

Annual Information Form

Sagicor Financial Company Ltd.
For the Year Ended December 31, 2019

Dated April 27, 2020

TABLE OF CONTENTS

General Information	3	Common Shares of Sagicor	30
Documents Incorporated by Reference	3	Preferred Shares of Sagicor.....	30
Warning Regarding Non-IFRS Financial Measures.....	4	Sagicor Warrants.....	31
Forward-Looking Statements	4	Credit Ratings.....	31
Corporate Structure	5	Dividends.....	32
Incorporation.....	5	2020 Dividend Payment	32
The Arrangement.....	5	Dividend Policy and Dividend Reinvestment Plan	32
Sagicor Financial Company Ltd.	6	Market for Securities of Sagicor.....	33
Intercorporate Relationships	6	Trading Price and Volume.....	33
General Development of the Business	7	Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer.....	34
Three-Year History	7	Lock-Up Agreements	34
Expected Developments.....	8	Additional Subscriptions	35
Description of the Business.....	8	Founders' Shares	35
General Description.....	8	Forward Purchasers' Shares.....	36
Sagicor Jamaica	9	Directors and Executive Officers	38
Sagicor Life	10	Name, Occupation and Security Holdings ...	38
Sagicor USA	10	Cease Trade Orders, Bankruptcies, Penalties or Sanctions	41
Products and Services.....	10	Conflicts of Interest.....	42
Competitive Environment	11	Information to be provided on the Audit Committee	42
Employees.....	12	Charter of the Audit Committee.....	42
Risk Factors.....	12	External Auditor Service Fees	44
Risks Related to Sagicor's Business.....	13	Interests of Management and Others in Material Transactions	45
Political and Regulatory Risks	16	Promoter	45
Competitive, Technology and Other Business Risks	19	Legal Proceedings and Regulatory Actions	45
Management Team Risks.....	24	Transfer Agent and Registrar	46
Macroeconomic, Geographic and Currency Risks	24	Material Contracts.....	46
Risks Related to Sagicor's Capital Structure, Public Company and Tax Status and Capital Financing Policies.....	26	Experts and Interests of Experts.....	49
Capital Structure	30	Additional Information	50
General Description.....	30	SCHEDULE A Audit Committee Mandate	51

GENERAL INFORMATION

Unless the context otherwise indicates, references to “**Sagicor**” in this Annual Information Form 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, 2019 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 consist 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, 2019.

	Year ended December 31, 2019	
	Closing Rate	Average Rate
Bahamas dollar	1.0000	1.0000
Barbados dollar	2.0000	2.0000
Belize dollar	2.0000	2.0000
Canadian dollar	1.2994	1.3244
Jamaica dollar	132.5324	132.8772
Trinidad and Tobago dollar	6.7624	6.7510
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

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, 2019 (the “**Management’s Discussion and Analysis**”); and

- the Consolidated Financial Statements for the years ended December 31, 2019 and 2018, including the Notes to the Consolidated Financial Statements (the “**Consolidated Financial Statements**”).

These documents will be filed with the securities regulatory authorities of Canada (other than Québec) on or around April 28, 2020 and, once filed, 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, 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 Colonial Life Insurance Company (Trinidad) Limited and British American Insurance Company (Trinidad) Limited; the expectation that the Scotia Trinidad Agreement (as defined below) may be completed; and the expectation that Sagicor's capital base is positioned to withstand the economic repercussions associated with the COVID-19 pandemic.

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. Alignvest was a special purpose acquisition corporation, or "SPAC", formed for the purpose of effecting an acquisition of one or more businesses or assets, by way of a merger, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving Alignvest, referred to as its "qualifying acquisition".

The Arrangement

On November 27, 2018, Alignvest and SFCL entered into an arrangement agreement (as amended, the "**Arrangement Agreement**"). On December 5, 2019, pursuant to the terms of the Arrangement Agreement, Alignvest completed its qualifying acquisition under which it effected a business combination with SFCL by way of a court approved plan of arrangement and scheme of arrangement (the "**Arrangement**"). Under the Arrangement, among other things, Alignvest acquired all of the issued and outstanding shares of SFCL in exchange for former shareholders of SFCL receiving cash and/or shares of Alignvest.

At the effective time of the Arrangement on December 5, 2019 (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, 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**”). As a result of the closing of the Arrangement, Sagicor retained approximately \$450 million of net cash, which it expects to utilize for growth and capital optimization purposes.

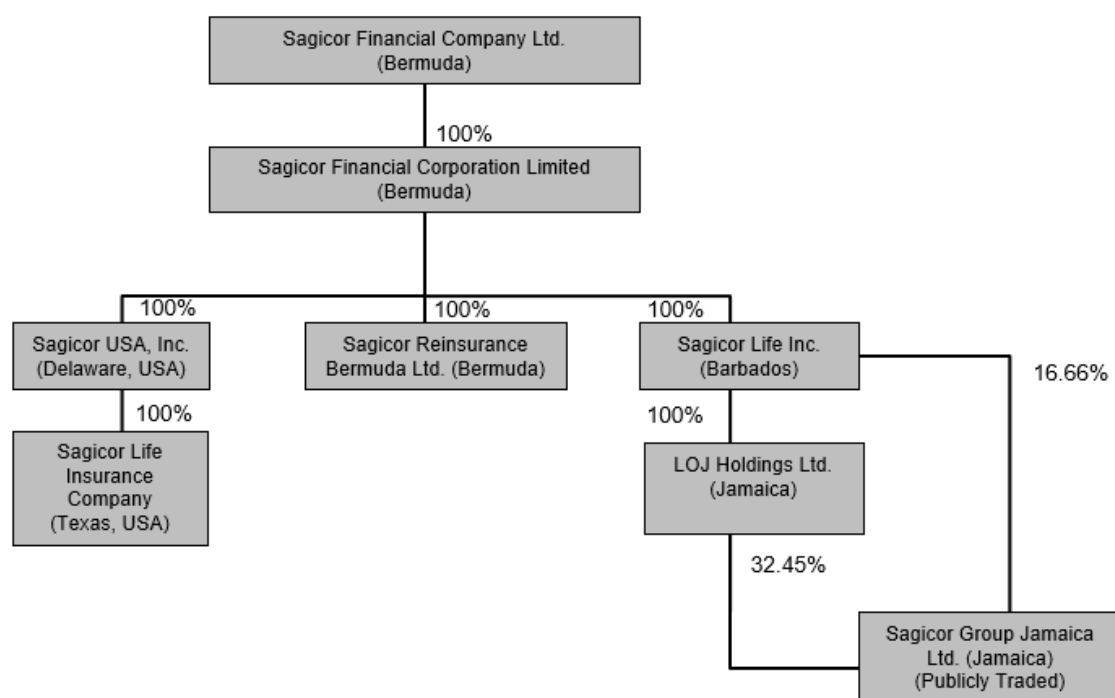
For more information on the Arrangement, see the management information circular of Alignvest dated February 7, 2019 (including the prospectus set out at Appendix “F” thereto), as amended April 26, 2019, which is available on Sagicor’s SEDAR profile at www.sedar.com.

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.

2019

- In September 2019, Sagicor Group Jamaica Ltd. acquired a 60% interest in Advantage General Insurance Company Limited, a property and casualty insurance company operating only in Jamaica for approximately \$30 million.
- The Arrangement between Alignvest and SFCL closed on December 5, 2019. In connection with the Arrangement, SFCL was delisted from the London Stock Exchange and has applied to be delisted from the Trinidad and Tobago and Barbados Stock Exchanges.
- On November 1, 2019, SFCL and The Bank of Nova Scotia Jamaica Limited mutually agreed not to proceed with the proposed 20-year distribution agreement for insurance products and solutions in Jamaica described below. As a result, SFCL will not proceed with the acquisition of Scotia Jamaica Life Insurance Company Limited.
- In September 2019, SFCL announced that Sagicor Life Inc. ("**Sagicor Life**") had 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.

2018

- On November 27, 2018, SFCL entered into the Arrangement Agreement with Alignvest, as described above.
- In November 2018, SFCL entered into definitive agreements to acquire all of the shares of (i) Scotia Jamaica Life Insurance Company Limited from The Bank of Nova Scotia Jamaica Limited, and (ii) Scotialife Trinidad and Tobago Limited ("**SLTT**") from Scotiabank Trinidad and Tobago Limited. SFCL planned to fund the transaction via \$140 million in equity and new local currency borrowing of \$100 million. As part of the transaction, SFCL and the vendors planned to enter into a "bancassurance"-type agreement whereby the vendors or their affiliates would be permitted to sell SFCL products – on a white-label basis – to the vendors' banking customers, in return for which SFCL would pay commissions to the vendors.
- On November 23, 2018, Sagicor Life acquired a further 45% interest in Sagicor General Insurance Inc., a property and casualty insurance company which operates in 6 Caribbean islands for approximately \$13.5 million.
- On September 3, 2018, Sagicor Life and Sagicor General Insurance Inc. divested their interest in Globe Finance Inc., a Barbadian loan and lease financing and deposit taking institution, in return for approximately \$4.2 million. The Sagicor group of companies effectively owned 51% of the company.

