, Sagicor currently operates in 20 jurisdictions; such diversity complicates Sagicor's regulatory compliance burden. Regulatory agencies have broad administrative power over many aspects of Sagicor's business, generally including marketing and selling practices, advertising, licensing agents, policy forms, capital adequacy and permitted investments. Insurance regulators are concerned primarily with the protection of policyholders, rather than Sagicor's shareholders or other creditors. Insurance laws,

regulations and policies currently affecting Sagicor and our subsidiaries may change at any time in ways having an adverse effect on our business. Sagicor cannot predict the timing or form of any future regulatory initiative.

The insurance and financial services industries are highly regulated and we are subject to regulatory inspections in the normal course of business in many of the jurisdictions in which Sagicor operates. Recently Sagicor has seen an increase in capital requirements and a greater emphasis on applying a risk-based approach to compliance and corporate governance. Regulators, particularly those in Barbados, Jamaica, Trinidad and Tobago and the United States, as well as in Canada, have also been initiating more inspections. Regulatory sanctions or decisions may have an adverse effect on Sagicor's financial condition.

Sagicor cannot predict what form any future changes in these or other areas of regulation affecting our business might take or what effect, if any, such proposals might have on Sagicor if enacted into law. Any change affecting one or more of the lines of business Sagicor writes could affect Sagicor's financial condition and results of operations.

Companies in the financial services industry are sometimes the target of law enforcement investigations and the focus of increased regulatory scrutiny.

The financial services industry, including the insurance sector, is sometimes the target of law enforcement and regulatory investigations or other actions resulting from such investigations.

Resulting publicity about one such investigation or action may generate inquiries into or litigation against other financial services companies, even those who do not engage in the business lines or practices at issue in the original action. It is impossible to predict the outcome of such investigations or actions, whether they will expand into other areas not yet contemplated, whether they will result in changes in insurance regulation, whether activities currently thought to be lawful will be characterized as unlawful or the impact, if any, of such scrutiny on the financial services and insurance industry or on Sagicor.

Failures to implement or comply with legally required anti-money laundering practices could subject Sagicor to sanctions and/or criminal and civil penalties.

Sagicor's business is subject to extensive regulation and supervision in the jurisdictions in which it operates. These jurisdictions have embraced the principles approved by the Financial Action Task Force on Money Laundering and Caribbean Financial Action Task Force on anti-money laundering and anti-terrorist financing procedures. As such, all aspects of Sagicor's business are required to abide by the anti-money laundering regulations imposed by the regulatory authorities and also have internal anti-money laundering procedures in place.

In the past, as new regulations have been adopted, Sagicor has experienced delays in fully implementing anti-money laundering policies promptly, primarily as a result of resource allocations. As new regulations are adopted, Sagicor may experience similar delays, which may result in penalties and/or sanctions.

Sagicor and most of its operating subsidiaries are incorporated outside of Canada and it may be difficult to enforce judgments against them or their directors and officers.

Sagicor and most of Sagicor's operating subsidiaries are incorporated under the laws of foreign jurisdictions outside of Canada. It may not be possible for Sagicor shareholders to enforce judgments obtained in Canada against any person or company that is incorporated under the laws of a foreign jurisdiction or that resides outside of Canada, even if the party has appointed an agent for service of process.

Bermuda law differs from the laws in effect in Canada and may afford less protection to shareholders.

As a Bermuda company, Sagicor is governed by the BCA. The BCA differs in some material respects from laws generally applicable to Canadian corporations, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Sagicor's shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of Canada.

Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances. Officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances.

Strategic Risks

The success of Sagicor's operations in the United States depends on Sagicor's ability to grow its business.

Sagicor's current insurance business in the United States has historically been obtained by either purchasing blocks of existing policies or selling new policies through managing general agents ("MGAs"). If we are unable to continue to build out our distribution network and our portion of their business, through expanded relationships with additional MGAs or growing our direct-to-consumer platforms, Sagicor may be unable to attract new life insurance business in the United States sufficient to meet our strategic goals. If this were to occur, Sagicor's business, financial condition and results of operations may be adversely affected.

Sagicor operates in a highly competitive industry, Sagicor faces significant competition mainly from national and regional insurance companies and from self-insurance, and Sagicor also faces some competition from global companies. This competition could limit Sagicor's ability to gain or maintain its position in the industry and could materially adversely affect its business, financial condition and results of operations.

Competitive risk is the risk of an inability to build or maintain a sustainable competitive advantage in a given market or markets, and includes the potential for loss of market share due to competitors offering superior products and services. Competitive risk can arise within or outside the financial sector, from traditional or non-traditional competitors, domestically or globally. There is intense competition for clients among financial services companies in the markets in which we operate. Client loyalty and retention can be influenced by a number of factors, including new technology used or services offered by our competitors, relative service levels and prices, product and service attributes, our reputation, actions taken by our competitors, and adherence with competition and anti-trust laws. Other companies, such as insurance companies and non-financial companies, as well as new technological applications, are increasingly offering services traditionally provided by banks and insurance companies. This competition could also reduce our revenue which could adversely affect our results. We identify and assess competitive risks as part of our overall risk management process. Our products and services are regularly benchmarked against existing and potential competitors. In addition, we regularly conduct risk reviews of our products, services, mergers and acquisitions strategy, as well as we seek to ensure adherence to competition and anti-trust laws. Our annual strategy-setting process also plays an integral role in managing competitive risk.

Sagicor sells our group insurance products in the Caribbean primarily through brokers. In addition, it sells our insurance products in the United States primarily through MGAs. These brokers and MGAs also sell Sagicor's competitors' products and may stop selling Sagicor's products altogether at any time. Strong competition exists among insurers for brokers and MGAs with demonstrated ability to sell insurance products. Premium volume and profitability could be materially adversely affected if there is a material decrease in the number of brokers or MGAs that choose to sell Sagicor's products. In addition, the success

of Sagicor's growth strategy in the United States could be adversely affected if Sagicor is unable to recruit MGAs with demonstrated sales ability to sell our products.

As well, brokers that sell Sagicor's products may sell insurance products of Sagicor's competitors and such brokers may choose not to sell Sagicor's products.

A failure to successfully execute and integrate our acquisitions could adversely affect our operations and profitability.

As part of our growth strategy, we intend to continue to expand our operations and business in the United States and elsewhere, in part by acquiring additional blocks of life insurance. We cannot assure you that we will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses into our existing operations. Furthermore, such acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on our business, results of operations and financial condition. Failure on our part to manage our acquisition strategy successfully could have a material adverse effect on our business, results of operations and financial condition.

There can be no assurance regarding when, if ever, or the extent to which, integrating our acquisitions will result in increased revenues, cost savings or benefits. Integration may be difficult, unpredictable and subject to delay because of possible cultural and regulatory conflicts. Difficulties associated with integrating our acquisitions could have a material adverse effect on Sagicor.

There are certain risks related to the Proposed Acquisition of ivari

The closing of the Proposed Acquisition of ivari is subject to receipt of required regulatory approvals and the satisfaction of certain closing conditions. As such, there is no assurance the Proposed Acquisition of ivari will be completed. In addition, a substantial delay in obtaining satisfactory regulatory approvals or the imposition of unfavourable terms or conditions in any regulatory approval could have an adverse effect on Sagicor's business, financial condition or results of operations. Sagicor intends to complete the Proposed Acquisition of ivari as soon as practicable after satisfying the required closing conditions.

Disputes, including litigation, could also arise under the ivari Share Purchase Agreement, resulting in the Proposed Acquisition being delayed or not completed and Sagicor having to pay certain costs related to such dispute.

Sagicor believes that the Proposed Acquisition of ivari will provide certain benefits to Sagicor and our shareholders if completed. There is, however, a risk that some or all of the expected benefits of the Proposed Acquisition of ivari, even if completed, may fail to materialize or may not occur within the time periods anticipated by Sagicor. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of Sagicor. If the Proposed Acquisition of ivari fails to provide the results that Sagicor anticipates, the Proposed Acquisition could materially and adversely affect Sagicor and our results of operations, including an increase in volatility of results.

Taxation Risks

Sagicor may be subject to Bermuda tax.

Sagicor has received an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966, as amended, that in the event that any legislation is enacted in Bermuda that would impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax shall not be applicable to Sagicor or to any of our operations or to our shares, debentures or other obligations until March 31, 2035, except insofar as such tax applies to persons ordinarily resident in

Bermuda or is payable by Sagicor in respect of real property owned or leased by Sagicor in Bermuda. Consequently, if Sagicor's Bermuda tax exemption is not extended past March 31, 2035, it may be subject to Bermuda tax after that date.

