Guardian Holdings Limited
Summary Financials 2012 and
Notice of Annual Meeting for 2013

Turning the Complexities of Life into Benefits
for the People of the Caribbean and Beyond

Issued pursuant to section 155 (2) of the Companies Act Ch81:01
of the laws of Trinidad and Tobago
Turning the Complexities of Life into Benefits for the People of the Caribbean and Beyond

For more than 166 years, the member companies of Guardian Holdings Limited group of companies have been translating the complexities of life into benefits for our clients across the region by providing the best insurance and investment solutions in the Caribbean.

In 2012, we celebrated the 50th Anniversary of Independence with the people of Jamaica and of Trinidad and Tobago. At GHL, we too took this opportunity to reflect on the many successes we have enjoyed and challenges we have faced over the years.

As the largest indigenous insurance and financial services conglomerate in the region, it has been our privilege to play our part in building strong, independent societies for future generations in the twenty-two Caribbean countries in which we operate.

In an increasingly complex world, GHL harnesses the expertise and the energy of its management and staff to deliver ever-increasing benefits to its shareholders, customers, employees and to the nations of the Caribbean region and beyond.
Summary Financials 2012 and Notice of Annual Meeting for 2013

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Guardian Holdings Limited
Head Office
1 Guardian Drive, Westmoorings
Trinidad
Tel: 1-868-632-5433
Fax: 1-868-632-5695

Email: shareholder@ghl.co.tt
Facebook: www.facebook.com/
GuardianFinancial
Twitter: http://twitter.com/GHLtweets
Corporate Information

Directors:
Mr. Arthur Lok Jack (Chairman)
Mr. Peter Ganteaume (Deputy Chairman)
Mr. Jeffrey Mack (CEO)
Dr. Aleem Mohammed
Mr. Antony Lancaster
Mr. Douglas Camacho
Mr. David Davies
Mr. Imtiaz Ahamad
Mr. Jemal-ud-din Kassum
Mr. Philip Hamel-Smith
Mr. Selby Wilson

Secretary:
Mrs. Fé Lopez-Collymore

Registered Office:
1 Guardian Drive
Westmoorings
Trinidad and Tobago

Registrar & Transfer Office:
Guardian Holdings Limited
1 Guardian Drive
Westmoorings
Trinidad and Tobago

Auditors:
Ernst & Young
5-7 Sweet Briar Road
St. Clair, Trinidad

Principal Bankers:
RBC Royal Bank
19-21 Park Street, Port of Spain, Trinidad
Citibank (Trinidad & Tobago) Limited
12 Queen’s Park West,
Port of Spain, Trinidad

Committees:
GHL AUDIT COMMITTEE
Mr. Selby Wilson (Chairman)
Mr. Arthur Lok Jack
Mr. David Davies
Mr. Imtiaz Ahamad
Mr. Peter Ganteaume

GHL RISK & COMPLIANCE COMMITTEE
Mr. Antony Lancaster (Chairman)
Mr. David Davies
Mr. Imtiaz Ahamad
Mr. Jeffrey Mack
Mr. Philip Hamel-Smith

GHL REMUNERATION COMMITTEE
Mr. Arthur Lok Jack (Chairman)
Mr. Antony Lancaster
Mr. Peter Ganteaume
Mr. Philip Hamel-Smith

GHL CORPORATE GOVERNANCE COMMITTEE
Mr. Philip Hamel-Smith (Chairman)
Mr. Antony Lancaster
Mr. Arthur Lok Jack
Mr. Peter Ganteaume

GHL ENTERPRISE INVESTMENT COMMITTEE
Mr. Arthur Lok Jack (Chairman)
Dr. Aleem Mohammed
Mr. Jeffrey Mack
Mr. Jemal-ud-din Kassum
Mr. Peter Ganteaume
Turning the Complexities of Future Planning into Benefits for Caribbean People

Insurance and investment are fundamental planning tools to generate wealth for individuals, families, businesses and nations as a whole. In an increasingly complex and chaotic world, GHL provides integrated financial services with a focus on life, health, property and casualty insurance, pensions and asset management.