- On September 1, 2018, Sagicor General Insurance Inc. acquired 100% of the issued and outstanding shares of Harmony General Insurance Company Limited, a property and casualty insurance company which operated only in the Barbadian market, for approximately \$4.75 million.

2017

- Sagicor Life Insurance Company introduced a state-of-the-art automated underwriting system that provides real-time underwriting decisions within minutes. Building on the successful introduction in the United States, this capability was deployed across all Sagicor territories in the Southern Caribbean.

Expected Developments

In 2020, subject to uncertain global economic conditions, Sagicor intends to continue to expand and diversify its distribution networks, its geographic presence and market presence. It also intends to take steps to optimize its balance sheet having raised significant capital in 2019.

Sagicor expects to complete the transaction to acquire the traditional insurance portfolios of CLICO and British American Insurance Company (Trinidad) Limited, subject to regulatory approvals. Sagicor may complete the Scotia Trinidad Agreement (as defined below), although that transaction may not be completed before its termination deadline of June 30, 2020. During the year Sagicor also intends to enter into reinsurance treaties between its wholly owned subsidiary, Sagicor Reinsurance Bermuda Ltd., and several of its operating segments to optimize internal capital allocation.

The recent outbreak of the novel coronavirus known as COVID-19 and resulting pandemic has caused significant economic and financial turmoil both in the United States and around the world and has given rise to concerns that it will lead to a global recession. These conditions are expected to continue and worsen in the near term. Sagicor does not believe that, at this time, it is possible to estimate how long it will take to stop the spread of the virus. Sagicor believes that the pandemic will have a significant impact to its business, results of operations, financial condition and liquidity. The extent of these impacts will depend on future developments which, since the situation is constantly evolving, cannot be accurately predicted at this time. Management has put in place medium term plans to safeguard the Company as much as possible from these shocks. Management also believes that it has a strong capital base to position Sagicor to withstand these shocks.

Sagicor's outlook for 2020 is uncertain. While the Sagicor group of companies exceeded its operating targets in 2019 and is robustly capitalized following its transaction with Alignvest, the Company believes the macroeconomic environment will be materially affected in all of the jurisdictions in which it operates by the COVID-19 epidemic and related economic contraction. Sagicor therefore is withdrawing its financial guidance for 2020 and will not set out specific guidance for financial targets for the year.

DESCRIPTION OF THE BUSINESS

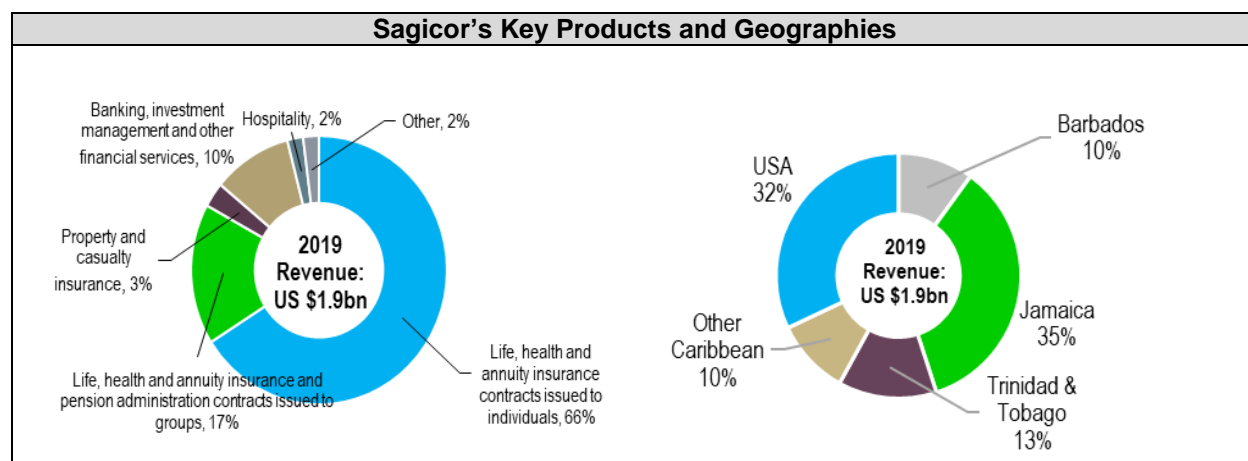
General Description

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. Sagicor has an over 175-year history of operations in the Caribbean and is the second oldest insurer in the Americas. With its over 3,200 employees and over 1,200 agents, Sagicor has operations in 20 countries, operates in four different languages, and manages 13 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.



Sagicor operates through its three main business segments: Sagicor Group Jamaica Limited (“**Sagicor Jamaica**”), Sagicor Life and Sagicor USA, Inc. (“**Sagicor USA**”).

Sagicor Jamaica

Sagicor operates in Jamaica through its controlled subsidiary, Sagicor Jamaica. Sagicor Jamaica is a full-service financial institution offering a wide range of insurance and non-insurance solutions. Sagicor Jamaica's primary insurance products are individual life insurance and employee benefits, which is comprised of both group health and group pension. Sagicor Jamaica's non-insurance solutions include banking and investment management products and services. Sagicor Jamaica's strong brand, together with Sagicor'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.

Sagicor 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 Sagicor Bank Jamaica Limited, is the fourth largest commercial bank in Jamaica by assets with J\$142.5 billion of total assets as of December 31, 2019. Sagicor Bank Jamaica Limited principally provides commercial banking services, including lending, accepting deposits, trading foreign exchange and corporate secretarial services across three market segments: retail, commercial and corporate clients. Sagicor 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, Sagicor Investments Jamaica Limited (an affiliate of Sagicor Bank Jamaica Limited) 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 the Dutch and North 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 USA

Through Sagicor 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 USA currently offers life insurance and annuities 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 detail 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, the latter of which are solely provided by Sagicor's Jamaican subsidiaries.
- 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 71% and 71% of Sagicor's gross premium income and fees in the year ended December 31, 2019 and the year ended December 31, 2018, respectively.

Gross premiums from Sagicor's group insurance products collectively represented 18% and 18% of Sagicor's gross premium income and fees in the year ended December 31, 2018 and the year ended December 31, 2018, respectively.

Fees from Sagicor's non-insurance products and services represented 5% and 5% of Sagicor's revenue and fees in the year ended December 31, 2019 and the year ended December 31, 2018, respectively.

The following table shows a breakdown of gross premium revenues and fees as well as other revenues for ancillary services of these lines of business for the year ended December 31, 2019.

Sagicor's Gross Premium Revenue and Fees	
Year ended December 31, 2019	
(in millions of US\$)	
Individual Insurance:	
Life	417.7
Annuities.....	554.1
Health.....	15.3
Total individual.....	987.1
Group Insurance:	
Health.....	163.8
Life	31.4
Creditor.....	11.5
Annuities.....	38.3
Total group	245.0
Property and casualty insurance.....	91.1
Asset management products.....	3.0
Banking	65.9
Total.....	1,392.1

Competitive Environment

Jamaica

The Jamaican insurance industry is concentrated among a few large companies. Sagicor has a very strong position in the insurance market and believes that it was the largest insurance company in Jamaica in 2019 based on gross life insurance premiums written.

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 ("**Sagicor Life USA**"), a subsidiary of Sagicor USA, markets its life insurance products through approximately 8,596 third-party marketing firms, financial institutions and 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, a portion of Sagicor's strategy in the United States continues to be to acquire blocks of individual life policies and other insurance companies that can easily be assimilated into its systems.

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 could consist of small to medium regional companies or large, nationally and globally renowned companies. Some market through captive sales forces while others compete with Sagicor for the attention of independent brokers or look to attract business through aggressive online marketing. In the direct to consumer space, SagicorNOW, an online site that allows consumers to buy directly from Sagicor if an agent is not desired, competes directly with web-based approaches established by large, global renowned companies as well as several InsurTech start-ups. Other competitive factors in Sagicor's markets in the United States include the development of products to suit customer needs, the development of distribution networks and investment performance. As of the end of 2018 (the last reporting date), Sagicor Life USA was ranked 136th of the top 200 life insurance companies by total assets. When Sagicor Life USA was acquired by Sagicor, it was ranked 175th. It is consistently mentioned as one of the top term life companies in the country, as well as its recently introduced multi-year guaranteed annuities which were ranked in the top 50 best annuities, according to a Barron's 2018 report.

Employees

As at December 31, 2019, Sagicor, including its subsidiaries, had in aggregate a total workforce of approximately 4,530 people, including advisors.

RISK FACTORS

This document contains forward-looking statements regarding Sagicor's business, prospects and results of operations that involve risks and uncertainties. Sagicor's actual results could differ materially from the results that may be anticipated by such forward-looking statements and discussed elsewhere in this Annual Information Form. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below, as well as those discussed elsewhere in this Annual Information Form. If any of the following risks occur, Sagicor's business, financial condition or operating results could be harmed. In that case, the trading price of the Common Shares could decline.

Investment in the Common Shares of Sagicor is subject to the following specific risks, among others, and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks. Prospective purchasers should review these risks as well as other matters disclosed elsewhere in this Annual Information Form with their professional advisors.

Risks Related to Sagicor's Business

Fluctuations in the fixed income 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 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.

Sagicor invests a portion of its assets in 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 and many other factors beyond Sagicor's 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 its portfolios. The value of Sagicor's fixed income investments may be affected by changes in the investee's credit rating. Where the credit rating of the issuer of a debt security drops, the value of the security may also decline.

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 Sagicor is unable to continue to build out its distribution network and its portion of their business, through expanded relationships with additional MGAs or growing its direct-to-consumer platforms, Sagicor may be unable to attract new life insurance business in the United States sufficient to meet its strategic goals. If this were to occur, Sagicor's business, financial condition and operating results may be adversely affected.

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

Sagicor takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risks are primarily associated with financial investments. Sagicor has significant concentrations of credit risk with respect to its 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. Defaults by counterparties could have a material adverse effect on Sagicor's business, results of 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 so Sagicor's reserves may be insufficient to cover actual policy benefits.

Sagicor prices its insurance products using assumptions and builds in a margin for the possibility that actual claims experience could differ from expected experience. Nonetheless, differences between this pricing model and losses due to actual experience may exist. Sagicor is subject to the risk that actual loss experiences will emerge differently than estimated when the product was designed and priced. Sagicor attempts to manage product risk by regularly reviewing emerging experience against predicted losses and repricing the existing products where allowed, as well as repricing new products. However, such attempts

may not be successful. If actual losses differ from these pricing models with no recourse to repricing, Sagicor's results of operations and financial condition could be adversely affected.

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 its actual loss experience. Sagicor maintains loss reserves in its property and casualty insurance lines to cover its 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, Sagicor would experience a reduction in its earnings.

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. A similar process of review and assessment is conducted in determining margins for adverse deviations.

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 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:

- by an insurable event, such as a death, disability or critical illness claim;
- at a specified time, such as in the case of an annuity settlement or a policy maturity; or
- 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 its assets and adversely affecting its 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 its assets and adversely affecting its ability to continue payment of annuities and other benefits.

Disease outbreaks may negatively impact the performance of Sagicor and its subsidiaries.

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 and operating results. In addition to the direct impact that such an event would have on Sagicor's facilities and workforce, these types of events could cause Sagicor's actuarial valuations to be materially incorrect. Most recently, there is global uncertainty with respect to the spread and impact of the novel coronavirus known as COVID-19. While the precise impact of the COVID-19 virus on Sagicor remains unknown, rapid spread of the COVID-19 virus may have a material adverse effect on global economic activity, and could result in a material increase in the mortality or morbidity rates of Sagicor's customers, 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, and could have a material adverse effect on Sagicor.

Sagicor could be forced to sell investments at a loss to cover policyholder withdrawals.

Sagicor offers certain products that allow policyholders to withdraw their funds under defined circumstances. In order to meet such funding obligations, Sagicor manages its liabilities and configures its investment portfolios so as to provide and maintain sufficient liquidity to support expected withdrawal demands and contract benefits and maturities. However, in order to provide necessary long-term returns, a certain portion of Sagicor's assets are relatively illiquid. There can be no assurance that withdrawal demands will match Sagicor's estimation of withdrawal demands. If Sagicor experiences unexpected withdrawal activity, whether as a result of financial strength downgrades or otherwise, it could exhaust its liquid assets and be forced to liquidate other less liquid assets, possibly at a loss or on other unfavourable terms. If Sagicor is forced to dispose of assets at a loss or on unfavorable terms, it could have a material adverse effect on Sagicor's business, financial condition and results of operations.

Sagicor's risk management policies and procedures could leave Sagicor exposed to unidentified or unanticipated risk, which could negatively affect Sagicor's business or result in losses.

Sagicor has developed risk management policies and procedures and expects to continue to enhance these in the future. Nonetheless, Sagicor's policies and procedures to identify, monitor, and manage both internal and external risks may not effectively mitigate these risks or adequately predict future exposures, which could be different or significantly greater than expected. Sagicor's current identified risks may not be the only risks facing Sagicor. Additional risks and uncertainties not currently known to Sagicor, or that Sagicor currently deems to be immaterial, may adversely affect Sagicor's business, financial condition or operating results.

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

Sagicor is exposed to daily demands on its available cash resources for payment of policy benefits and withdrawals, operating expenses and taxes, loan draw-downs, repayment of borrowings, maturing deposit

liabilities and other obligations. If demands on its 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. For example, during the late 1990s the Jamaican insurance market was faced with a substantial and significant increase in cash value withdrawals as a result of a dramatic increase in commercial bank interest rates. This put pressure on insurers' ability to service these withdrawals because their portfolios included significant non-liquid assets like real estate. 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.

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, 2019, Sagicor administered approximately \$4.1 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 its reputation, which could adversely affect Sagicor's financial condition and operating results.

A prolonged labour dispute could hurt Sagicor's business.

Approximately 11% of Sagicor's employees are represented by unions and/or covered by collective bargaining agreements. 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 its employees, Sagicor's business could be adversely affected.

A failure to successfully execute current and future strategic acquisitions could adversely affect Sagicor's profitability.

As part of Sagicor's growth strategy, Sagicor intends to continue to expand its operations and business in the United States and elsewhere, in part by acquiring companies and/or additional blocks of life insurance. There is no assurance that Sagicor will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses into its existing operations.

Political and Regulatory Risks

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 its subsidiaries may change at any time in ways having an adverse effect on its business. Sagicor cannot predict the timing or form of any future regulatory initiative.

Sagicor is 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, 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 its 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 operating results.

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 its 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 Sagicor's loss reserves and incur a reduction in its earnings. Such insufficiencies could have a material adverse effect on Sagicor's future consolidated financial condition, results of operations and cash flows.

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.

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

In the Caribbean region, Sagicor markets its insurance products primarily through its advisors and brokers. As of December 31, 2019, Sagicor had 1,236 advisors and 104 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 third-party marketing firms, financial institutions, independent agents, MGAs and individual distributors. As of December 31, 2019, Sagicor had 6,745 independent agents in the United States. Sagicor currently treats its United States advisors, brokers and MGAs 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 its 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.

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.

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;
- 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 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 in order 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.

Sagicor's goal is to minimize its exposure to equity market movements associated with its fixed indexed products so it actively hedges those exposures through the purchase of options tied to certain indices. In extreme equity market declines, the amount of additional statutory reserves Sagicor's insurance operations are required to hold for fixed indexed products may decrease at a rate less than or more than the rate of change of the markets if the hedged positions are not perfectly matched to the reserves. This mismatch could result in a reduction of the capital, surplus, or risk-based capital ratio of Sagicor's insurance operations.

A failure to maintain adequate levels of surplus capital may result in increased regulatory scrutiny or a downgrade by rating agencies.

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 Sagicor's ability to pay dividends and meet its debt and other payment obligations.

Sagicor's financial condition may be adversely affected by geopolitical events.

War, terrorism, threats of terrorist acts and related geopolitical risks have led, and may in the future lead to, increased market volatility, and may have adverse long-term effects on particular markets, the global economy and securities markets generally, which may adversely affect Sagicor.

Competitive, Technology and Other Business Risks

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.

Sagicor operates in a highly competitive industry. Sagicor encounters significant competition in all of its product lines from regional, local and global insurance companies, including direct writers of insurance

coverage as well as, to a limited extent, non-insurance financial services companies, such as banks and broker-dealers, some of which have greater financial resources and higher financial strength ratings than Sagicor and which may have a greater market share, offer a broader range of products, services or features, assume a greater level of risk, have lower operating or financing costs, have different profitability expectations than Sagicor, or offer more competitive pricing. Sagicor's annuity products compete with fixed indexed, fixed rate and variable annuities sold by other insurance companies and also with mutual fund products, traditional bank investments and other retirement funding alternatives offered by asset managers, banks and broker-dealers. Sagicor's insurance products compete with those of other insurance companies, financial intermediaries and other institutions based on a number of factors, including premium rates, policy terms and conditions, service provided to distribution channels and policyholders, ratings by rating agencies, reputation and commission structures.

The property and casualty insurance industry is highly competitive on the basis of both price and service. There are a number of companies competing for the same insurance customers in the geographic areas in which Sagicor operates. If Sagicor's competitors price their premiums more aggressively and Sagicor meets their pricing, this may adversely affect Sagicor's underwriting results. In addition, because most of Sagicor's property and casualty insurance products are marketed through independent insurance agencies that represent more than one insurance company, Sagicor faces competition within each agency. Sagicor also faces competition from the implementation of self-insurance in the commercial insurance area. Some of Sagicor's customers and potential customers are examining the risks of self-insuring as an alternative to traditional insurance.

Insurance products are increasingly being treated as commodities. This adds to the competitiveness of the industry. Further, the industry faces increased competition from banks and other financial intermediaries who offer a range of insurance products requiring no, or limited, underwriting, and this is compounded by the fact that consumers have become more knowledgeable and demanding as a result of their access to technology.

Furthermore, consolidation in the insurance industry and in distribution channels may result in increasing competitive pressures on Sagicor. Larger, potentially more efficient organizations may emerge from consolidation. The ability of banks to increase their securities-related business or to affiliate with insurance companies may materially and adversely affect sales of all of Sagicor's products by substantially increasing the number and financial strength of potential competitors.

Consolidation and expansion among banks, insurance companies, and other financial service companies with which Sagicor does business could also have an adverse effect on Sagicor's business, operations and financial condition if they demand more favourable terms than Sagicor previously offered or if they elect not to continue to do business with Sagicor following consolidation or expansion.

Sagicor's ability to compete is dependent upon, among other things, Sagicor's ability to develop competitive and profitable products, its ability to maintain low unit costs, its maintenance of adequate financial strength ratings from rating agencies, and its ability to provide quality customer service. Sagicor's ability to compete is also dependent upon, among other things, its ability to attract and retain distribution channels to market Sagicor's products, the competition for which is vigorous.

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.

Sagicor sells its group insurance products in the Caribbean primarily through brokers. In addition, it sells its 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 its products.

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 its computer systems, and relies on sophisticated commercial technologies to maintain the security of those systems. Despite Sagicor's implementation of network security measures, its servers could be subject to physical and electronic break-ins and similar disruptions from unauthorized tampering with its computer systems. Anyone who is able to circumvent Sagicor's security measures and penetrate its 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 its 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 its 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.

A financial strength downgrade in Sagicor's A.M. 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 Sagicor's products, Sagicor's ability to market its products and its 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 its rated insurance subsidiaries could materially affect Sagicor in many ways including, among others, the following:

- materially increase the number of policy lapses or surrenders and withdrawals by policyholders of cash values from their policies. This is particularly true in the United States, where the insurance market is more sensitive to changes in ratings due to the large number of competitors;
- decreased net income, as well as increased cash payments, requiring the sale of invested assets, including illiquid assets, at a loss. These consequences could, depending upon their extent, have a material adverse effect on Sagicor's liquidity and potential net income;
- reduce new sales of insurance and investment products. This is particularly true in the United States, where the insurance market is more sensitive to changes in ratings due to the large number of competitors;
- require a reduction in prices for Sagicor's insurance products and services in order to remain competitive;

- adversely affect Sagicor's ability to obtain reinsurance at a reasonable price, on reasonable terms or at all; or
- require Sagicor to collateralize reserves, balances or obligations under reinsurance and securitization agreements.

In addition, a downgrade may adversely affect relationships with Sagicor's advisors and other distributors of Sagicor's products and services, which may negatively affect its ability to compete and thereby have a material adverse effect on Sagicor's business, results of operations and financial condition. Negative changes in credit ratings may also increase Sagicor's cost of funding.

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 its subsidiaries and make it more difficult to maintain or obtain comparable ratings going forward.

If Sagicor's financial strength ratings are downgraded, it anticipates that its sales of new policies will be adversely impacted and that Sagicor could experience substantial surrenders of existing policies. In order to improve or maintain Sagicor's financial strength ratings, Sagicor may limit the amount of dividends otherwise payable. In that regard, Sagicor may also implement business strategies to maintain or improve its current ratings. Sagicor cannot guarantee these measures will be successful, and thus its financial strength rating could suffer. Sagicor cannot predict what actions A.M. Best or other rating agencies may take in the future, and failure to improve or maintain current financial strength ratings could adversely affect its financial condition and results of operations.

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.

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 its 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 its financial condition and operating results.

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.

Sagicor transfers its exposure to certain risks to others through reinsurance arrangements. In particular, a majority of Sagicor's new individual life business is reinsured with Swiss Re, Munich Re, Optimum Re, and SCOR Global Life. Sagicor's existing individual life business is currently reinsured by a number of

companies in addition to those mentioned previously. Sagicor's property and casualty business is currently reinsured principally by Munich Re, Hannover Re and Platinum Re.

Under Sagicor's reinsurance arrangements, these insurers assume a portion of the losses and expenses associated with Sagicor's 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 Sagicor is affected by, which may strain the resources of reinsurers. Any decrease in the amount of Sagicor's reinsurance will increase Sagicor's risk of loss.

When Sagicor obtains reinsurance, it still remains primarily liable for the reinsured risks, even if the reinsurer does not meet its reinsurance obligations to it. Therefore, the inability of Sagicor's reinsurers to meet their financial obligations or disputes about the scope of reinsurance coverage could materially affect Sagicor's operations. Sagicor's 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.

Sagicor's ability to compete is dependent on the availability of reinsurance or other substitute financing solutions. Premium rates charged by Sagicor 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 Sagicor 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 Sagicor, or if a reinsurer should fail to meet its obligations, Sagicor's 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 Sagicor. In addition, the number of life reinsurers has decreased as the reinsurance industry has consolidated. The decreased number of participants in the life reinsurance market has resulted in increased concentration of risk for insurers, including Sagicor. If the reinsurance market further contracts, Sagicor's ability to continue to offer Sagicor's products on terms favorable to Sagicor could be negatively impacted, resulting in adverse consequences to Sagicor's business, operations and financial condition.

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 its 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 its 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.

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 its products and services or increasing the regulatory burdens under which Sagicor operates.

Management Team Risks

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

Sagicor believes that its ability to implement its business strategy and its future success depends on the continued service of Sagicor's senior management team, which has extensive experience in the industry. 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 its business plan effectively.

Sagicor's future growth and success depend on its ability to attract, retain and motivate skilled managerial, sales, administrative and technical personnel. The market for qualified professionals is competitive and Sagicor may not continue to be successful in its 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 operating results.

Macroeconomic, Geographic and Currency 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.

In accordance with the relevant financial reporting standard, Sagicor has determined that there are three principal subsidiary groups with continuing operations which represent the reporting operating segments. These segments are Sagicor Life, which operates in Barbados, Eastern Caribbean, Dutch Caribbean, Bahamas, Central America and Trinidad and Tobago; Sagicor Jamaica, which operates in Jamaica, Cayman Islands and Costa Rica; and Sagicor USA, which operates in the United States. For the year ended December 31, 2019, Sagicor Life, Sagicor Jamaica and Sagicor USA represented 29%, 39% and 30% of Sagicor's operations in terms of revenue, respectively. As a result, Sagicor's business, results of operations, financial condition and prospects are materially dependent upon economic, political and other conditions and developments in Barbados, Jamaica, Trinidad and Tobago, Bermuda and the United States.

The overall financial performance of Sagicor is necessarily linked to economic conditions in Barbados, Jamaica, Trinidad and Tobago, the United States and the other jurisdictions in the Caribbean in which it operates.

Sagicor currently has interests and operations in the Caribbean region, Central America and the United States, and such interests are subject to governmental regulation in each market. The governments in these markets differ widely with respect to structure, constitution and stability and some countries lack mature legal and regulatory systems. To the extent that Sagicor's operations depend on governmental approval and regulatory decisions, the operations may be adversely affected by changes in the political structure or government representatives in each of the markets in which Sagicor operates.

Any slowdown or contraction affecting the local economy could negatively affect the ability of Sagicor's customers to service their loans in accordance with their terms or Sagicor's ability to retain a stable deposit base to support its operations. If the economy of Barbados or Jamaica or Trinidad and Tobago or the United States worsens because of, for example:

- lower economic activity;
- in the case of Barbados, a loss of investor confidence due to the sovereign debt restructuring;

- in the case of Trinidad and Tobago, a decline in oil, natural gas or petrochemical prices (which has occurred recently in the context of COVID-19);
- devaluation of the BBD, J\$, TTD or US\$;
- higher inflation; or
- an increase in domestic interest rates;

then Sagicor's business, results of operations, financial condition and prospects may also be significantly affected by actions taken by the government in the jurisdictions 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.

These and other future developments in the economies of Barbados, Jamaica, Trinidad and Tobago, the United States and governmental policies in Sagicor's Caribbean markets may reduce local demand for Sagicor's insurance and other financial services or products, adversely affect its business, financial condition, results of operations or prospects and impair Sagicor's ability to satisfy its obligations.

Sagicor's financial condition and operating results may be adversely affected by foreign exchange fluctuations.

Sagicor publishes its consolidated financial statements in U.S. dollars. Therefore, fluctuations in exchange rates used to translate other currencies into U.S. dollars will impact its 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 its investments and the returns on its 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.

The BBD/US\$ exchange rate has been at a fixed rate since July 5, 1975. The J\$ and the TTD float against the US\$. There is no assurance that these currencies will not be subject to depreciation and volatility or that the current exchange rate policies will remain the same.

If significant depreciation of the BBD, J\$ or TTD against the U.S. dollar occurs in the future when Sagicor has a significant net long open position in foreign currency, such depreciation could have a material negative effect on Sagicor's results of operations, liquidity and financial condition.

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.

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 would have a material adverse effect on Sagicor's financial condition, liquidity and results of operations.