Notwithstanding the assurance, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

Bermuda's compliance with the Organization for Economic Cooperation and Development international tax standards could subject Sagicor to additional taxes.

The Organization for Economic Cooperation and Development (the "OECD") has published reports and launched a dialogue among members and non-members on measures to limit harmful tax practices. These measures are largely directed at counteracting the effects of tax havens and preferential tax regimes around the world. According to the OECD, Bermuda is a jurisdiction that has substantially implemented the internationally agreed tax standard and as such is listed on the OECD 'white list'. However, certain of Sagicor's subsidiaries also operate in jurisdictions which have not substantially implemented the internationally agreed upon tax standard, including Trinidad and Tobago, and Sagicor is not able to predict whether any changes will be made to any relevant classifications or whether any such changes will subject Sagicor to additional taxes.

Legislation enacted in Bermuda in response to the European Union's review of harmful tax competition could adversely affect Sagicor's operations and financial condition.

During 2017, the European Union ("EU") Economic and Financial Affairs Council ("ECOFIN") released a list of non-cooperative jurisdictions for tax purposes. The stated aim of this list, and accompanying report, was to promote good governance worldwide in order to maximize efforts to prevent tax fraud and tax evasion. Bermuda was not on the list of non-cooperative jurisdictions but did feature in the report (along with approximately 40 other jurisdictions) as having committed to address concerns relating to economic substance by December 31, 2018. In accordance with that commitment, Bermuda has enacted legislation that requires certain entities in Bermuda engaged in "relevant activities" to maintain a substantial economic presence in Bermuda and to satisfy economic substance requirements. The list of "relevant activities" includes carrying on as a business any one or more of: banking, insurance, fund management, financing, leasing, headquarters, shipping, distribution and service center, intellectual property and holding entities. Any entity that must satisfy economic substance requirements but fails to do so could face automatic disclosure to competent authorities in the EU of the information filed by the entity with the Bermuda Registrar of Companies in connection with the economic substance requirements and may also face financial penalties, restriction or regulation of our business activities and/or may be struck off as a registered entity in Bermuda. If any one of the foregoing were to occur, it may adversely affect the business operations of Sagicor or our Bermuda subsidiaries. Ultimately, the Bermuda Registrar of Companies will make the determination as to an entity's compliance with the economic substance requirements.

In respect of Sagicor's 2022 filing, Sagicor was of the view that it was a "pure equity holding entity"; however, as it did not earn any gross revenue in respect of this relevant activity Sagicor filed a 'Nil' declaration for the year ended December 31, 2021. Under the Economic Substance Act 2018 (Bermuda), entities that do not earn any gross revenue in respect of a relevant activity may file a 'Nil' declaration and such entities are not required to comply with the economic substance requirements. To date, Sagicor has not received a response from the Bermuda Registrar of Companies in respect of its filing made in relation to the year ended December 31, 2021. At present, it is not possible to accurately predict the effect of the economic substance requirements on Sagicor and its business. The requirements may increase the complexity and costs of carrying on Sagicor's business and could adversely affect its operations and financial condition.

If Sagicor were subject to Canadian federal income taxation, Sagicor's after-tax returns and the value of Common Shares could be materially reduced.

Sagicor has put in place procedures intended to ensure that our central management and control do not reside in Canada. If Sagicor were considered to have our central management and control in Canada, it would be resident in Canada for Canadian federal income tax purposes (subject to relief under an applicable income tax treaty or convention) and accordingly would be subject to income tax in Canada on our worldwide income. In addition, in such circumstances there may be additional Canadian income tax considerations for shareholders, and in particular, any dividends paid or credited by Sagicor on the Common Shares to a person that is not resident in Canada for purposes of the *Income Tax Act* (Canada) would be subject to Canadian non-resident withholding tax.

Any additional taxes resulting from changes to tax regulations or the interpretation thereof in countries in which it does business could negatively impact Sagicor's financial condition.

There is no assurance that additional taxes will not be implemented in a way that could force Sagicor to make additional tax payments, thereby negatively affecting our financial condition.

Potentially adverse tax consequences may result from the sale by Sagicor of a subsidiary, a subsidiary's assets or other investment.

United States and other taxes may be payable, directly or indirectly, by Sagicor on our direct or indirect sale of a subsidiary of Sagicor, a subsidiary's assets, or other investment. The amount of such taxes, which may be material, will depend on the selling price, the jurisdictions that would impose tax on the sale, and other factors.

Sagicor is a holding company that has no material assets other than its interest in its subsidiaries and, accordingly, it is dependent upon distributions from its subsidiaries to pay taxes and other expenses.

Sagicor is a holding company and has no material assets other than our interest in SFCL and, following the closing of the Proposed Acquisition, ivari. Sagicor currently does not have any means of generating revenue independent of SFCL. Sagicor depends on dividends, distributions and other payments from its subsidiaries to provide the funds necessary to meet our financial obligations. To the extent that Sagicor requires funds to pay our tax liabilities or to fund our operations and its subsidiaries are restricted from making dividends or distributions to Sagicor under applicable agreements, laws or regulations or do not have sufficient cash to make the dividend or distribution of such funds, Sagicor may have to borrow funds or raise equity to meet those obligations, and our liquidity and financial condition could be materially adversely affected. Sagicor may not be able to borrow funds on our own, and there can be no assurance that it will be able to issue additional equity on attractive terms or at all. Further, SFCL is a holding company that relies on its subsidiaries with similar effect.

Although Sagicor exercises management control over its material subsidiaries, Sagicor will be required to consider the interests of minority shareholders in Sagicor Jamaica.

In addition to the risks affecting Sagicor as described elsewhere in this annual information form, Sagicor Jamaica's status as a non-wholly-owned subsidiary may affect Sagicor's flexibility and ability to implement strategies and financing and other plans that Sagicor believes are in Sagicor's and/or Sagicor Jamaica's best interests. Further, Jamaican securities and other laws may restrict the degree of Sagicor's flexibility. Sagicor does not believe that there are any material risks associated with the corporate structure of Sagicor Jamaica and our subsidiaries, other than the fact that it is not wholly-owned. Operationally, Sagicor's executive officers supervise the business of Sagicor Jamaica.

CAPITAL STRUCTURE

General Description

The authorized capital of Sagicor consists of:

- a) 10,000,000,000 Common Shares with a par value of US\$0.01 each; and
- b) 10,000,000,000 preferred shares with a par value of US\$0.01 each, issuable in series.

As of December 31, 2022, there were 142,768,612 Common Shares, no preferred shares, and 34,774,993 Sagicor Warrants issued and outstanding. As of the date of this annual information form, there were 142,707,064 Common Shares, no preferred shares, and 34,774,993 Sagicor Warrants issued and outstanding.

Common Shares of Sagicor

Each Common Share entitles the holder to receive notice of and to attend all general meetings of Sagicor shareholders and to one vote per Common Share on all matters submitted to a vote by Sagicor shareholders (other than matters voted on exclusively by another class or series of shareholders).

Subject to the prior rights of the holders of any shares ranking senior to the Common Shares with respect to payment of dividends, the holders of Common Shares will be entitled to receive dividends when declared by Sagicor's Board of Directors, in its sole discretion. Any payment of a dividend will at all times be subject to a solvency test such that Sagicor must not declare or pay a dividend if there are reasonable grounds for believing that Sagicor is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of Sagicor's assets would thereby be less than its liabilities. In the event of Sagicor's liquidation, dissolution or winding up, holders of Common Shares shall be entitled to share equally and ratably in Sagicor's assets, if any, remaining after the payment of all of Sagicor's debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares at the time of such liquidation, dissolution or winding up, without preference or priority of one of the Common Shares over another.

Preferred Shares of Sagicor

The preferred shares may be issued in one or more series with such designations, powers, preferences, rights, qualifications, limitations and restrictions as the board of directors may determine. No preference shares are currently issued.

Sagicor Warrants

The Sagicor Warrants are share purchase warrants that entitle the holder to acquire Common Shares at an exercise price of C\$11.50 per share in accordance with the terms of the Warrant Agreement, which is available on Sagicor's SEDAR profile at www.sedar.com.

Credit Ratings

Ratings are intended to provide an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised entirely by a rating agency at any time if in its judgement circumstances so warrant.

As is common practice, Sagicor paid fees to each of Standard & Poors (“S&P”), Fitch, AM Best and CariCRIS for their rating services and reasonably expects that such payments will continue to be made for rating services in the future. No additional payment was made to the above-noted credit rating agencies for other services provided to Sagicor during the last two years. The following table lists the ratings attributed to SFCL.