Nobody knows what the future will bring, but GHL is certain that through continued prudent investment and strategic management, GHL’s shareholders and the people of the Caribbean will ultimately benefit.
Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of Shareholders of Guardian Holdings Limited for 2013 will be held at The Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, on May 7, 2013 at 4:30 p.m. for the following purposes:

1. To review and consider the Consolidated Financial Statements of the Company for the year ended December 31, 2012 and the Reports of the Directors and Auditors thereon.

2. To elect directors for specified terms and for such purpose and (if thought fit) to pass the following resolutions:
   (a) That the Directors to be elected be elected en bloc;
   (b) That Messrs. Antony Lancaster, Selby Wilson, Peter Ganteaume and David Philip Hamel-Smith be and are hereby re-elected Directors of the Company for a term expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-law No. 1;

3. To appoint Auditors and to authorise the Directors to fix their remuneration for the ensuing year.

By Order of the Board

Fé Lopez-Collymore
Corporate Secretary

Date: March 13, 2013
1. **MEETING REQUIREMENTS**

Members are asked to observe the following requirements of the By-Laws for attendance and voting at the Annual Meeting.

**Proxies**

Members of the company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or be signed by its attorney.

Members who return completed proxy forms are not precluded, if subsequently they so wish, from attending the Meeting instead of their proxies and voting in person.

**Representatives of Corporations**

Corporate members are entitled to attend and vote by a duly authorised representative who need not himself be a member. Such appointment must be by resolution of the Board of Directors of the corporate member.

**Delivery to the Company**

Any instrument appointing a proxy (including an instrument evidencing the authority pursuant to which it is executed) or evidencing the authority of a representative of a corporate member, must be completed and deposited with the Secretary at the Company’s Registered Office, 1 Guardian Drive, Westmoorings, Trinidad, not less than 48 hours before the time for holding the meeting or adjourned meeting.
Proof of Identity

Members are also reminded that the By-Laws provide that the Directors may require that any member, proxy or duly authorised representative provide satisfactory proof of his identity before being admitted to the Annual Meeting.

Persons Entitled to Notice

In accordance with section 110(2) of the Companies Act, Ch. 81:01 the Directors of the Company have fixed April 5, 2013 as the Record Date for the determination of shareholders who are entitled to receive Notice of the Annual Meeting. Only shareholders on record at the close of business on April 4, 2013 are therefore entitled to receive Notice of the Annual Meeting. A list of such shareholders will be available for examination by shareholders at the Company’s Registered Office during usual business hours and at the Annual Meeting.

2. DIRECTORS’ CONTRACTS

There are no contracts during or at the end of the year ended December 31, 2012 in which a director of the company is or was materially interested and which is or was significant in relation to the company’s business.

There are no service contracts between a director and the company or any subsidiary company which has a term of 10 years or more and cannot be determined without payment of compensation.
Business Segments

**Life Health and Pensions**
- Guardian Life of the Caribbean Limited 100%
- Guardian Life Limited 100%
- Fatum Life N.V. 100%
- Fatum Life Aruba N.V. 100%
- Fatum Health N.V. 100%

**Caribbean Property & Casualty**
- Guardian General Insurance Limited 100%
- West Indies Alliance Insurance Company Limited 100%
- Globe Insurance Company of Jamaica Limited 100%
- Fatum General Insurance N.V. 100%
- Fatum General Insurance Aruba N.V. 100%
- Thoma Exploitatie B.V. 100%
- Trans-Nemwil Insurance (Grenada) Limited 54%
- Royal Star Assurance Limited 25%

**International Property & Casualty**
- Guardian Re (S.A.C.) Limited 100%

**Asset Management**
- Guardian Asset Management Limited 100%

**Strategic Alternative Investments**
- RGM Limited 33-33%
- Servus Limited 50%
- Eastern Caribbean Gas Pipeline Company Limited 15%
- Laevulose Inc Limited 79%
# Consolidated Financial Highlights