Foreign exchange controls may restrict Sagicor's ability to receive distributions from its subsidiaries and any such distributions may be subject to foreign withholding taxes.

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 foreign withholding taxes.

Catastrophes and weather-related events, such as hurricanes, may adversely affect Sagicor.

General insurance companies may experience losses from catastrophes. Catastrophes 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. 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 its clients incur, the number of its 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.

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, its ability to retain employee groups with lower claim incidence rates, the geographical concentration of employees and mortality rates. Claim incidence may also be influenced by unexpected catastrophic events such as natural disasters or pandemics, which may also affect the availability of reinsurance coverage. Changes in any of these factors may adversely affect Sagicor's results.

Risks Related to Sagicor's Capital Structure, Public Company and Tax Status and Capital Financing Policies

Sagicor's credit ratings may not reflect all risks associated with investing in Common Shares.

Sagicor's credit ratings constitute the rating agencies' assessment of Sagicor's ability to meet its payment obligations as they become due. Therefore, actual or expected changes to Sagicor's credit ratings will generally affect the market value of Common Shares. The credit ratings, which may be revised or withdrawn at any time, do not represent a recommendation to buy, sell or hold Common Shares. Each rating agency's credit rating should be evaluated independently of credit ratings issued by other rating agencies.

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 its operations or to its 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 its business activities and/or may be struck off as a registered entity in Bermuda.

At present, the impact of these new economic substance requirements is unclear, and it is not possible to accurately predict the effect of these 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. In addition, certain of Sagicor's subsidiaries currently operate in the Cayman Islands, Panama, and Trinidad and Tobago, each of which are on the non-cooperative jurisdictions list. At present, it is not possible to accurately predict whether any related regulatory changes in these jurisdictions would have a material effect on Sagicor or its business.

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 its central management and control do not reside in Canada. If Sagicor were considered to have its 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 its 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 its financial condition.

Sagicor is incorporated outside of Canada and it may be difficult to enforce judgments against it or its directors and officers.

Sagicor is incorporated under the laws of a foreign jurisdiction 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.

Sagicor's shareholders may have more difficulty protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of Canada. 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.

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.

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 its 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 SFCL and, accordingly, it is dependent upon distributions from SFCL to pay taxes and other expenses.

Sagicor is a holding company and has no material assets other than its interest in SFCL. Sagicor does not have any means of generating revenue independent of SFCL. Sagicor depends on dividends, distributions

and other payments from Sagicor to provide the funds necessary to meet its financial obligations. To the extent that Sagicor requires funds to pay its tax liabilities or to fund its operations and SFCL is restricted from making dividends or distributions to Sagicor under applicable agreements, laws or regulations or does 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 its liquidity and financial condition could be materially adversely affected. Sagicor may not be able to borrow funds on its 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 its subsidiaries, other than the fact that it is not wholly-owned. Operationally, Sagicor's executive officers supervise the business of Sagicor Jamaica.

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. The stock market, from time-to-time, experiences significant price and volume fluctuations unrelated to the operating performance of particular companies. Future announcements concerning Sagicor or its 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 Common Shares will continue to be listed on the Toronto Stock Exchange ("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 its 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 its 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 it to incur substantial costs and could divert the time and attention of its management and other resources.

Sales of a substantial number of Common Shares may cause the price of Common Shares to decline.

Any sales of substantial numbers of Common Shares in the public market or the exercise of significant amounts of the Sagicor Warrants or the perception that such sales or exercise might occur may cause the market price of the Common Shares to decline. The market price of Common Shares could be adversely affected upon the expiration of lock up periods applicable to certain Sagicor shareholders.

Further equity financing may dilute the interests of shareholders of Sagicor and depress the price of Common Shares.

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 market price of the Common Shares could decline as a result of issuances of new shares or sales by shareholders of Common Shares in the market or the perception that such sales could occur. Sales by shareholders of Sagicor might also make it more difficult for Sagicor itself to sell equity securities at a time and price that it deems appropriate.

The issuance of preference shares could decrease earnings and assets available to holders of the Common Shares and may decrease the market price of the Common Shares.

The issuance of preference shares and the terms selected by the Sagicor Board could decrease the amount of earnings and assets available for distribution to holders of Common Shares or adversely affect the rights and powers, including the voting rights, of the holders of Common Shares without any further vote or action by the holders of the Common Shares. The issuance of preference shares, or the issuance of rights to purchase preference shares, could make it more difficult for a third-party to acquire a majority of the Common Shares and thereby have the effect of delaying, deferring or preventing a change of control of Sagicor or an unsolicited acquisition proposal or of making the removal of management more difficult. Additionally, the issuance of preference shares may have the effect of decreasing the market price of the Common Shares.

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 the date of this Annual Information Form, there are 148,531,545 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 S&P, Fitch and A.M. Best 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 (Stable) (Long term issuer default rating) ⁽²⁾
A.M. Best	Issuer Credit Rating	bbb- (Stable) ⁽³⁾

(1) Updated November 15, 2019

(2) Updated March 17, 2020

(3) Updated September 20, 2019

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. 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” (Stable) rating by Fitch. 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.

A.M. Best

The A.M. 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. A.M. 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.

The rating “bbb-” is assigned to entities that have, in A.M. 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.

DIVIDENDS

2020 Dividend Payment

On February 3, 2020, the Sagicor Board declared a dividend of US\$0.05625 per Common Share, which was paid on February 28, 2020 to holders of record at the close of business on February 10, 2020.

Dividend Policy and Dividend Reinvestment Plan

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. As part of a proposed dividend reinvestment plan (the “**Plan**”), subject to applicable law and regulatory requirements, holders of Common Shares are expected to be provided with the right to acquire additional Common Shares at 95% of the then five-day volume-weighted average market price in lieu of cash dividends, net of applicable withholding taxes. As of the date hereof, only (i) U.S. persons (as defined under Regulation S under the U.S. Securities Act of 1933, as amended) who are both Accredited Investors (as defined under the U.S. Securities Act of 1933, as amended) and who are resident in a U.S. state that Sagicor has approved, (ii) Canadian residents who are not U.S. persons, or (iii) Canadian residents who are U.S. persons but who are Accredited Investors, may participate in the Plan.

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.

MARKET FOR SECURITIES OF SAGICOR

Trading Price and Volume

Prior to the Arrangement, the Alignvest class A restricted voting shares were listed on the TSX and traded under the symbol "AQY.A". 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 (including the Alignvest class A restricted voting shares which were converted into Common Shares on December 5, 2019 in connection with the Arrangement):

Common Shares on the Toronto Stock Exchange in 2019

	High (C\$)	Low (C\$)	Volume
January 2019	10.02	9.97	1,145,034
February 2019	10.09	9.95	6,605,044
March 2019	10.19	10.04	49,913
April 2019	10.14	10.11	671,700
May 2019	10.96	10.12	2,574,709
June 2019	10.16	9.31	27,385
July 2019	8.43	7.89	17,794
August 2019	9.90	7.90	98,958
September 2019	10.07	9.65	7,615
October 2019	N/A	N/A	19
November 2019	9.61	8.87	7,859
December 2019	10.00	9.05	41,404
Year 2019	10.96	7.90	11,247,434

Prior to the Arrangement, the Alignvest Warrants were listed on the TSX and traded under the symbol "AQY.WT". 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 (including the Alignvest Warrants which were converted into Sagicor Warrants on December 5, 2019 in connection with the Arrangement):

Sagicor Warrants on the Toronto Stock Exchange in 2019

	High (C\$)	Low (C\$)	Volume
January 2019	0.35	0.20	138,600

February 2019	0.28	0.16	87,406
March 2019	0.20	0.20	232,861
April 2019	0.46	0.11	3,283,244
May 2019	0.73	0.35	2,737,354
June 2019	0.60	0.075	2,309,170
July 2019	0.50	0.355	277,600
August 2019	0.5	0.38	589,807
September 2019	0.72	0.48	45,750
October 2019	0.75	0.60	75,200
November 2019	0.74	0.60	15,000
December 2019	0.95	0.60	450,600
Year 2019	0.95	0.075	10,242,592

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⁾	64,079,309	43.3%

⁽¹⁾ See "Lock-Up Agreements", "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.

Lock-Up Agreements

In connection with the Arrangement Agreement, each of Dodridge D. Miller, Ravi C. Rambarran, Anthony O. Chandler, Althea C. Hazzard, Ronald B. Blitstein, J. Andrew Gallagher, Bart F. Catmull, J. Edward Clarke, Keston D. Howell, Robert J. L. Trestrail, Sir Hilary Beckles, Peter Clarke, Monish Dutt, John Shettle and Stephen McNamara (each, a "Locked-Up Shareholder") entered into a lock-up agreement (a "Lock-Up Agreement") with Alignvest. Pursuant to the Lock-Up Agreements, each Locked-Up Shareholder agreed for a period of time that he, she or it would not, without the prior written consent of Sagicor:

- (i) sell, assign, pledge, dispose of, or transfer any equity securities of Sagicor or securities convertible into or exchangeable for Common Shares, or any rights associated therewith, in each case as held immediately following the Effective Time (as defined below) of the Arrangement (collectively, the "Specified Securities");

- (ii) enter into any swap, forward or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of the Specified Securities (regardless of whether any such arrangement is to be settled by the delivery of securities of Sagicor, securities of another person and/or otherwise); or
- (iii) agree to do any of the foregoing,

(collectively, the “**Lock-Up Restrictions**”).