Rating Agency	Type of evaluation	Rating
S&P	Issuer Credit Rating	BB+ (Positive) ⁽¹⁾
Fitch	Issuer Credit Rating	BB (Rating Watch Positive) (Long term issuer default rating) ⁽²⁾
AM Best	Issuer Credit Rating	bbb- (Under Review with Developing Implications) ⁽³⁾
CariCRIS	Issue Rating	CariAA (regional scale), jmAAA (national scale) (Stable) ⁽⁴⁾

(1) Updated November 22, 2022

(2) Updated August 26, 2022

(3) Updated September 1, 2022

(4) Updated June 15, 2022

S&P Ratings

The Issuer Credit Rating is a forward-looking opinion about an obligor’s creditworthiness. SFCL has a “BB+” (Positive) Long Term Issuer Credit Rating from S&P and the same rating on its senior debt issuance. On August 26, 2022 S&P Global Ratings revised Sagicor’s outlook to positive from stable on the proposed acquisition of ivari and affirmed Sagicor’s BB+ rating. On November 25, 2020, S&P Global Ratings upgraded Sagicor’s credit rating to ‘BB+’ from ‘BB’ with a stable outlook.

According to S&P, obligors rated in the “BB+” category have less vulnerability in the near-term than other lower-rated obligors, but face major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitments. S&P Issuer Credit Rating categories range from AAA to D. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category.

In its rating system, S&P adds an outlook to the financial strength and issuer credit rating. This outlook indicates the possible direction of these ratings in the medium or long term based on changes in the economic environment and/or the corporate position. The outlook can be “Positive” (meaning that the rating may be raised), “Stable” (meaning that the rating is not likely to change), “Negative” (meaning that rating may be lowered), or “Developing” (meaning that the rating may be raised or lowered).

Fitch

Fitch assigns long-term issuer credit ratings in a range from AAA to D. The modifiers + or - may be appended to a rating to denote relative status within major rating categories. The absence of either a plus or minus designation indicates the rating is in the middle of the category. Such modifiers are not added to the AAA rating or to ratings below B.

SFCL has a “BB” (Rating Watch Positive) rating by Fitch. Fitch placed Sagicor’s ratings on Rating Watch Positive in August 2022 following the announcement of its intended acquisition of ivari reflecting prospective improvement in the credit quality of Sagicor’s insurance operating company group. According to Fitch, “BB” ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. Rating outlooks, including positive, negative, stable and evolving, indicate the direction a rating is likely to move over a one to two-year period. They reflect financial or other trends that have not yet reached or been sustained to the level that would cause a rating action, but which may do so if trends continue.

AM Best

The AM Best Issuer Credit Rating is based on the issuer’s capacity to meet its commitments to its creditors and is an independent opinion, based on comprehensive quantitative and qualitative evaluation of the applicable company’s balance sheet strength, operating performance and business profile. AM Best credit ratings are on a rating scale that ranges from aaa to c, which represents the range from highest to lowest quality. The assignment of a plus (+) or minus (-) designation after a rating indicates whether the credit quality is near the top or bottom of a particular rating category.

On September 1, 2022, following the announcement of Sagicor’s planned acquisition of ivari, AM Best placed the credit ratings of Sagicor and its subsidiaries under review with developing implications.

The rating “bbb-” is assigned to entities that have, in AM Best’s opinion, a good ability to meet their ongoing senior financial obligations. Ratings of bbb and higher are assigned to issuers of a group designated as Investment Grade, while “bb” or lower ratings are assigned to Non-Investment Grade issuers.

CariCRIS

The regional rating indicates the level of creditworthiness of an obligation/obligor adjudged in relation to other obligations/obligors in the Caribbean. The term Caribbean as used here covers the following countries: Bahamas, Barbados, Belize, Costa Rica, Dominican Republic, Guyana, Haiti, Jamaica, Panama, Suriname, Trinidad and Tobago and the following countries in the Organisation of the Eastern Caribbean States (OECS): Anguilla, Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, Saint Lucia and St. Vincent & the Grenadines. The rating scale ranges from CariAAA to CariD. The company was assigned an issue rating with a regional rating of CariAA which corresponds to high creditworthiness.

The national rating indicates the level of creditworthiness of an obligation/obligor adjudged in relation to other obligations/ obligors in the country (e.g. Jamaica). The company was assigned an issue rating with a national rating of jmAAA which corresponds to the highest creditworthiness.

In their latest report dated June 15, 2022, CariCRIS reaffirmed the assigned credit ratings of CariAA and *jmAAA* and maintained a stable outlook. In that report, CariCRIS noted: “The stable outlook is based on our expectation that the economic and financial markets in which SFC operates are expected to show continued improvement over the next 12-15 months. Additionally, CariCRIS continues to view the steady growth in SFC’s United States of America (USA) operations over the past few years as a credit positive that can serve to bolster the Group’s financial performance. As a result, profitability is expected to increase over the next 12 – 15 months.”

DIVIDENDS

Dividend Policy

The declaration and payment of dividends is the responsibility of the Sagicor Board and will be paid at the discretion of the Sagicor Board. Sagicor currently intends to pay an annual dividend of US\$0.225 per share,

paid quarterly. Sagicor has decided not to proceed with a proposed dividend reinvestment plan until certain regulatory considerations in the Caribbean can be resolved.

The payment of dividends in the future will depend on the earnings, cash flow and financial condition of Sagicor as well as the need to finance Sagicor's business activities and any restrictions contained in applicable credit or financing agreements. The Sagicor Board may also consider such other factors as it considers appropriate.

During the last three financial years, Sagicor declared the following dividends:

Dividend per Common Share (US\$)	Date Declared
\$0.05625	November 10, 2022
\$0.05625	August 11, 2022
\$0.05625	May 12, 2022
\$0.05625	March 18, 2022
\$0.05625	November 15, 2021
\$0.05625	August 13, 2021
\$0.05625	May 14, 2021
\$0.05625	March 18, 2021
\$0.05625	November 14, 2020
\$0.05625	August 14, 2020
\$0.05625	April 24, 2020
\$0.05625	February 3, 2020

MARKET FOR SECURITIES OF SAGICOR

Trading Price and Volume

On December 9, 2019, Sagicor's Common Shares began trading under the symbol "SFC". The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Common Shares:

Common Shares on the Toronto Stock Exchange in 2022

	High (C\$)	Low (C\$)	Volume
January 2022	\$6.54	\$6.17	36,180
February 2022	\$6.57	\$5.74	140,765

	High (C\$)	Low (C\$)	Volume
March 2022	\$6.51	\$6.25	320,700
April 2022	\$6.57	\$6.23	98,616
May 2022	\$6.53	\$6.20	400,301
June 2022	\$6.75	\$6.30	793,157
July 2022	\$6.50	\$5.85	83,442
August 2022	\$6.50	\$5.95	255,948
September 2022	\$6.48	\$5.72	152,972
October 2022	\$6.10	\$6.00	71,938
November 2022	\$6.10	\$5.79	96,617
December 2022	\$5.80	\$5.47	56,011
Year 2022	\$6.75	\$5.47	2,506,647

On December 9, 2019, Sagicor's Warrants began trading under the symbol "SFC.WT". The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Sagicor Warrants:

Sagicor Warrants on the Toronto Stock Exchange in 2022

	High (C\$)	Low (C\$)	Volume
January 2022	\$0.19	\$0.10	14,000
February 2022	\$0.10	\$0.10	1,000
March 2022	\$0.10	\$0.10	5,000
April 2022	\$0.16	\$0.07	35,500
May 2022	\$0.09	\$0.05	15,000
June 2022	\$0.05	\$0.05	2,000
July 2022	-	-	-
August 2022	\$0.06	\$0.05	18,071
September 2022	\$0.05	\$0.05	15,000
October 2022	-	-	-
November 2022	\$0.05	\$0.03	36,302

	High (C\$)	Low (C\$)	Volume
December 2022	\$0.05	\$0.05	5,000
Year 2022	\$0.19	\$0.03	146,873

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following sets out the number of securities of Sagicor that are subject to a contractual restriction on transfer as of the date hereof. To the knowledge of Sagicor, no other securities of Sagicor are held in escrow or will be subject to contractual restrictions on transfer.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares ⁽¹⁾⁽²⁾	6,381,250	4.47%

⁽¹⁾ See “*Founders’ Shares*” and “*Forward Purchasers’ Shares*” below for a summary of the contractual restrictions on transfer.

⁽²⁾ All Common Shares subject to escrow have been deposited with TSX Trust Company.

