

CARIBBEAN ASSURANCE BROKERS LIMITED (CAB)

Terms of Reference of the Remuneration & Administration Committee

PURPOSE

These Terms of Reference set out the duties and responsibilities and governs the operations of the Remuneration & Administration Committee (the Committee) of the Board of Caribbean Assurance Brokers Limited (the Company).

The Committee's purpose is to assist the Board and management in the development and oversight of compensation, strategies and policies in relation to the administrative departments of the Company.

MANDATE

The Committee derives its mandate from the Rules of the Jamaica Stock Exchange (JSE) Junior Market which in Article 504 (2)(b) requires that the Board of Directors shall "establish an Audit Committee and a Remuneration Committee that in each case has a majority of non-executive directors as its members."

The Rules further define the Remuneration Committee as "A committee of the Board of Directors comprising a majority of independent non-executive directors that is responsible for reviewing and recommending for approval, the remuneration arrangements of the Directors and Senior Officers of the Junior Market Company."

RESPONSIBILITIES

The Committee assumes responsibility to:

- Advise and assist the Board in reviewing and setting compensation for its Directors
- Review and recommend for Board approval the corporate goals and objectives relevant to the compensation of the Chief Executive Officer (CEO) and the Executive Chairman, annually evaluate the CEO's & Executive Chairman performance in keeping with those goals and objectives and either as a Committee, or together with other independent directors, as directed by the Board, determine and recommend the CEO's & Executive Chairman's compensation level based on the evaluations

- Collaborate with the Company's CEO to establish general compensation policies for the Company that:
 1. Support the Company's overall business strategies and objectives
 2. Enhance the Company's efforts to attract and retain skilled executives
 3. Link compensation with business objectives and organizational performance, and
 4. Provide competitive compensation opportunities for its key executives
- Review and approve recommendations to the Board, with respect to the compensation of all other executive officers and senior officers and all incentive compensation plans and equity-based plans
- Review and approve recommendations to the Board, any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers, which include the ability to approve adoption, amendment and termination of such agreements, arrangements or plans
- Review the Company's compensation policies and practices to determine if the risks arising from them are reasonably likely to have a material adverse effect on the Company and review and discuss at least annually, potential risks relating to the Company's compensation plans and programs
- Review and monitor the policies and procedures of the Company regarding sexual harassment and misconduct in the workplace, including reporting systems and treatment of received complaints and compliance with such policies and applicable laws
- Ensure the implementation of policies and review strategic decisions relating to general administration of the company's departments including Human Resources, Information and Technology, Disaster Preparedness, Knowledge and Talent Development, Property Management and Maintenance
- Ensure the IT & Operations policy and security manual are current and adequate in providing guidance and outlining the appropriate use and protection of CAB's physical and electronic systems and the information contained in those systems, while appropriately governing the activities and resources involved in the general daily operations of the company
- Ensure that CAB generates efficiency and value through the use of technology by the alignment with its business strategies

- Ensure that there are always current strategies and procedures to meet evident and pending interruptions through a well-defined Disaster Preparedness plan, that seeks to protect the material and human assets of the Company and ensure continuous customer service
- Review policies and provide perspectives to management regarding the Company's talent management programs and processes, which may include performance, succession planning, leadership development, diversity, recruiting, retention and training, to satisfy that the company attracts and retains the best talents available to it, to ensure the highest levels of customer service and to maximize shareholders value
- Regularly review and ensure the integrity and currency of the contents of CAB's external and internal webpage
- Perform any other duties consistent with these Terms of Reference, the Company's Articles of Association, as the Board or this Committee may deem relevant and necessary, advisable or appropriate to perform

ORGANIZATION & MEMBERSHIP

Members of the Committee shall be appointed by the Board and shall serve at the pleasure of the Board for such term or terms as the Board may determine or due to earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

The Committee shall at all times consist of at least four (4) non-executive directors, each of whom the Board has determined to be so under the regulatory rules of the FSC, the Jamaica Stock Exchange (JSE) and the Corporate Governance Committee of CAB.

The Board shall appoint the Chairperson of the Committee and the members of the Committee shall appoint another as Deputy Chairperson.

The Committee shall maintain minutes of its meetings, report regularly to the Board on its activities and make recommendations to the Board as appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee so designated by the Committee or by any other means directed by the Corporate Governance Committee or Board. It shall meet as often as may be deemed necessary or appropriate, in its judgement, but no less than two times annually.

The Committee may request any officer or employee of the Company, or the Company's outside Counsel or Consultant to meet with the Committee. However, the Committee can meet regularly without such officers present and in all cases the CEO and any other officers shall not be present at meetings where their compensation or performance are discussed or determined.

The Committee is governed by the same rules regarding meetings (face to face, video or teleconferencing), actions without meetings, notice, waiver of notice, quorum and voting requirements as are applicable to the Board.

The Company Secretary shall act as the secretary of the Committee and is responsible for ensuring that proper and detailed records of all meetings are developed, kept and circulated as appropriate.

The Quorum of the Committee shall be three (3) members. Where a vacancy arises at any time in the membership of the Committee, the Board will appoint a new member in the shortest order as circumstances allow.

In the manner prescribed by the Board, the performance of the Committee and its Chairperson shall be evaluated annually.

RESOURCES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the resources and authority, after approval of the Board, appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate, oversee and approve the fees and other retention terms of any consulting firm to assist in the evaluation of a director, CEO or senior executive compensation or for any other services, special or independent legal counsel, or other experts and advisors, as it deems necessary or appropriate. However, the Committee shall not be required to implement or act consistently with the advice or recommendations of any of the parties and the authority granted in this Terms of Reference shall not affect the ability or obligation of the Committee to exercise its own judgement in fulfilment of its duties under the Terms of Reference. Any communication between the Committee and its special or independent legal counsel will be privileged communications.

The Company shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment for

contracted services and any ordinary administrative expenses necessary or appropriate in carrying out its duties.

The Committee shall have the authority to delegate any of its responsibilities/undertakings, along with the authority to take action in relation to such responsibilities/undertaking, to one or more sub-committees as the Committee may deem appropriate.

AMENDMENT

These Terms of Reference shall not be amended except upon approval of a majority of the Company's independent Board members or as otherwise required by law or regulation.

Mr. Raymond Walker
Executive Board Chairman

Mrs. Gail Minott
Company Secretary

TERMS OF REFERENCE HISTORY
First Approved: February 23, 2022
First Revision: July 23, 2022