## Revenue

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life business net premiums written</td>
<td>$2,438 million</td>
<td>$2,183 million</td>
</tr>
<tr>
<td>General business net premiums written</td>
<td>$702 million</td>
<td>$721 million</td>
</tr>
<tr>
<td>General business net premiums earned</td>
<td>$702 million</td>
<td>$714 million</td>
</tr>
<tr>
<td>Revenue from insurance operations</td>
<td>$3,444 million</td>
<td>$3,095 million</td>
</tr>
<tr>
<td>Revenue from investment activities</td>
<td>$855 million</td>
<td>$1,136 million</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$4,299 million</td>
<td>$4,231 million</td>
</tr>
</tbody>
</table>

## Results

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>$273 million</td>
<td>$246 million</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>$291 million</td>
<td>$456 million</td>
</tr>
<tr>
<td>Earnings per ordinary share on continuing operations</td>
<td>$1.60</td>
<td>$2.04</td>
</tr>
</tbody>
</table>

## Balance Sheet as at December 31

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital &amp; reserves</td>
<td>$3,198 million</td>
<td>$3,194 million</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>$3,239 million</td>
<td>$3,155 million</td>
</tr>
<tr>
<td>Net asset value per share</td>
<td>13.97</td>
<td>13.60</td>
</tr>
</tbody>
</table>

## Dividend

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total dividend for the year per ordinary share on continuing operations</td>
<td>52 cents</td>
<td>52 cents</td>
</tr>
<tr>
<td>Dividend cover</td>
<td>3.08</td>
<td>3.92</td>
</tr>
</tbody>
</table>

## Average Rate

<table>
<thead>
<tr>
<th></th>
<th>Year-end Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion Rate</td>
<td>2012</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago dollar to one US Dollar</td>
<td>6.4196</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago dollar to one British Pound</td>
<td>10.3481</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago dollar to one Euro</td>
<td>8.3908</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago dollar to one Jamaican Dollar</td>
<td>0.0684</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago dollar to one Netherlands Antillean Guilder</td>
<td>3.5863</td>
</tr>
</tbody>
</table>

## Total Revenue 2009-2012 ($ million)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>2,725</td>
<td>3,383</td>
<td>3,095</td>
<td>3,444</td>
</tr>
<tr>
<td>General</td>
<td>702</td>
<td>721</td>
<td>714</td>
<td>702</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,444</td>
<td>3,095</td>
<td>3,136</td>
<td>3,444</td>
</tr>
<tr>
<td>Total</td>
<td>4,299</td>
<td>4,231</td>
<td>4,231</td>
<td>4,299</td>
</tr>
</tbody>
</table>

## Balance Sheet 2009-2012 ($ billion)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Assets</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Liabilities</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Net equity</td>
<td>15</td>
<td>10</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>
Key Performance Indicators 2009 -2012

Reported Profit attributable to equity holders ($ million)

Shareholders’ Equity ($ million)

Profit attributable to equity holders - continuing operations ($ million)

Dividends per Share ($)

Reported Earnings per Share ($)

Gross Premiums Written ($ million)

Earnings per Share - continuing operations ($)

Total Revenue ($ million)
Guardian Holdings Limited
Summary Financials 2012 and
Notice of Annual Meeting for 2013

Report of the Directors

The Directors have pleasure in submitting their Report for the year ended December 31, 2012.

<table>
<thead>
<tr>
<th>Directors' Report</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from insurance underwriting activities</td>
<td>528,993</td>
<td>360,208</td>
</tr>
<tr>
<td>Net income from investing activities</td>
<td>772,549</td>
<td>1,055,928</td>
</tr>
<tr>
<td>Net income from all activities</td>
<td>1,301,542</td>
<td>1,416,136</td>
</tr>
<tr>
<td>Operating profit</td>
<td>393,066</td>
<td>576,888</td>
</tr>
<tr>
<td>Share of profit/(loss) of associated companies</td>
<td>21,268</td>
<td>(25,005)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>414,334</td>
<td>551,883</td>
</tr>
<tr>
<td>Taxation</td>
<td>(113,518)</td>
<td>(87,148)</td>
</tr>
<tr>
<td>Profit for the year from continuing operations</td>
<td>290,812</td>
<td>456,019</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>272,870</td>
<td>246,110</td>
</tr>
<tr>
<td>Total assets</td>
<td>22,453,717</td>
<td>21,537,477</td>
</tr>
<tr>
<td>Insurance contract liabilities</td>
<td>12,525,872</td>
<td>11,610,115</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent</td>
<td>3,239,461</td>
<td>3,154,603</td>
</tr>
</tbody>
</table>