Founders’ Shares

In accordance with the Arrangement Agreement, certain founders of Alignvest (the “**Restricted Parties**”) agreed to deposit the share certificates and any dividends in respect of approximately 50% of their founder’s Alignvest class B shares held by it (which were converted into Common Shares upon the completion of the Arrangement) with TSX Trust Company, as third party escrow agent, which are to be held in accordance with the terms of an escrow agreement, for a period of up to five years following December 31, 2019, subject to earlier release. In the event the founder’s share certificates and any dividends in respect of the Common Shares are not released from escrow prior to the expiry of such five (5) year period as described below, such shares will be purchased for cancellation for nominal consideration on the business day immediately following the expiry of such five (5) year period or when Sagicor’s financials are released.

Approximately twenty five percent (25%) of the Restricted Parties’ founders’ Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date on which the closing share price of the Common Shares has exceeded C\$12.00 (as adjusted for share splits or combinations, share dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period during such five (5) year period. In addition, approximately twenty five percent (25%) of the Restricted Parties’ founder’s Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date on which aggregate book value of Sagicor, as measured at the end of any calendar quarter during such five (5) year period, has increased by at least a certain required minimum increase from its value on the date that is the last day of the calendar quarter ending immediately after the Effective Time. One hundred percent (100%) of the Restricted Parties’ founder’s Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date of completion of certain change in control transactions involving Sagicor. While each Restricted Party’s Common Shares are deposited in escrow, such Restricted Party will not be entitled to exercise voting rights or receive dividends in respect of such shares.

Forward Purchasers’ Shares

On the closing of Alignvest’s initial public offering, certain parties (the “**Alignvest Forward Purchasers**”) entered into subscription agreements with Alignvest (the “**Forward Purchase Agreements**”) pursuant to which each Alignvest Forward Purchaser agreed to certain transfer restrictions in respect of their Alignvest

class B shares (which were converted into Common Shares pursuant to the Arrangement). These restrictions continue to apply to the Common Shares following closing of the Arrangement.

Each of the Alignvest Forward Purchasers party to a Forward Purchase Agreement agreed to deposit the share certificates and any dividends in respect of approximately 50% of their Alignvest class B shares acquired pursuant to such Forward Purchase Agreement (which were converted into Common Shares upon the completion of the Arrangement) with TSX Trust Company, as third party escrow agent, which will be held in accordance with the terms of an escrow agreement, for a period of up to five years following December 31, 2019, subject to earlier release. In the event such Common Shares and dividends in respect of Common Shares are not released from escrow prior to the expiry of such five (5) year period as described below, such shares will be purchased for cancellation for nominal consideration on the business day immediately following the expiry of such five (5) year period.

Approximately twenty five percent (25%) of each such Alignvest Forward Purchaser's Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date on which the closing share price of the Common Shares has exceeded C\$12.00 (as adjusted for share splits or combinations, stock dividends, extraordinary dividends, reorganizations and recapitalizations) for any 20 trading days within a 30-trading day period during such five (5) year period. In addition, approximately twenty five percent (25%) of the each such Alignvest Forward Purchaser's Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date on which aggregate book value of Sagicor, as measured at the end of any calendar quarter during such five (5) year period, has increased by at least a certain required minimum increase from its value on the date that is the last day of the calendar quarter ending immediately after the Effective Time. One-hundred percent (100%) of the Alignvest Forward Purchaser's Common Shares will be released from escrow prior to the expiry of such five (5) year period on the date of completion of certain change in control transactions involving Sagicor. While each Alignvest Forward Purchaser's Common Shares are deposited in escrow, such Alignvest Forward Purchaser will not be entitled to exercise voting rights or receive dividends in respect of such shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The names, municipality of residence and positions with Sagicor of the persons that serve as directors and executive officers of Sagicor as of the date hereof are set out below.

Directors of Sagicor

Name and place of residence	Principal occupation	Membership on committees of the Board
MAHMOOD KHIMJI (Chair of the Sagicor Board) BA, JD Residence: Texas, United States	Co-Founder of Highgate Hotels L.P. ⁽¹⁾	- Corporate Governance & Ethics - Risk - Capital Allocation
DODRIDGE D. MILLER FCCA, MBA, LL.M., LL.D. (Hon) Residence: Florida, United States	Group President and Chief Executive Officer of Sagicor ⁽²⁾	- None
SIR HILARY BECKLES KA, BA, PhD Residence: St. Thomas, Barbados	Vice Chancellor of the University of the West Indies ⁽³⁾	- Corporate Governance & Ethics - Compensation & Human Resources

Name and place of residence	Principal occupation	Membership on committees of the Board
DR. ARCHIBALD CAMPBELL FCA, BSc, MSc, DBA Residence: Kingston, Jamaica	Chairman, JMMB Group Limited ⁽⁴⁾	- Audit - Corporate Governance & Ethics - Compensation & Human Resources - Capital Allocation
PETER E. CLARKE BA (History), BA (Law) Residence: Maraval, Trinidad	Chairman of Guardian Media Ltd. and former Chairman of the Trinidad and Tobago Stock Exchange ⁽⁵⁾	- Audit - Risk
KEITH DUNCAN BA, CFA Residence: Kingston, Jamaica	Chief Executive Officer of JMMB Group Limited ⁽⁴⁾	- Risk - Capital Allocation
MONISH K. DUTT BA, MBA, FCA Residence: Washington D.C., United States	Corporate Director	- Audit - Risk - Capital Allocation
STEPHEN FACEY BA, M. Arch. Residence: Kingston, Jamaica	Chairman and Chief Executive Officer of PanJam Investment Limited ⁽⁶⁾	- Audit - Corporate Governance & Ethics
DENNIS HARRIS FCCA Residence: Kingston, Jamaica	Retired Company Executive	- Audit
STEPHEN MCNAMARA CBE, LLD (Hon) Residence: Castries, St. Lucia	Senior Partner of McNamara & Company, Attorney-at-Law of St. Lucia	- Corporate Governance & Ethics - Capital Allocation - Compensation & Human Resources
GILBERT PALTER BSc, MBA Residence: Ontario, Canada	Co-Founder of EdgeStone Capital Partners ⁽⁷⁾	- Risk - Capital Allocation
ALAN RYDER B. Math Residence: Ontario, Canada	Corporate Director	- None
REZA SATCHU BA, MBA Residence: Ontario, Canada	Managing Partner, Alignvest Management Corporation	- Corporate Governance & Ethics - Capital Allocation - Compensation & Human Resources
AVIVA SHNEIDER BMath, MBA Residence: New York, United States	Principal (Operating Partner) of CVC Capital Partners	- Audit - Risk

(1) Highgate Hotels L.P. is an investor and manager of hospitality assets.

(2) Mr. Miller will retire as President and Chief Executive Officer effective as of the end of March 2023. Mr. Miller will continue to serve on Sagicor's board of directors.

(3) The University of the West Indies is one of the largest universities in the Caribbean.

(4) See section "Information to be Provided on the Audit Committee" for a description of the JMMB Group

(5) Guardian Media Ltd. engages in the provision of newspaper publishing and radio broadcasting services. The Trinidad and Tobago Stock Exchange is the primary stock exchange in Trinidad and Tobago.

(6) PanJam Investment Limited is an investment holding company.

(7) EdgeStone Capital Partners is a mid-market alternative asset management firm.

Note: Mr. Mousseau will succeed Mr. Miller as Group President and Chief Executive Officer effective April 1, 2023. Mr. Mousseau will also join the Sagicor Board of Directors on that date.

The directors of Sagicor will be elected by the shareholders of Sagicor at each annual meeting of shareholders or at a special general meeting of the shareholders convened for such purpose, and will hold office until the next annual meeting of Sagicor, unless: (i) his or her office is earlier vacated in accordance with the bylaws of Sagicor; or (ii) he or she becomes disqualified to act as a director. Further, subject to certain limits, the directors of Sagicor have the power to appoint one or more additional directors to fill a vacancy on the occurring as a result of the death, disability disqualification or resignation of any director.