The Lock-Up Restrictions are in place from December 5, 2019 (the “**Effective Date**”) until the earliest of: (i) with respect to 50% of the Common Shares held by each Locked-Up Shareholder immediately following the Effective Time, one year following the Effective Date; (ii) with respect to the remaining 50% of the Common Shares held by each Locked-Up Shareholder immediately following the Effective Time, 24 months following the Effective Date; (iii) with respect to 100% of the Common Shares held by each Locked-Up Shareholder, immediately following the Effective Time, the date following the Effective Date on which Sagicor completes a liquidation, amalgamation, merger, scheme of arrangement, share exchange, take-over bid or other similar transaction (except an internal reorganization) that results in all of the holders of Common Shares receiving in exchange for or having the right to exchange their Common Shares for cash, securities or other property; (iv) with respect to 100% of the Common Shares held by each Locked-Up Shareholder immediately following the Effective Time, the date on which the closing share price of the Common Shares equals or exceeds C\$12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, extraordinary dividends, recapitalizations and the like) for any 20 trading days within a 30-trading day period at any time following the Effective Date; and (v) where applicable, with respect to 100% of the Common Shares held by the Locked-up Shareholder immediately following the Effective Time, the date on which the applicable Locked-up Shareholder’s employment with Sagicor (or its applicable affiliate) is terminated without “cause” by Sagicor (or such applicable affiliate) or such Locked-Up Shareholder resigns his or her employment with Sagicor (or such applicable affiliate) for “good reason”, as such terms are defined in the Locked-Up Shareholder’s employment agreement with Sagicor (or such applicable affiliate).

The Lock-Up Restrictions are subject to certain exemptions, including: transfers to wholly-owned affiliates (that remain as such and are similarly bound), any family members of the Locked-Up Shareholder (who are similarly bound), or company, trust or other entity owned by or maintained for the benefit of the Locked-Up Shareholder or any family member of the Locked-Up Shareholder (who are similarly bound); transfers occurring by operation of law or in connection with transactions arising as a result of death or incapacitation; pledges to a financial institution as security for *bona fide* indebtedness; and transfers made pursuant to a *bona fide* take-over bid.

Additional Subscriptions

In addition, in connection with investments in Alignvest prior to the closing of the Arrangement, HG Vora Capital Management LLC, Mehdi Khimji, Beachhead Special Opportunities LLC, Beachhead Credit Opportunities LLC, and JMMB Group Limited agreed that an aggregate 49,157,773 Common Shares resulting from certain investments in Alignvest may not be subject to any Transfer (as such term is defined in each applicable subscription agreement) for at least six months following the Effective Date, subject to limited exceptions.

Founders’ Shares

On the closing of Alignvest’s initial public offering, certain founders of Alignvest (the “**Restricted Parties**”) entered into the transfer restrictions agreement and undertaking (the “**Transfer Restrictions Agreement and Undertaking**”) with the co-lead underwriters for the initial public offering of Alignvest (the “**Co-Lead Underwriters**”) pursuant to which each Restricted Party agreed to certain transfer restrictions in respect of their aggregate 12,887,500 founders’ 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.

Pursuant to the Transfer Restrictions Agreement and Undertaking, the Restricted Parties agreed not to transfer any of their founders' Common Shares, without the prior consent of Alignvest (now Sagicor) and the Co-Lead Underwriters, until the earliest of: (i) with respect to 50% of the founders' Common Shares, one year following completion of the Arrangement; (ii) with respect to the remaining 50% of the founders' Common Shares, two years following completion of the Arrangement; (iii) with respect to 100% of the founders' Common Shares, the date following the completion of the Arrangement on which Sagicor completes a liquidation, merger, amalgamation, arrangement, share exchange or other similar transaction that results in all of the holders of Common Shares receiving in exchange for or having the right to exchange their Common Shares for cash, securities or other property; and (iv) with respect to 100% of the founders' Common Shares, the date on which the closing price of Common Shares equals or exceeds C\$12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, extraordinary dividends, recapitalizations and the like) for any 20 trading days within any 30-trading day period at any time following the closing of the Arrangement; in each case, subject to applicable securities laws and TSX rules. Any Common Shares of Sagicor resulting from Alignvest class A restricted voting shares held by the Restricted Parties prior to the Arrangement are not subject to the forfeiture or transfer restrictions set out in the Transfer Restrictions Agreement and Undertaking.

As well, in accordance with the Arrangement Agreement, each of 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.

Pursuant to the Forward Purchase Agreements, the Alignvest Forward Purchasers agreed not to transfer any of their Alignvest class B Shares and Common Shares into which such Alignvest class B shares are convertible until the earlier of: (i) one year following completion of the Arrangement; (ii) the date following

the completion of the Arrangement on which Sagicor completes a liquidation, merger, amalgamation, arrangement, share exchange or other similar transaction that results in all shareholders in Sagicor receiving in exchange for or having the right to exchange their shares of Sagicor for cash, securities or other property.

Notwithstanding the foregoing, if, subsequent to completion of the Arrangement, the closing price of Common Shares equals or exceeds C\$12.00 per share (as adjusted for share splits, share capitalizations, reorganizations, extraordinary dividends (being any dividend that, together with all other dividends payable in the same calendar year, has an aggregate dollar value which is greater than C\$0.25 per share), recapitalizations and the like) for any 20 trading days within any 30 trading day period commencing at least 150 days after the completion of the Arrangement, the Common Shares shall be released from the transfer restrictions in the Forward Purchase Agreements.

The transfer restrictions in the Forward Purchase Agreements are subject to certain exemptions, including: (i) to Sagicor's officers or directors, any affiliates or family members of any of Sagicor's officers or directors, any members of Alignvest II LP or their affiliates, or any affiliates of Alignvest II LP; (ii) in the case of an individual, by gift or transfer to a member(s) of the individual's immediate family or to a trust, the beneficiary of which is a member of one of the individual's immediate family, an affiliate of such person, or in the case of any person, by gift or transfer to a charitable organization; (iii) in the case of an individual, pursuant to laws of descent and distribution upon death of the individual; (iv) in the case of an individual, pursuant to a qualified domestic relations order; (v) in the event of completion of a liquidation, merger, amalgamation, arrangement, share exchange or other similar transaction which results in all of the shareholders of Sagicor receiving in exchange for or having the right to exchange their shares of Sagicor any for cash, securities or other property subsequent to the completion of the Arrangement; (vi) as a bona fide gift or gifts; (vii) as a distribution to limited partners, members or stockholders of the Alignvest Forward Purchaser; (viii) to the Alignvest Forward Purchaser's affiliates, to any investment fund or other entity controlled or managed by the Alignvest Forward Purchaser, or to any investment manager or investment advisor of the Alignvest Forward Purchaser or an affiliate of any such investment manager or investment advisor, (ix) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (viii) above, and (x) pursuant to an order of a court or regulatory agency; provided, however, that in the case of clauses (i) through (iv) and (vi) through (ix) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions.

In addition, 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. Each of the fourteen members of the Sagicor Board were formally appointed to the Sagicor Board pursuant to the Arrangement.

Directors of Sagicor

Name and place of residence	Principal occupation	Membership on committees of the Board
TIMOTHY HODGSON (Chair of the Sagicor Board) BCom, MBA Residence: Ontario, Canada	Corporate director ⁽¹⁾	– Investment and Risk Committee, – Compensation & Human Resources Committee – Capital Allocation Committee
DR. DODRIDGE D. MILLER FCCA, MBA, LL.M., LL.D. (Hon) Residence: Florida, United States	Group President and Chief Executive Officer of Sagicor	– None
SIR HILARY BECKLES KA, BA, PhD Residence: St. Thomas, Barbados	Vice Chancellor of the University of the West Indies ⁽²⁾	– Corporate Governance & Ethics Committee
DR. ARCHIBALD CAMPBELL BSc, Msc, DBA Residence: Kingston, Jamaica	Chairman, JMMB Group Limited ⁽³⁾	– Audit Committee – Corporate Governance & Ethics Committee – Compensation & Human Resources Committee
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 ⁽⁴⁾	– Audit Committee – Investment and Risk Committee
KEITH DUNCAN BA Residence: Kingston, Jamaica	Chief Executive Officer of JMMB Group Limited ⁽⁵⁾	– Investment and Risk Committee – Capital Allocation Committee
MONISH K. DUTT BA, MBA, FCA Residence: Washington D.C., United States	Corporate director	– Audit Committee – Investment and Risk Committee
STEPHEN FACEY BA, M. Arch. Residence: Kingston, Jamaica	Chairman and Chief Executive Officer of PanJam Investment Limited ⁽⁶⁾	– Corporate Governance & Ethics Committee