Dividends  An interim dividend of fifteen (15) cents per share was paid in 2012. At their meeting on March 13, 2013 the Directors declared a final dividend of thirty-seven (37) cents per share which will be paid on April 19, 2013 to shareholders on the Register as at April 5, 2013. The total dividend for 2012 therefore amounts to fifty-two (52) cents per share.

Directors  Messrs. Anthony Lancaster, Selby Wilson, Peter Ganteaume and David Philip Hamel-Smith having been elected for terms expiring at the close of this Annual Meeting retire and offer themselves for re-election.

Directors and Significant Interests  These are shown on page 11 and should be read as part of this report.

Auditors  The Auditors, Ernst & Young, retire and being eligible, offer themselves for re-appointment.

By Order of the Board

Fé Lopez-Collymore
Corporate Secretary

Date: March 13, 2013
## Directors’ and Senior Managers’ Interests as at December 31, 2012

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Ordinary Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Arthur Lok Jack</td>
<td>Director</td>
<td>14,581,947</td>
</tr>
<tr>
<td>Mr. Peter Ganteaume</td>
<td>Director</td>
<td>635,000</td>
</tr>
<tr>
<td>Mr. Jeffrey Mack</td>
<td>Director/Senior Manager</td>
<td>0</td>
</tr>
<tr>
<td>Mr. Imtiaz Ahamad</td>
<td>Director</td>
<td>4,813,763</td>
</tr>
<tr>
<td>Mr. Douglas Camacho</td>
<td>Director/Senior Manager</td>
<td>529,931</td>
</tr>
<tr>
<td>Mr. David Davies</td>
<td>Director</td>
<td>0</td>
</tr>
<tr>
<td>Mr. Philip Hamel-Smith</td>
<td>Director</td>
<td>291,497</td>
</tr>
<tr>
<td>Mr. Antony Lancaster</td>
<td>Director</td>
<td>3,517</td>
</tr>
<tr>
<td>Dr. Aleem Mohammed</td>
<td>Director</td>
<td>0</td>
</tr>
<tr>
<td>Mr. Jemal-ud-din Kassum</td>
<td>Director</td>
<td>0</td>
</tr>
<tr>
<td>Mr. Selby Wilson</td>
<td>Director</td>
<td>60,000</td>
</tr>
<tr>
<td>Mr. Brent Ford</td>
<td>Senior Manager</td>
<td>268,417</td>
</tr>
<tr>
<td>Mrs. Fé Lopez-Collymore</td>
<td>Senior Manager</td>
<td>258,828</td>
</tr>
<tr>
<td>Mr. Kerri Maharaj</td>
<td>Senior Manager</td>
<td>43,293</td>
</tr>
<tr>
<td>Mr. Keston Nancoo</td>
<td>Senior Manager</td>
<td>43,293</td>
</tr>
<tr>
<td>Mr. Larry Olton</td>
<td>Senior Manager</td>
<td>10,590</td>
</tr>
<tr>
<td>Mr. Neil Dingwall</td>
<td>Senior Manager</td>
<td>70,649</td>
</tr>
<tr>
<td>Mr. Paul Traboulay</td>
<td>Senior Manager</td>
<td>36,260</td>
</tr>
<tr>
<td>Ms. Prabha Siewrattan</td>
<td>Senior Manager</td>
<td>16,428</td>
</tr>
<tr>
<td>Mr. Ravi Tewari</td>
<td>Senior Manager</td>
<td>116,044</td>
</tr>
<tr>
<td>Mr. Richard Espinet</td>
<td>Senior Manager</td>
<td>56,657</td>
</tr>
<tr>
<td>Mr. Steven Martina</td>
<td>Senior Manager</td>
<td>0</td>
</tr>
<tr>
<td>Mr. Wendell Mitchell</td>
<td>Senior Manager</td>
<td>13,407</td>
</tr>
</tbody>
</table>