The following table presents, as of the date of this Annual Information Form, the executive officers of Sagicor:

Executive Officers of Sagicor

Name and place of residence	Principal occupation
DODRIDGE D. MILLER FCCA, MBA, LL.M, LL.D (Hon) Residence: Florida, United States	Group President and Chief Executive Officer ⁽¹⁾
ANDRE MOUSSEAU BA, MBA Residence: Ontario, Canada	Group Chief Operating Officer ⁽²⁾ and President and Chief Executive Officer of Sagicor USA, Inc.
CHRIS ZACCA CD, BSc, MBA Residence: Kingston, Jamaica	President and Chief Executive Officer of Sagicor Group Jamaica Limited
ROBERT TRESTRAIL BA Residence: Maraval, Trinidad	President and Chief Executive Officer of Sagicor Life Inc.
DONALD S AUSTIN BSc, MBA, FCCA Residence: Castries, St. Lucia	Chief Executive Officer of Sagicor Life (Eastern Caribbean) Inc.
RONALD BLITSTEIN BA, MBA Residence: Florida, United States	Executive Vice President and Group Chief Information Officer
ANTHONY CHANDLER CGA, CPA, MBA Residence: St. Michael, Barbados	Group Chief Financial Controller
J. ANDREW GALLAGHER FSA, FCIA, CERA, BMath Residence: Christ Church, Barbados and Pembroke, Bermuda	Chief Executive Officer and Chief Risk Officer of Sagicor Reinsurance Bermuda Limited
LYNDA GAUTHIER BCom, MBA Residence: Ontario, Canada	Group Chief Risk Officer and Chief Sustainability Officer

Name and place of residence	Principal occupation
ALTHEA HAZZARD LLM (Cantab), FCG, FICA Residence: St. James, Barbados	Executive Vice President, General Counsel and Corporate Secretary
KESTON HOWELL BSC (Hons), MBA Residence: Diego Martin, Trinidad	President and Chief Executive Officer, Sagicor General Insurance Inc.
R PAUL INNISS FCIP, CRM, MBA Residence: St. Lucy, Barbados	Executive Vice President and General Manager, Barbados Operations, Sagicor Life Inc.
KATHRYN JENKINS BCom, CPA, CA, ICD.D Residence: Ontario, Canada	Group Chief Financial Officer
NARI PERSAD BSc (Actuarial Science), BSc (Biochemistry) FSA, FCIA Residence: Florida, United States	Group Chief Actuary
GEORGE SIPSIS CFA, MFE, MMI, BMSc Residence: Ontario, Canada	Executive Vice President, Corporate Development and Capital Markets

- (1) Mr. Miller will retire as Group President and Chief Executive Officer effective as of the end of March, 2023. Mr. Miller will continue to serve on Sagicor's Board of Directors.
- (2) Mr. Mousseau will succeed Mr. Miller as Group President and Chief Executive Officer effective April 1, 2023. Mr. Mousseau will also join Sagicor's Board of Directors on that date.

Based on their individual confirmations, as at December 31, 2022 the directors and executive officers of Sagicor, as a group, beneficially own, directly or indirectly 2,668,731 Common Shares of Sagicor, representing approximately 1.87% of the number of outstanding Common Shares. Note that these figures do not include any Common Shares directly or indirectly owned or controlled by JMMB Group Limited or Alignvest Management Corporation. This information is expected to be included in Sagicor's upcoming management information circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Based on their individual confirmations:

- a) none of the directors or executive officers of Sagicor is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Sagicor) that: (i) was subject to a cease trade or order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- b) none of the directors or executive officers of Sagicor, or a shareholder holding a sufficient number of securities of Sagicor to affect materially the control Sagicor: (a) is, as at the date of this AIF, or

has been, within 10 years before the date of this AIF, a director or executive officer of any company (including Sagicor) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Sagicor, or a shareholder holding a sufficient number of securities of Sagicor to affect materially the control Sagicor, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

Conflicts of Interest

Certain of the directors and executive officers of Sagicor are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with Sagicor from time to time. Under Bermuda law, every director and officer of the company owes certain statutory and common law duties, as applicable, to the company as a whole. In exercising their powers and discharging their duties, every director and officer shall act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Pursuant to the BCA, if a director or officer is interested in a material contract or a proposed material contract with Sagicor or any of its subsidiaries, or has a material interest in any person that is a party to such material contract or proposed material contract with Sagicor or any of its subsidiaries, they must declare that interest to the board of directors at the first opportunity. Sagicor's bylaws stipulate that, subject to certain exceptions, an interested director shall not be entitled to vote in respect of any material contract or proposed material contract in which they have an interest, provided that: (i) no such contract or proposed contract shall be void or voidable by reason only that the interested director did vote in respect of such contract or proposed contract or did not declare their interest as required by the BCA and the interested director shall not be liable to account to Sagicor for any profit realised thereby, if the interest was disclosed to the shareholders and the shareholders subsequently approved such contract by special resolution, and (ii) an interested director is not prohibited from voting in respect of such contract or proposed contract (w) relating to their remuneration as a director, officer, employee or agent of Sagicor or its affiliates, (x) relating to their indemnification or insurance under the Sagicor bye-laws, (y) with an affiliate of Sagicor, or (z) in connection with the direct or indirect ownership of shares in Sagicor by any director.

INFORMATION TO BE PROVIDED ON THE AUDIT COMMITTEE

Charter of the Audit Committee

The full text of the chart of the Audit Committee (the "**Audit Committee Charter**") is attached as Appendix "A" to this Annual Information Form.

As of the date of this Annual Information Form, the Audit Committee is composed of six independent directors, namely Dennis Harris, Archibald Campbell, Peter Clarke, Monish Dutt, Stephen Facey, and Aviva Shneider. Dennis Harris is the Audit Committee Chair. All six members of the Audit Committee are financially literate under NI 52-110, and none receive, directly or indirectly, any compensation from Sagicor other than for service as a member of the Sagicor Board and its committees.

The relevant education and experience of each member of the Audit Committee as of the date of this Annual Information Form is set out below:

Dennis Harris, FCCA

Dennis Harris was elected as a director in June, 2021 and is Chair of the Group's Audit Committee. He is the former Managing Director of Unicomer Jamaica Limited (Courts), with responsibility for the Jamaica and New York operations. Prior to this, he was the Regional Finance Director for Courts Caribbean business heading up finance, treasury, credit and information technology functions across the Caribbean. Mr Harris has also served in senior management roles at Reed Business Publishing Ltd. (UK) where he was employed for 15 years. He has been a director of the JMMB Group Limited since 2000 and currently serves as Chairman of JMMB Bank (Jamaica) Limited and the Group Risk Committee. Mr Harris also serves as a non-executive director on the Board of Gallagher Caribbean Group Limited and is a former director of Unicomer Jamaica Limited. He is a Chartered Accountant (FCCA).

Dr. Archibald Campbell, FCA, BSc, MSc., DBA

Dr. Archibald Campbell is currently Chairman of JMMB Group Limited and most of its subsidiaries. He is Chairman of the Board of Trustees of the JMMB Pension Fund. Prior to this he served as a Director at the University Hospital of the West Indies, a member of the Sugar Industry Divestment negotiation team and also as director of several companies that included hotels, property management, banks and a number of non-profit organisations. As a lecturer at the University of the West Indies (UWI), he taught Auditing and Accounting as well as Risk Management in the Banking degree. He was a main contributor in the development of the degree. He also served as Bursar of the UWI and Chief Financial Officer with responsibility for maintaining relations with the seventeen Contributing Caribbean countries with regard to funding.

He is a Chartered Accountant and has served as an accounting expert in an arbitration. Archibald is a past president of the Institute of Chartered Accountants of Jamaica. He was awarded the honour of being the 2020 Distinguished Member. He is a published author and speaker in the accounting and finance sectors.

Dr. Campbell has a Doctorate in Business Administration (DBA) and a M.Sc. in Accounting from the University of the West Indies.

Peter E. Clarke, BA (History), BA (Law)

Mr. Peter Clarke serves as a director of Sagicor Financial Company Ltd, Sagicor Life Inc., Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited. Mr. Clarke is a Financial Consultant who practiced as a Barrister-at-Law before embarking on a 22-year career in stockbroking. From 1984-2000, he was the Managing Director of Money Managers Limited, and served as the Chief Executive of West Indies Stockbrokers Limited from 2001 to 2005, when he retired. From 2002 to 2005 he was also a director of the Trinidad and Tobago Chamber of Industry and Commerce. From 1995 to 1999 he was Chairman of the Trinidad and Tobago Stock Exchange, and he is currently a director of that organisation. From 1992 to 1995 Mr. Clarke served as Deputy Chairman of the Trinidad and Tobago Free Zones Company, and he is currently the Chairman of Guardian Media Limited in Trinidad and Tobago, and a director of a number of companies including Heritage Petroleum Company Limited. He is a member of the Finance Council of the Roman Catholic Archdiocese of Port of Spain.

He obtained the Bachelor of Arts degree from Yale University, and a law degree from Downing College, Cambridge University. Mr. Clarke was called to the Bar as a member of Gray's Inn in London in 1979, and to the Bar of Trinidad and Tobago in 1980.

Monish K. Dutt, BA, MBA, FCA

Monish Dutt is a Consultant on Emerging Markets and a seasoned investment professional. He is a Director of several Sagicor group companies including Sagicor Financial Company Ltd., Sagicor Life USA, SRBL, SBJL and SIJL, his relationship with the group commencing in 2012. He is also a Director of Peak Reinsurance of Hong Kong, part of the Fosun Group. In addition, he is a Director of FINCA Microfinance USA which operates in Africa and Central Asia. Furthermore, between 2017 and 2019, he was a Director of Ecobank Africa with assets of over \$20 billion. Until 2017, he was for four years a Director of Religare Enterprise, an Indian financial services group with assets of \$4 billion. Earlier, he worked for 25 years (through 2011) with the IFC/World Bank Group. He held various investment positions focused on financial institutions globally with increasing responsibilities over the years, rising to the position of Chief Credit Officer for Global Financial Institutions and Private Equity Funds at the time of his retirement from the organisation in 2011. Before joining the IFC, Monish worked as an auditor for Ernst & Young, London for four years.

Monish has an MBA from the London Business School, London University, and a BA in economics from St. Stephen's College, Delhi University. Monish is a Fellow of the Institute of Chartered Accountants, London, England (equivalent to a CPA).

Stephen B. Facey, BA, M. Arch

Mr. Stephen Facey is a Director of Sagicor Group Jamaica Limited and Sagicor Financial Company Ltd. He is the Chairman of PanJam Investment Limited and Chairman of a number of other Organisations, including Jamaica Property Company Limited, New Castle Group of Companies, Caribbean Policy Research Institute (CAPRI), Kingston Restoration Company Limited and the New Kingston Civic Association. Mr. Facey serves as Chairman of the C.B. Facey Foundation, the charitable arm of PanJam Investment Limited. He is a Director of the National Gallery of Jamaica and Devon House Development Limited and a Trustee of the Institute of Jamaica. A Registered Architect with the Architect Registration Board of Jamaica, he has over 40 years' experience in architecture and urban development, real estate development and management, and private equity investing. Mr. Facey holds a Bachelor's degree in Architecture from Rice University and a Master's degree in Architecture from the University of Pennsylvania.

In 2018 he was conferred with the Honour of the Order of Distinction, Commander Class by the Government of Jamaica for outstanding contribution to Real Estate Development, Banking and Financial Insurance Sectors.

Aviva Shneider, BMath, MBA

Ms. Aviva Shneider is a Principal and Operating Partner with CVC Capital. Prior to joining CVC, she founded Bayes Ventures, a consulting firm. From 2015 to 2018, Ms. Shneider was a part of the private equity team at Caisse de Depot et Placement du Quebec (CDPQ), initially as an Operating Partner and subsequently as Co-Head of Direct Private Equity investments in the United States and Latin America. Prior to this, she spent ten years with Silver Point Capital, a multi-strategy hedge fund based in Greenwich Connecticut, and has also worked at McKinsey and Company. She has previously served on the boards of AlixPartners, Alliant National Title Insurance Co, 2-10 Home Buyers Warranty, LifeCare Hospitals and Cyrus Re among others.

Ms. Shneider is a trained actuary (ACAS, ASA), with a Bachelor's degree in Math from the University of Waterloo, and a Master in Business Administration degree from the Wharton School at the University of Pennsylvania.

The Audit Committee Charter requires that the Audit Committee must approve in advance any retainer of the auditors to perform any non-audit service to Sagicor (together with all non-audit service fees) that it deems advisable in accordance with applicable requirements and the Sagicor Board approved policies and procedures. The Audit Committee intends to consider the impact of such service and fees on the independence of the auditor. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee; however, the decisions of any member of the Audit Committee to whom this authority has

been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

EXTERNAL AUDITOR SERVICE FEES

PricewaterhouseCoopers SRL (“**PwC**”) has been the external auditor of Sagicor since the closing of the Arrangement, and was previously the auditor of SFCL. In 2022 and 2021, Sagicor and/or SFCL paid the following fees to PwC:

Amounts in thousands USD	2022	2021
<p>Audit Fees</p> <p>The aggregate fees billed for audit services.</p>	4,060	5,347
<p>Audit-Related Fees</p> <p>The aggregate fees for assurance and related services billed that are reasonably related to the performance of the audit or review of the financial statements and are not reported under “Audit Fees”.</p>	1,461	1,578
<p>Tax Fees</p> <p>The aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning.</p>	285	362
<p>All Other Fees</p> <p>The aggregate fees billed for products and services provided, other than for services reported above and including professional services rendered for regulatory compliance and regulatory compliance audits.</p>	2,144	3,248
Total	7,950	10,535

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this Annual Information Form, the management information circular of Alignvest dated February 7, 2019, as amended on April 26, 2019, and the *Directors’ and Executive Officers’ Compensation* section of the Prospectus (as defined below), no director, executive officer, or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of shares of Sagicor, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the three years before the date of the Annual Information Form, or any proposed transaction, that has materially affected or would reasonably be expected to materially affect Sagicor or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of its business, from time to time, Sagicor is involved in legal actions, both as a defendant and as a plaintiff. Information on legal and regulatory proceedings is provided in the “Contingent Liabilities – Legal Proceedings” section of Sagicor’s 2022 Consolidated Financial Statements and is incorporated herein by reference. While estimation of the outcome of the various proceedings involving Sagicor at this time is not possible, Sagicor believes that these legal proceedings will not have a material negative effect on its financial position or on its consolidated results.

Since January 1, 2022, (i) no penalties or sanctions have been imposed against Sagicor by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; (ii) Sagicor has not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority; and (iii) no penalties or sanctions have been imposed against Sagicor by a Canadian securities regulatory authority, other than nominal late filing fees, or by a court relating to Canadian securities legislation.

TRANSFER AGENT AND REGISTRAR

TSX Trust Company, at its principal offices in Toronto, Ontario, is the transfer agent and registrar for the Common Shares and is the Warrant Agent for the Sagicor Warrants under the Warrant Agreement.

MATERIAL CONTRACTS

The following are the material contracts of Sagicor, other than contracts entered into in the ordinary course of business:

- (a) the Warrant Agreement;
- (b) the Indemnity Agreement (as described below);
- (c) the Note Indenture (as described below);
- (d) the Board Appointment Letter Agreement (as described below);
- (e) the Investor Rights Agreement (as described below);
- (f) the Subscription Agreements (as described below);
- (g) the ivari Share Purchase Agreement (as described below); and
- (h) the ivari Debt Commitment Letter (as described below).

Copies of the above material contracts are available on Sagicor's SEDAR profile at www.sedar.com. Set out below are the particulars of certain material contracts not described elsewhere in this Annual Information Form.

Indemnity Agreement

In March 2014, the Supreme Court of Jamaica granted judgment in favor of a claimant in a case brought against Sagicor Bank Jamaica Limited (formerly RBC Royal Bank (Jamaica) Limited). This claim pre-dated the acquisition of RBC Royal Bank (Jamaica) Limited and RBTT Securities Jamaica Limited by Sagicor Group Jamaica Limited, and also pre-dated the acquisition of control of RBC Royal Bank (Jamaica) Limited by RBTT Securities Jamaica Limited from Finsac Limited ("**Finsac**") in 2001. By virtue of the Share Sale Agreement entered into between Finsac, RBTT Financial Holdings Limited and RBTT International Limited, Finsac agreed to fully indemnify RBTT International Limited against any loss the bank may suffer in this matter (the "**Indemnity Agreement**"). As the current owner of Sagicor Bank Jamaica Limited, SFCL is the current beneficiary of the indemnity. The indemnity from Finsac is further supported by a Government of Jamaica Guarantee on a full indemnity basis.

Note Indenture

On May 13, 2021, Sagicor (as issuer), Sagicor Life Inc. (as initial guarantor), certain subsidiaries of Sagicor (as subsidiary guarantors) and Deutsche Bank Trust Company Americas (as trustee, registrar, paying agent

and transfer agent) entered into an indenture (the “**Note Indenture**”) with respect to the 2028 Notes. The 2028 Notes will mature on May 13, 2028 and bear interest at the rate of 5.300% per year. Interest on the 2028 Notes is payable semi-annually in arrears on May 13 and November 13 of each year. Sagicor may redeem the 2028 Notes, in whole or in part, at the redemption prices set forth in the Note Indenture. If Sagicor is subject to specific change of control transactions, it must offer to purchase the 2028 Notes from the holders thereof at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to, but excluding, the date of purchase.

The 2028 Notes are irrevocably, unconditionally, jointly and severally guaranteed by Sagicor Life. The 2028 Notes and the guarantees will be Sagicor’s and Sagicor Life’s general senior unsecured obligations and will rank equally in the right of payment with Sagicor’s and Sagicor Life’s existing and future unsecured debt and senior to any of Sagicor’s and Sagicor Life’s future subordinated debt. The 2028 Notes and guarantees will be effectively subordinated to all of Sagicor’s and Sagicor Life’s existing and future secured debt to the extent of the assets securing that secured debt will be structurally subordinated to all of the liabilities of Sagicor’s subsidiaries that are not issuing or guaranteeing the 2028 Notes.

