

CARIBBEAN ASSURANCE BROKERS LIMITED

CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is central to the effective and efficient operation of a company. It shapes both the long term direction and day-to-day operations of the company and plays an important role in the company's success or failure. Governance is about structures and processes that are designed to ensure transparency, accountability, responsiveness, stability, equity and inclusiveness. Good governance enhances the company's goodwill as well as bolsters its integrity and ethical standing in the community with regulators, vendors, customers and its most important asset – its employees.

The Company's Board of Directors is committed to achieving the highest standard of corporate governance, corporate responsibility and risk management to ensure a common set of expectations as to how the Board, its committees and management direct and control the company with a view to building credibility as well as stakeholder trust and confidence. To achieve these goals and in keeping with its mandate when it listed on the JSE Junior Market, and with its license from the Financial Services Commission (FSC), the Board has established various sub- Committees to assist in specific areas of its responsibilities. Each Committee has its Terms of Reference which serves to guide its role and operations in the entire organization.

The Company's governance framework will be centered around having the following in place:

1. Board and Committee Terms of References Developed and Approved

The Board and its sub-committees – The Corporate Governance, Audit Finance Risk & Compliance, and Remuneration & Administration Committees – will have Terms of References approved by the Board and uploaded onto the website for Shareholder accessibility. The Terms of References will provide the remit and scope of responsibilities thereby allowing the Board and Committees to operate with certainty and transparency.

2. Policies Approved by the Board and Fully Implemented

Policies are critical to the company as they create uniformity, consistency, build trust among the stakeholders and drive accountability, thereby reducing the risk of unwanted events. To this end, the existence of policies provides a decision making framework to ensure that integrity and fairness are adhered to when issues arise as well as minimize risks of exposure for the company. The company's policies will therefore guide its operations by integrating its mission, vision, values and culture into clearly written and easily accessible documents for the benefit of all stakeholders. As articulated by PowerDMS, "They cover what employees can expect from the organization (e.g. employee benefits, vacation leave), what the company expects from

employees (e.g. code of conduct, confidentiality agreements), and what customers and the community can expect from the organization (e.g. customer service).”

3. Divisions and Departments Develop Procedural Manuals that Fully Operationalize Policies

Procedural manuals are being developed to operationalize policies, streamline processes and provide a road map for day-to-day operations. They will help to ensure optimum business operations, consistent delivery of services and the completion of certain tasks of the company. The risks associated with unplanned events, off boarding and onboarding team members will be mitigated by these procedural manuals, in that the systematic approach to the business practices will be clearly outlined.

4. Committee Meetings Reports to the Board

Committees will operate on the delegated authority of the Board and so, the Committees will take on work that the Board cannot do during its regular Board meetings. Therefore, it will be important for Committees and their members to communicate their work to the other Board members. Committees will meet in accordance with their Terms of References and, on a timely basis, the Board will be updated on their activities, decisions and recommendations by way of reports.

5. Annual Evaluation of the Board and its Committees

Annual evaluations will assess the functioning of the Board and its Committees and their entailing responsibilities, and also assess how effectively these are being fulfilled by the Board and the Committees. It will be the responsibility of the Corporate Governance Committee to ensure that an assessment instrument(s) and a process exists for the annual evaluation exercise.

GOVERNANCE FRAMEWORK HISTORY

First Approved: August 4, 2021

First Revision: