

# Caribbean Assurance Brokers Limited Board, Board Appointed Committees and Executive<sup>1</sup> Compensation Policy

## Introduction:

This Compensation Policy for the board, board appointed committees and executive management sets out the guidelines and framework for providing fair and competitive compensation to the members of the board, board appointed committees and executive management of Caribbean Assurance Brokers Limited (CAB). The policy aims to fairly compensate these individuals who are qualified and contribute their experience, expertise, and time to successfully govern the organization and/or its day to day operations.

### 1. Purpose:

The purpose of this policy is to establish a transparent and consistent approach to board, board appointed committees and executive management compensation ensuring that the compensation is competitive, equitable, and aligned with industry standards and the organization's mission and financial capability.

### 2. Compensation Philosophy:

The compensation philosophy of the organization is to provide reasonable and appropriate compensation that reflects the responsibilities, time commitment, expertise, and value the board, committee members and executive management contribute to the organization.

### 3. Types of Compensation:

i. Board and committee members, with the exception of the Chief Executive Officer, where they are also a Director of the Board, may receive the following types of compensation based on their roles and responsibilities:

- a. **Meeting Fees:** Board and committee members are eligible to receive meeting fees for attending board and committee meetings. The meeting fees will be set based on industry standards as recommended by the Remuneration and Administration (R&A) Committee and approved by the board.

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<sup>1</sup> Executive Compensation refers to the financial payments and non-financial benefits provided to the upper level management within a business or organization.

**b. Board Chair Compensation:** The Board Chair may be eligible for higher compensation, considering their increased responsibilities, time commitment, and leadership role.

**c. Committee Chairs Compensation:** Committee Chairs may be eligible for higher compensation, recognizing their additional responsibilities, time commitments, and specific expertise required to lead committees.

**d. Reimbursement of Expenses:** Board and committee members will be reimbursed for reasonable and necessary expenses incurred in connection with their board and committee duties, such as travel, accommodation, and meal expenses, subject to pre-approval and expense reimbursement policies.

**ii. Executive Management Compensation:** In determining the compensation paid to the executive management, the board must take into account all benefits paid to the executive including (a) base salary; (b) fees; (c) bonuses; (d) severance payments; (e) retirement benefits; (f) fringe benefits; (h) bonus and profit sharing, and (g) payments to welfare plans, such as providing medical, dental, life insurance and disability benefits. The board shall delegate the determination of the amount to be paid to a committee comprising the chairs of the Board, Audit and Finance and the Remuneration & Administration Committees. This Committee shall also assess the performance of executive management on an annual basis.

#### **4. Payment Procedure:**

##### **A. Board and Board Committees**

Compensation will be paid at the rate approved by the board for each meeting attended by a member. Payments will be made on a quarterly basis, and the Company Secretary will be responsible for determining meeting attendance and submitting the information to the Chief Financial Officer (CFO). The CFO will facilitate payments to each member net of applicable taxes as soon as the information is received.

##### **B. Executive Management**

Compensation will be paid in the amounts approved by the board following the process of discussion and negotiation between the executive and the board or its designee to whom it delegates this responsibility. Payments, except as agreed to otherwise, example bonus, will be made on a monthly basis in keeping with the company's payroll schedule and all applicable laws and regulations.

#### **5. Independence and Conflict of Interest:**

Board, committee and executive compensation will be determined and recommended by the R&A Committee, for approval by the board of directors as provided by the

Jamaica Stock Exchange (JSE) Junior Market Rules. However, in order to ensure objectivity and manage any conflict of interest, the R&A Committee may seek independent advice and information from sources within the industry to guide its determination.

## **6. Disclosure:**

The organization will provide transparent and accurate disclosure of the board, committee and executive compensation in its annual financial statements, and as required by applicable laws and regulations.

## **7. Review and Audit:**

This policy will be reviewed every two (2) years by the R&A Committee to ensure its effectiveness, competitiveness, and alignment with the organization's goals and financial resources. At least annually, the internal auditor or an independent audit firm will review or audit the company's compliance with this policy.

## **8. Implementation:**

The implementation of this policy will be overseen by the R&A Committee.

Mr. Raymond Walker  
Executive Board Chairman

Mrs. Gail Minott  
Company Secretary