Under the Note Indenture, the Sagicor and its subsidiaries party thereto must comply with a number of covenants which are summarized in the table below.

Covenant	Description
Limitation of indebtedness	Under this covenant, Sagicor and its subsidiaries (the “ Group ”) is restricted to incremental borrowing up to a prescribed level. The Group must maintain a debt to capitalisation ratio equal to or less than 35% in order to incur additional debt.
Limitation on restricted payments covenant	This covenant limits cash outflows, dividends, acquisition and investments by the Group. The Group must maintain a debt to capitalisation ratio equal to or less than 35% and an MCCR capital ratio in excess of 175%.
Limitation on restricted distributions from subsidiaries	This covenant limits the subsidiaries from creating encumbrances or restrictions on their ability to make distributions to Sagicor.
Limitation on sale of assets of subsidiary stock	This covenant restricts the Group from selling material subsidiary assets without using the proceeds to either reinvest in the business or offer to buy back bondholders.
Limitation on affiliate transactions	This covenant restricts affiliate transactions of the Group.
Change in control	This covenant allows investors to put their bonds back to the Group at a certain value when a specified event has changed ownership/control of the Group.
Limitation on liens	This covenant restricts the Group’s ability to secure future debt with the Group’s assets.
Optional redemption	The notes are redeemable at the Group’s option after May 13, 2024 at specified redemption rates.

Board Appointment Letter Agreement

On December 6, 2017, Sagicor Jamaica provided a letter agreement (the “**Board Appointment Letter Agreement**”) pursuant to which Sagicor Jamaica agreed that, notwithstanding any provision in SFCL’s corporate governance manual or otherwise, SFCL shall have the right to appoint up to a certain percentage

of the members of Sagicor Jamaica's board of directors. The directors of Sagicor Jamaica have the ability to remove and appoint the officers of Sagicor Jamaica.

In connection with the filing of Alignvest's final non-offering prospectus dated February 7, 2019 (the "**Prospectus**"), and in accordance with Section 6.1 and Section 6.4 of National Policy 41-201 – *Income Trusts and Other Indirect Offerings*, Sagicor has, in complying with its reporting issuer obligations, provided an undertaking to the securities regulatory authorities in each of the provinces and territories of Canada, other than Québec, that, following the closing of the Arrangement and for as long as Sagicor is a reporting issuer and Sagicor Jamaica would be treated as an operating entity if Sagicor were an income trust: (i) Sagicor will treat Sagicor Jamaica as a subsidiary; however, if generally accepted accounting principles ("**GAAP**") used by Sagicor prohibit the consolidation of the financial information of Sagicor Jamaica and Sagicor, then for as long as Sagicor Jamaica represents a significant asset of Sagicor, Sagicor will provide shareholders with separate audited annual financial statements and interim financial reports and management's discussion and analysis for Sagicor Jamaica, prepared in accordance with the same GAAP as Sagicor's financial statements and interim financial reports and in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, or its successor; (ii) for so long as Sagicor Jamaica represents a significant asset of Sagicor, Sagicor will take the appropriate measures to require each person who would be an "insider" (as defined in the *Securities Act* (Ontario)) of Sagicor Jamaica or a "person or company in a special relationship" (as defined in the *Securities Act* (Ontario)) with Sagicor Jamaica, if Sagicor Jamaica was a reporting issuer, to comply with statutory prohibitions against insider trading under applicable Canadian securities laws; (iii) for so long as Sagicor Jamaica represents a significant asset of Sagicor, Sagicor will take the appropriate measures to require each person who would be a "reporting insider" (as that term is defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*) of Sagicor Jamaica, if Sagicor Jamaica was a reporting issuer, to file insider reports about trades in the securities of Sagicor (including securities which are exchangeable into securities of Sagicor); and (iv) Sagicor will annually certify as to its compliance with the above undertakings and file the certificate on SEDAR concurrently with the filing of its annual financial statements. For the purposes of (iii) above, a list of "reporting insiders" of Sagicor Jamaica has been provided to the Ontario Securities Commission, which represent the directors and the CEO, CFO and COO of Sagicor Jamaica and PanJam Investment Limited, a significant shareholder in Sagicor Jamaica, respectively.

Investor Rights Agreement

Alignvest and Alignvest II entered into an investor rights agreement (the "**Investor Rights Agreement**"), that states that, following the Arrangement, Alignvest II has the right to nominate up to three eligible and qualified directors to serve on the Sagicor Board subject to maintaining minimum beneficial ownership in the aggregate, either by itself or together with any affiliates, directly or indirectly, of at least 50% of the Common Shares that it, together with any affiliates, owned, directly or indirectly, immediately following the closing of the Arrangement, on a fully diluted basis. Alignvest II also received participation rights, subject to certain exclusions, in future offerings of Common Shares, or securities convertible into or exchangeable for Common Shares, for five years following the closing of the Arrangement, so long as Alignvest II, together with its affiliates, continue to own in the aggregate, directly or indirectly, at least 5% of the Common Shares outstanding of Sagicor, on a fully diluted basis.

Subscription Agreements

Prior to the closing of the Arrangement, Alignvest entered into subscription agreements (the "**New Subscription Agreements**") with each of Beachhead Credit Opportunities LLC ("**BCO**"), Beachhead Special Opportunities LLC ("**BSO**"), Mehdi Khimji, and HG Vora Capital Management, LLC ("**HG Vora**" and, collectively, the "**New Subscribers**") in respect of subscriptions in the aggregate amount of \$120 million, and a subscription agreement with JMMB Group Limited ("**JMMB**") in respect of a subscription (the "**JMMB Subscription Agreement**") in the amount of the greater of: (1) an amount between US\$200,000,000 and US\$250,000,000 (as was determined by Alignvest and JMMB prior to the closing of the Arrangement) worth of Alignvest class B shares, and (2) such number of Alignvest class B shares which would result in JMMB holding 20% of all issued and outstanding Common Shares of Sagicor. In each case, the applicable

subscriber agreed to subscribe for Alignvest class B shares at a price of C\$10 per share. Under the New Subscription Agreements, following closing of the Arrangement, BCO and HG Vora each have the right to nominate an eligible and qualified director to serve on the Sagicor Board, subject to the maintenance of minimum share ownership in Sagicor. BCO, together with BSO, is required to maintain beneficial ownership in the aggregate of at least 50% of the Common Shares in Sagicor that they owned, directly or indirectly, immediately following closing of the Arrangement, on a fully diluted basis. HG Vora, together with any fund managed or controlled by HG Vora, is required to maintain beneficial ownership in the aggregate, directly or indirectly, of at least 5% of the Common Shares outstanding of Sagicor, on a fully diluted basis. Additionally, subject to certain exclusions, each New Subscriber will receive participation rights in future offerings of Common Shares, or securities convertible into or exchangeable for Common Shares, for five years following the closing of the Arrangement, so long as the applicable New Subscriber continues to own in the aggregate, directly or indirectly, and in the case of BCO and BSO, together, at least 5% of the Common Shares outstanding of Sagicor, on a fully diluted basis.

Under the JMMB Subscription Agreement, following completion of the Arrangement, JMMB has the right to nominate two eligible and qualified directors to serve on the Sagicor Board subject to maintaining minimum beneficial ownership in the aggregate, directly or indirectly, together with any affiliates or investment fund or other entity controlled or managed by JMMB, of at least 20% of the Common Shares of Sagicor, on a fully diluted basis. In the event that its Common Share ownership in Sagicor is at least 10% but less than 20% on a fully diluted basis, JMMB will have the right to nominate one eligible and qualified director to serve on the Sagicor Board. JMMB will also receive participation rights, subject to certain exclusions, in future offerings of Common Shares, or securities convertible into or exchangeable for Common Shares, for up to five years following the closing of the Arrangement, so long as JMMB continues to own in the aggregate, directly or indirectly, at least 20% of the Common Shares outstanding of Sagicor, on a fully diluted basis. The shares of JMMB were transferred to its wholly owned subsidiary JMMB International Limited in 2020.

ivari Share Purchase Agreement

Sagicor entered into a share purchase agreement dated August 24, 2022 with Wilton Re Ltd. (“**WRL**”) (the “**Share Purchase Agreement**”) pursuant to which, among other things, Sagicor agreed, subject to the satisfaction of certain conditions, to indirectly acquire all of the shares of ivari, which is a subsidiary of WRL (the “**Transaction**”).