## Top Ten Shareholders as at December 31, 2012

<table>
<thead>
<tr>
<th>Shareholder Name</th>
<th>Ordinary Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenetic Limited</td>
<td>35,841,859</td>
<td>15.46%</td>
</tr>
<tr>
<td>RBC Royal Bank (Trinidad &amp; Tobago) Limited (formerly RBC Insurance Holdings Limited)</td>
<td>22,334,254</td>
<td>9.63%</td>
</tr>
<tr>
<td>International Finance Corp</td>
<td>22,271,485</td>
<td>9.60%</td>
</tr>
<tr>
<td>Arthur Lok Jack</td>
<td>14,581,947</td>
<td>6.29%</td>
</tr>
<tr>
<td>RBC Trust (Trinidad &amp; Tobago) Limited</td>
<td>10,134,888</td>
<td>4.37%</td>
</tr>
<tr>
<td>IFC ALAC GHL Holding Co Ltd</td>
<td>7,423,828</td>
<td>3.20%</td>
</tr>
<tr>
<td>Trinidad and Tobago Unit Trust Corporation</td>
<td>7,297,044</td>
<td>3.14%</td>
</tr>
<tr>
<td>Republic Bank Limited</td>
<td>7,728,836</td>
<td>3.33%</td>
</tr>
<tr>
<td>RBC Nominee Services (Caribbean) Limited</td>
<td>5,783,053</td>
<td>2.54%</td>
</tr>
<tr>
<td>First Citizens Trust &amp; Asset Management Limited</td>
<td>5,838,169</td>
<td>2.51%</td>
</tr>
</tbody>
</table>

(see notes on page 12)
Substantial Shareholders as at December 31, 2012

<table>
<thead>
<tr>
<th>Shareholder Name</th>
<th>Ordinary Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Tenetic Limited</td>
<td>35,841,859</td>
<td>15.46%</td>
</tr>
</tbody>
</table>

Note: Mr. A. Lok Jack has a beneficial interest in Tenetic Limited

Employee Share ownership Plan (ESOP)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>February 13, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Shares held</td>
<td>3,643,811</td>
<td>3,643,582</td>
</tr>
</tbody>
</table>

Notes:

Note 1: The interests of Directors/Senior Managers include the interests of “connected persons.” Persons deemed to be connected with a director/senior manager are:
A. The Director’s/Senior Manager’s husband or wife.
B. The Director’s/Senior Manager’s minor children (these include step-children and adopted children) and dependents, and their spouses.
C. The Director’s/Senior Manager’s partners.
D. Bodies corporate of which the Director/Senior Manager and/or persons connected with him/her together have control. Control of a corporation is the holding of shares which carry 50% or more of the voting rights in the corporation.

Note 2: There are no non-beneficial interests held by the Directors /Senior Managers other than the interests of Mr. Selby Wilson, Mr. Douglas Camacho and Mr. Brent Ford as trustees of the Guardian Holdings Limited Employee Share Ownership Plan (ESOP). The holdings of the ESOP are shown above.

Note 3: There have been no changes to the Substantial Interests and Interests of Directors and Officers between the end of the Company’s financial year end and February 13, 2013.

Note 4: A substantial interest means one-tenth or more of the issued share capital of the Company.
Turning the Complexities of Changing Times into Benefits for our Customers

The actual benefits to the customer of insurance, pensions and investment, are often many years in the future.

A customer who begins a pension plan at age 29 expects to receive that pension when he retires. Our customers therefore rely on us to be there for them when it matters, when they expect to derive the benefits of sound financial planning.