Name and place of residence	Principal occupation	Membership on committees of the Board
MAHMOOD KHIMJI BA, JD Residence: New York, United States	Co-Founder of Highgate Hotels L.P. ⁽⁷⁾	– Corporate Governance & Ethics, Committee – Investment and Risk Committee – Capital Allocation Committee
DR. STEPHEN MCNAMARA CBE, LLD (Hon) Residence: Castries, St. Lucia	Senior Partner of McNamara & Company, Attorney-at-Law of St. Lucia	– Corporate Governance & Ethics Committee – Capital Allocation Committee – Compensation & Human Resources Committee
DOUGLAS (RIK) PARKHILL BA Residence: Ontario, Canada	Corporate director ⁽⁸⁾	– Audit Committee – Corporate Governance & Ethics Committee – Compensation & Human Resources Committee
REZA SATCHU BA, MBA Residence: Ontario, Canada	Managing Partner, Alignvest Management Corporation ⁽⁹⁾	– Corporate Governance & Ethics Committee – Capital Allocation Committee – Compensation & Human Resources Committee
JOHN SHETTLE, JR. BA, MBA Residence: Florida, United States	Operating Partner of Stone Point Capital	– Audit Committee – Investment and Risk Committee – Capital Allocation Committee
AVIVA SHNEIDER BMath, MBA Residence: New York, United States	Principal (Operating Partner) of CVC Capital Partners ⁽¹⁰⁾	– Audit Committee – Investment and Risk Committee

- (1) From 2012 to 2019, Mr. Hodgson was Managing Partner of Alignvest Management Corporation, an international alternative investment management firm.
- (2) The University of the West Indies is one of the largest universities in the Caribbean.
- (3) From 2004 to 2016, Mr. Campbell was Deputy Chairman of JMMB Group Limited, one of the leading financial groups in the Caribbean and was appointed as Chairman in 2017. From 2010 to 2016, Mr. Campbell served as the Chief Financial Officer of the University of the West Indies.
- (4) 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.
- (5) See Note 3 for a description of JMMB Group Limited.
- (6) PanJam Investment Limited is an investment holding company.
- (7) Highgate Hotels L.P. is an investor and manager of hospitality assets.
- (8) From 2011 to 2016, Mr. Parkhill served as the Chief Executive Officer of CIBC First Caribbean International Bank, a financial services company. Since 2016, Mr. Parkhill has served as the Managing Partner of Parkhill Advisory Inc., which provides advisory services to corporations and institutional investors, with a focus on strategy, capital markets and banking.
- (9) See Note 1 for a description of Alignvest Management Corporation.
- (10) From 2015 to 2018, Ms. Shneider was co-head of Caisse de Dépôt et Placement du Québec's direct private equity investments in the United States and Latin America, and from 2018 to 2019, Ms. Shneider was founder of Bayes Ventures, a management consulting firm.

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 bye-laws 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
DR. DODRIDGE D. MILLER FCCA, MBA, LLM, LLD (Hon) Residence: Florida, United States	Group President and Chief Executive Officer
RAVI RAMBARRAN BSc, MSc, FIA Residence: Kingston, Jamaica	Group Chief Operating Officer with responsibility for Sagicor Life Inc. South Caribbean
ANDRE MOUSSEAU BA, MBA Residence: Ontario, Canada	Group Chief Financial Officer ⁽¹⁾
CHRIS ZACCA CD, BSc, MBA Residence: Kingston, Jamaica	President and Chief Executive Officer of Sagicor Group Jamaica Limited
BART CATMULL BSc, CPA Residence: Florida, United States	President and Chief Operating Officer of Sagicor USA Inc.
ANTHONY CHANDLER CGA, CPA, MBA Residence: St. Michael, Barbados	Group Chief Financial Controller
ALTHEA HAZZARD LLM (Cantab), FCIS, FICA Residence: St. James, Barbados	Executive Vice President, General Counsel and Corporate Secretary
RONALD BLITSTEIN BA, MBA Residence: Florida, United States	Executive Vice President and Group Chief Information Officer
J. ANDREW GALLAGHER FSA, FCIA, CERA Residence: Christ Church Barbados and Pembroke, Bermuda	Chief Risk Officer and Chief Executive Officer of Sagicor Reinsurance Bermuda Limited
NARI PERSAD BSc (Actuarial Science), BSc (Biochemistry) FSA, FCIA Residence: Florida, United States	Group Chief Actuary ⁽²⁾
SAMANTHA CHEUNG MSc Eng., P.Eng., MBA, ICD.D Residence: Ontario, Canada	Executive Vice President, Investor Relations ⁽³⁾

Name and place of residence	Principal occupation
DONALD S AUSTIN BSc, MBA, FCCA Residence: Castries, St. Lucia	Chief Executive Officer of Sagicor Life (Eastern Caribbean) Inc.
J. EDWARD CLARKE FCCA, CIA Residence: Christ Church, Barbados	Executive Vice President and General Manager, Barbados Operations, Sagicor Life Inc.
KESTON HOWELL BSC (Hons), MBA Residence: Diego Martin, Trinidad	President and Chief Executive Officer, Sagicor General Insurance Inc.
ROBERT TRESTRAIL BA Residence: Maraval, Trinidad	Executive Vice President and General Manager, Sagicor Life Trinidad and Tobago and Dutch Caribbean

- (1) From 2012 to 2016, Mr. Mousseau served as a Principal and from 2016 to 2019 as a Partner at Alignvest Private Capital, a company specializing in private capital investments. Mr. Mousseau also served as Alignvest's Chief Operating Officer from 2017 to 2019.
- (2) From 2014 to 2017, Mr. Persad served as a Principal at Eckler Ltd., an independent actuarial consulting firm.
- (3) From 2015 to 2017, Ms. Cheung served as VP Investor Relations at Intact Financial Corporation, a provider of property and casualty insurance.

To the knowledge of Sagicor, as of the date hereof the directors and executive officers of Sagicor, as a group, beneficially own, directly or indirectly 2,887,326 Common Shares of Sagicor, representing approximately 1.94% 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 the Company's upcoming management information circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Sagicor, no director or executive officer of Sagicor has been, at the date of this Annual Information Form or within the last 10 years:

- a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) was the subject of an event that resulted, after that person ceased to be a director or chief executive officer or chief financial officer, in the company being the subject of such an order; or
- b) a director or executive of a company 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.

No director or executive officer of 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.

To the knowledge of Sagicor, no director or executive officer of Sagicor has, within the 10 years before the date of this Annual Information Form, 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 or executive officer.

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 bye-laws 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 6 independent directors, namely John Shettle, Jr., Peter Clarke, Douglas (Rik) Parkhill, Archibald Campbell, Aviva Shneider and Monish Dutt. John Shettle, Jr. is the Audit Committee Chair. All 6 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:

John Shettle, Jr., BA, MBA

Mr. Shettle received his undergraduate degree from Washington & Lee University and holds an MBA from the Sellinger School of Business at Loyola College, Maryland. Mr. Shettle is an Operating Partner of Stone

Point Capital, a private equity firm in the global financial services industry. He has over 35 years' experience in senior management positions in the property/casualty, health and insurance-related services industries.

More recently, Mr. Shettle has served as Senior Advisor to Lightyear Capital, a private equity firm, and President and Chief Executive Officer of the Victor O Schinnerer Company. Prior to that, he was the Chief Executive Officer of Tred Avon Capital Advisors, Inc., a firm providing advisory services to companies and private equity firms focused on the insurance sector. He has held senior management positions at Securitas Capital, Swiss Reinsurance Company and Frederick, Maryland-based AVEMCO Corporation (New York Stock Exchange). Mr. Shettle is also a Director of Sagicor USA and a number of subsidiaries within the Group.

Peter E Clarke, Barrister-at-Law, BA (History), BA (Law)

Mr. Clarke obtained a Bachelor of Arts degree from Yale University and a Law degree from Downing College, Cambridge University. He was called to the Bar as a member of Grays Inn, London, in 1979 and to the Bar of Trinidad and Tobago in 1980. Mr. Clarke is a Financial Consultant, who formerly practiced as a Barrister-at-Law before embarking on a 22-year career in stockbroking. From 1984 to 2000, he was the Managing Director of Money Managers Limited, and Chief Executive of West Indies Stockbrokers Limited from 2001 until his retirement in 2005. Mr. Clarke is the Chairman of Guardian Media Ltd. in Trinidad and Tobago, as well as a director of a number of companies including the Trinidad and Tobago Stock Exchange.

He is also a member of the Finance Council of the Roman Catholic Archdiocese of Port of Spain. From 2002 to 2005, he was a director of the Trinidad and Tobago Chamber of Industry and Commerce. Mr. Clarke also serves as a director of Sagicor Life Inc., Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited.