Subject to the terms and conditions set forth in the Share Purchase Agreement, the expected consideration to be paid in cash at closing of the Transaction is C\$375 million, subject to certain adjustments (the “**Purchase Price**”). The Purchase Price assumes ivari’s current target total capital ratio under the LICAT 2023 capital adequacy standard recently finalized by OSFI and the implementation of IFRS 17, which both came into force on January 1, 2023. Prior to closing, it is possible that ivari will have additional equity capital injected into the business to meet the aforementioned standard, with such capital injection, if any, not being reflected in the above Purchase Price.

The contemplated adjustments to the Purchase Price under the Share Purchase Agreement are as follows:

- (a) if the seller makes additional capital contributions into ivari before closing, the Purchase Price will be increased accordingly, dollar-for-dollar;
- (b) if any dividends or distributions or other unapproved payments (referred to in the Share Purchase Agreement as “Leakage”) are made by ivari to WRL before closing, the Purchase Price will be decreased accordingly, dollar-for-dollar;
- (c) if WRL undertakes management actions out of the ordinary course of business (e.g. reinsurance treaty renegotiations, interest rate swaps, etc.) that result in reduced regulatory capital requirements, then the Purchase Price will be increased by way of an agreed formula to reflect the positive economic benefits that are expected to accrue as a result to ivari, taking into account both

any net regulatory capital decrease and expected future increases or decreases in profitability, as well as the implementation costs thereof.

It is expected that the Purchase Price, along with any further capital infusion, will be funded by Sagicor from its cash on hand and the proceeds of the debt financing and/or other financings if applicable. Further capital investment may be required for other business or regulatory reasons.

The Share Purchase Agreement includes a customary set of negotiated representations and warranties for a transaction involving representation and warranty insurance. The Share Purchase Agreement also includes a set of negotiated representations and warranties customary in transactions in the insurance industry regarding, among other things, ivari's historical statutory statements, distributors, market conduct claims, reinsurance, internal reinsurance arrangements, internal controls, investment assets, financial statements and information concerning its actuarial appraisals.

The Share Purchase Agreement requires ivari to conduct the business in the ordinary course during the interim period prior to the closing of the Transaction and provides a customary list of certain matters that require the consent of Sagicor to be taken, including: (i) amendments to reinsurance agreements, (ii) amendments to investment guidelines and (iii) incurrence of debt.

The Share Purchase Agreement contains customary closing conditions in favour of each party. The Share Purchase Agreement also contains customary termination rights, including a law being enacted that makes the Transaction illegal or a breach by either party (that is incurable or not cured within a thirty (30) day cure period) that would result in the bring down of covenants or representations and warranties not being able to be satisfied. Furthermore, the Transaction has an outside date that is twelve (12) months from the date of signing, being August 24, 2022, which date may be extended for up to ninety (90) days in certain circumstances.

Under the Share Purchase Agreement, representations and warranties are generally subject to an eighteen (18) month post-closing survival period, and indemnification is very limited. C\$38,500,000 in representations and warranties insurance, consisting of C\$19,250,000 base and C\$19,250,000 excess layers, have been bound

The Share Purchase Agreement is available on SEDAR at www.sedar.com under Sagicor's profile.

ivari Debt Commitment Letter

Sagicor has entered into a commitment (the "**Debt Commitment Letter**") for up to US\$320 million of new debt financing in the form of a 5-year senior secured term loan facility between Sagicor and JPMorgan Chase Bank, N.A. and two major Canadian chartered banks dated August 24, 2022 (the "**Term Loan Facility**"). The proceeds of the Term Loan Facility are expected to be used in connection with the Transaction. As part of its capital management strategy, Sagicor may opt to replace or refinance the Term Loan Facility with securities issued in the debt or equity capital markets or other financing sources in whole or in part if and when appropriate. The Debt Commitment Letter detailing the Term Loan Facility is available on SEDAR at www.sedar.com under Sagicor's profile.

EXPERTS AND INTERESTS OF EXPERTS

Sagicor's appointed actuary, Sylvain Goulet, FCIA, FSA, MAAA, Affiliate Member of the Institute and Faculty of Actuaries and Member of the Caribbean Actuarial Association, prepared the appointed actuary report for the fiscal year ended December 31, 2022. As at the date hereof, Mr. Sylvain Goulet does not own, directly or indirectly, any of Sagicor's securities and is not expected to receive any securities of Sagicor.

The auditor of Sagicor Financial Company Ltd. is PricewaterhouseCoopers SRL, having an address at The Financial Services Centre, Bishop's Court Hill, P.O. Box 111, St. Michael, BB14004, Barbados, West Indies. As of the date hereof, the partners and staff of such firm, as a group, beneficially own, directly or indirectly, less than one percent of any securities of Sagicor Financial Company Ltd.

ADDITIONAL INFORMATION

Additional information on Sagicor may be found on the SEDAR website at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Sagicor securities and securities authorized for issuance under equity compensation plans will be contained in Sagicor's management information circular that will be filed in connection with the next annual meeting of shareholders. Once filed, the circular will be available on Sagicor's website at www.sagicor.com or on the SEDAR website at www.sedar.com. Sagicor's shareholders may obtain, without charge, a copy of the NCIB notice filed with the TSX by contacting Sagicor. Finally, additional financial information is provided in the Consolidated Financial Statements and Management's Discussion and Analysis.

**SCHEDULE A
AUDIT COMMITTEE MANDATE**

See attached.

**SAGICOR FINANCIAL COMPANY LTD.
CHARTER OF THE AUDIT COMMITTEE**

Section 1 PURPOSE

The audit committee (the “**Audit Committee**”) is a committee of the board of directors (the “**Board**”) of Sagicor Financial Company Ltd. (the “**Company**”). The primary function of the Audit Committee is to assist the directors of the Company in fulfilling their applicable roles by:

- (a) recommending to the Board the appointment and compensation of the Company’s external auditor;
- (b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;
- (c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Company by the Company’s external auditor;
- (d) satisfying themselves that adequate procedures are in place for the review of the Company’s public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;
- (e) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (f) reviewing and approving any proposed hiring of a current or former partner or employee of the current and former auditor of the Company; and
- (g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis (“**MD&A**”) and other financial information provided by the Company to any governmental body or the public.

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

Section 2 LIMITATIONS ON AUDIT COMMITTEE’S DUTIES

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

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management as to the non-audit

services provided to the Company by the external auditor, (iv) financial statements of the Company represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Company in accordance with generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Section 3 COMPOSITION AND MEETINGS

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of NI 52-110 – *Audit Committees* (“**52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be “financially literate” within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the “**Chair**”) is elected by the Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

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

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

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

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

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

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

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

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

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

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

Section 4 ROLE

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

- (1) Determine any desired agenda items;
- (2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;
- (3) Review the public disclosure regarding the Audit Committee required by 52-110;
- (4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;
- (5) Summarize in the Company's annual information form the Audit Committee's composition and activities, as required; and
- (6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

- (7) Review and recommend to the Board for approval the Company's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Company provided to the public or any governmental body as the Audit Committee or the Board require.

- (8) Review other financial information provided to any governmental body or the public as they see fit.
- (9) Review, recommend and approve any of the Company's press releases that contain financial information.
- (10) Seek to satisfy itself and ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

- (11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.
- (12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Company's financial condition, financial performance and cash flow.
- (13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.
- (14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.
- (15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Company to determine the external auditor's independence.
- (16) Pre-approve all non-audit services (or delegate such pre-approval, as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.
- (17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.
- (18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.
- (19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the Board as needed.
- (20) Review and approve any proposed hiring by the Company of current or former partners or employees of the current (and any former) external auditor of the Company.

Audit Process

- (21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

- (22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- (23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.
- (24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

- (25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.
- (26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.
- (27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.
- (28) Review with management and the external auditor the Company's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.
- (29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
- (30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.
- (31) Periodically consider the need for an internal audit function, if not present.

Risk Management

- (32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

- (33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Company) the compensation for any such advisors.
- (34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.

- (35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.
- (36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:
 - (i) the Charter of the Audit Committee;
 - (ii) the composition of the Audit Committee;
 - (iii) the relevant education and experience of each member of the Audit Committee;
 - (iv) the external auditor services and fees; and
 - (v) such other matters as the Company is required to disclose concerning the Audit Committee.
- (37) Review in advance, and approve, the hiring and appointment of the Company's senior financial executives by the Company, if any.
- (38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

Section 5 AUDIT COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

- (39) Anyone may submit a complaint regarding conduct by the Company or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

- (40) The Chair will be responsible for the receipt and administration of employee complaints.
- (41) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

- (42) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

- (43) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

- (44) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

Section 6 NO LIABILITY

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