Douglas (Rik) Parkhill, BA

Rik Parkhill has over 30 years of experience in the financial services industry, including managing banks, brokerage firms and exchanges. He is currently Managing Partner and Founder of Parkhill Advisory Inc., which provides advisory services to corporations and institutional investors, with a focus on strategy, capital markets and banking. He also serves as a non-executive director on corporate boards in Canada and the Caribbean. Mr. Parkhill was the CEO of CIBC FirstCaribbean International Bank from 2011 to 2015, and also served as Chairman of several of the bank's operating subsidiary boards. He was Managing Director, Head of Cash Equities and Capital Markets Sales at CIBC World Markets from 2008 to 2011.

From 2001 to 2008, Mr. Parkhill held a number of senior positions at the TMX Group, including Interim Co-Chief Executive Officer and President, TSX Markets. Prior to 2001, he worked at several investment firms over a span of seventeen years, including Research Capital, BZW Canada, Deacon Morgan McEwen Easson, and Jones Heward. During this period, he held diverse positions, such as Head of Capital Markets, Head of Institutional Equities, Head of Research, and also worked as an Oil and Gas Analyst. Mr. Parkhill holds a Bachelor of Arts (Honours) degree from Queen's University.

Archibald Campbell, BSc, MSc., DBA

Dr. Campbell chairs the JMMB Group Limited Board and also chairs and sits on the boards of several of that group's subsidiaries. A Chartered Accountant by profession, he has served JMMB Group Limited as its Deputy Chairman from 2004 to 2016, prior to being appointed Chairman in 2017.

He holds Masters and Bachelor of Science degrees in Accounting as well as a Doctor of Business Administration degree, from the University of the West Indies.

Aviva Shneider, BMath, MBA

Ms. Shneider has significant experience in private and public market investing. She is the Founder of Bayes Ventures, a management consulting firm; currently sits on the board of Alliant National Title Insurance Company; and was previously on the boards of AlixPartners, 2-10 Home Buyers Warranty, LifeCare Hospitals, Kirby Lester and Cyrus Insurance. From 2015 to 2018, Ms. Shneider co-headed Caisse de Dépôt et Placement du Québec's direct private equity investments in the United States and Latin America.

Prior to this, Ms. Shneider spent ten years with Silver Point Capital, a Greenwich, Connecticut-based multi-strategy hedge fund. Ms. Shneider also worked at McKinsey & Company and is a trained actuary (ACAS, ASA) with a Bachelors in Math from the University of Waterloo and an MBA from The Wharton School at the University of Pennsylvania.

Monish K Dutt, BA, MBA, FCA

Monish Dutt has been an independent director of Sagicor since 2012 and is a citizen of the United States of America. He holds an MBA with a concentration in Finance from the London Business School, London University, and a BA in Economics from the University of Delhi. He is a Fellow of the Institute of Chartered Accountants (FCCA), London, England. Currently a Consultant on Emerging Markets, Mr. Dutt is a seasoned investment professional who, for the 25 years preceding 2011, was employed with the IFC, a member of the World Bank Group. While at IFC, he held various positions, the most recent of which was Chief Credit Officer for Global Financial Institutions & Private Equity Funds.

He was formerly the Head of IFC's Private Equity Advisory Group, the Head of the Baltics, Central Europe, Turkey and Balkans Group, Principal Investment Officer for Asia, Senior Investment Officer for Central & Eastern Europe, and an Investment Officer for Africa, Latin America and Asia. Mr. Dutt has extensive experience evaluating investment proposals in financial institutions and private equity funds globally, structuring investments, tracking global investment portfolios, and providing quality control guidance to private equity fund investments. Mr. Dutt has also represented IFC on boards of investee companies. Mr. Dutt serves as a director of Sagicor Bank Jamaica Limited.

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 ("**PwC**") has been the external auditor of Sagicor since the closing of the Arrangement, and was previously the auditor of SFCL. In 2018 and 2019, Sagicor and/or SFCL paid the following fees to PwC:

Amounts in thousands USD	2019	2018
Audit Fees	5,589	3,433

The aggregate fees billed for audit services.

Audit-Related Fees	1,155	1,589
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”.		
Tax Fees	302	237
The aggregate fees billed for professional services rendered for tax compliance, tax advice, and tax planning.		
All Other Fees	2,012	1,907
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.		
Total	9,058	7,166

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.

PROMOTER

Alignvest II LP (“**Alignvest II**”), the sponsor of Alignvest, was considered a promoter of Alignvest within the meaning of applicable securities legislation for the purposes of Alignvest’s initial public offering. To the knowledge of Sagicor, as of the date hereof, Alignvest II owns, together with its affiliates, directly or indirectly, 6,759,391 Common Shares representing approximately 4.55% of the outstanding Common Shares. Alignvest II, together with its affiliates, also owns, directly or indirectly, 10,331,067 Sagicor Warrants (approximately 29.71% of the outstanding warrants).

Prior to the completion of the Arrangement, Alignvest paid Alignvest II a total of C\$25,000 (plus applicable taxes) per month for office space and related services. The administrative services agreement terminated upon completion of Arrangement.

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 2019 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, 2019, (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 Arrangement Agreement;
- (b) the Warrant Agreement;
- (c) the Scotia Trinidad Agreement;
- (d) the Indemnity Agreement (as described below);
- (e) the Note Indenture (as described below);
- (f) the Board Appointment Letter Agreement (as described below);
- (g) the Investor Rights Agreement (as described below); and
- (h) the Subscription Agreements (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.

Scotia Trinidad Agreement

SFCL and Scotiabank Trinidad & Tobago Limited (the "**Vendor**") have agreed on a transaction with three components, as detailed in the purchase agreement dated November 27, 2018 (the "**Scotia Trinidad Agreement**"). First, the Vendor will extract a pre-transaction dividend of approximately US\$63 million of capital over 150% of MCCR. Second, SFCL will provide the Vendor with up-front cash proceeds of \$96 million (before adjustments) in exchange for all of the issued and outstanding shares of SLTT. Third, SFCL and the Vendor will enter into a "bancassurance"-type agreement whereby the Vendor or its affiliates will be permitted to sell SFCL products – on a white-label basis – to the Vendor's banking customers, in return for which SFCL will pay commissions to the Vendor. The commission rate will vary depending on the type of product sold. The purchase price contemplated by the Scotia Trinidad Agreement is subject to adjustment based on the amount by which a pre-closing estimate of capital in excess of 150% of MCCR is greater or lesser than the amount of capital in excess of 150% of MCCR at closing. The purchase price paid under the Scotia Trinidad Agreement is subject to further post-closing adjustment on the basis of the shareholder equity of SLTT as at closing and calculated 90 days following closing. The Scotia Trinidad Agreement expires June 30, 2020. Given current circumstances, there can be no assurance that the transaction will be completed.

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 August 11, 2015, SFCL (as parent guarantor), Sagicor Finance (2015) Limited (as issuer), certain subsidiaries of SFCL (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 8.875% senior notes (the “**Notes**”). The Notes will mature on August 11, 2022 and bear interest at the rate of 8.875% per year. Interest on the Notes is payable semi-annually in arrears on February 11 and August 11 of each year. The Notes are listed on the Irish Stock Exchange. SFCL may redeem the Notes, in whole or in part, at the redemption prices set forth in the Note Indenture. If SFCL is subject to specific change in control transactions, it must offer to purchase the Notes from the holders thereof at a price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of purchase. As a result of the Arrangement, Sagicor Finance (2015) Limited was required to make such an offer to purchase the Notes. On January 23, 2020, Sagicor announced the expiration of the offer with tenders from the holders of approximately 0.59% of the total outstanding principal of the Notes.

The Notes are unconditionally, jointly and severally guaranteed by SFCL and Sagicor Life (together, the “**Guarantors**”). The Notes and the guarantees will be Sagicor Finance (2015) Limited and the Guarantors’ general senior unsecured obligations and will rank equally in the right of payment with Sagicor Finance (2015) Limited’s and the Guarantors’ existing and future unsecured debt and senior to any of Sagicor Finance (2015) Limited and the Guarantor’s future subordinated debt. The Notes and guarantees will be effectively subordinated to all of Sagicor Finance (2015) Limited’s and the Guarantors’ 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 SFCL’s subsidiaries that are not issuing or guaranteeing the Notes.

Under the Note Indenture, the SFCL 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, SFCL and certain of its subsidiaries are restricted to incremental borrowing up to a prescribed level. They must maintain a fixed charge coverage ratio, in excess of 2:1 in order to incur additional debt.
Limitation on restricted payments covenant	This covenant limits cash outflows, dividends, acquisition and investments by SFCL and certain of its subsidiaries. They must maintain a fixed charge coverage ratio of 2:1 and an MCCSR capital ratio in excess of 175%.

Limitation on restricted distributions from subsidiaries	This covenant limits certain subsidiaries of SFCL from creating encumbrances or restrictions on their ability to make distributions to SFCL.
Limitation on sale of assets of subsidiary stock or shares	This covenant restricts SFCL and certain of its subsidiaries 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 between SFCL and certain of its affiliates.
Limitation on liens	This covenant restricts SFCL's and certain of its subsidiaries' ability to secure future debt with their assets.

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 (ii) 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.

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, 2019. 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. 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.