We therefore place strategic emphasis on prudent financial management, sound corporate governance, succession planning and business continuity. This ensures that we always increase our expertise and grow the financial strength on which our customers’ benefits are built.
Dear Shareholders,

The year 2012 proved to be an excellent one for Guardian Holdings Limited (GHL) as without exception, all of our Caribbean insurance operations delivered strong profits. I am pleased and excited about the future prospects of the group as in addition to our continuing organic growth in revenue and profits, GHL has returned to the merger and acquisition arena for the first time since 2006, acquiring three well run insurance companies which in addition to being accretive in the first year will help us grow our top and bottom lines.

**Consolidated Results** GHL group revenue increased 9% from $4.0 billion to $4.4 billion and despite booking a substantial non-cash charge of $150 million for Pointe Simon, our development property in Martinique, net group profits totalled $353 million. This represents an impressive increase of 35% over prior year profits of $261 million. Basic earnings per share rose from $1.13 last year to this year’s $1.52 per share.

Net income from insurance underwriting was $529 million versus $360 million for the comparable 12 months of 2011, an increase of 47%, whilst Net income from investing activities fell from $1.1 billion to $922 million, a decrease of 12.7%, resulting from the continuing low interest rate environment and the paucity of good quality investment opportunities.

**Excellent Segment Results** All of GHL’s insurance subsidiaries are continuing to perform well.

Our Life, Health, and Pensions (LHP) segment increased their operating profits by 32% from $382 million in 2011 to $506 million for 2012. In spite of the prevailing weak economic environment, LHP was
able to increase its top line revenue by 10% as compared to last year, owing to our unrivaled LHP sales force.

Our Caribbean Property and Casualty segment (CPC) achieved operating profits for 2012 of $161 million as compared to 2011’s $184 million. The majority of the 13% decrease in profits can be attributed to flood claims in Trinidad, claims in Jamaica from Hurricane Sandy, and a poor performance from our branch in Barbados. Despite these claims our CPC segment has again delivered a stellar combined ratio of 83%, or a 17% profit margin on earned premium.

Our Asset Management business achieved operating profits of $58 million as compared to $27 million for 2011. In addition to this excellent performance, Guardian Asset Management grew its Assets under Management to $9.2 billion, a 7% increase.

**Merger and Acquisition Activity** In November 2012, we closed the purchase on Globe Insurance Company in Jamaica, making GHL the largest general insurance provider in Jamaica and in December of 2012, we signed an agreement for the purchase of Royal & Sun Alliance Antilles (RSA) which, on closing, will make GHL the largest insurer in the Dutch Caribbean. Both these acquisitions will be swiftly synergised with our existing operations in these markets.

The third acquisition made was an insurance broker based in the Netherlands which we closed in the last week of December 2012. This acquisition will expand Fatum’s existing and successful “Dutch” Caribbean business while providing the group with additional fee-based business that is free of insurance risks.

I view all of these acquisitions as strategic, “bolt-on” acquisitions that will be accretive to the group’s earnings in the first full year of consolidation.
Pointe Simon - Martinique  You will recall that in the third quarter of 2012 we took a $20 million provision related to this project. Accounting standards dictate that we recognise the current situation which reflects the tough economic climate currently faced by Martinique and France, which are the two primary markets for the project’s office and retail spaces, condominiums, and hotel. As a result, during the fourth quarter, we have taken a further provision of $129.8 million bringing the full year’s provision to $149.8 million. Because of the unequalled quality and location of this project as compared to the competition, we believe that over the long-term GHL and its shareholders will realise a decent return on this investment.

I would like to add three additional points on Pointe Simon; one, the provisions we have made are accounting, non-cash provisions. Two, as is typical for the construction phases of real estate development projects, the cash we have invested in Pointe Simon up to this point has returned 0% to shareholders. This “opportunity cost” to shareholders has already created a drag on our earnings since these funds could have been used for other purposes. This dynamic will change once we finish the construction in 2013 and begin to turn our attention and energy to its commercialisation. Three, this project has been built without any direct external debt and therefore as this project begins its commercialisation phase, its cash proceeds will flow fully back to GHL. We can then reinvest these funds in higher producing investments, which will benefit our future earnings, and/or we can return a portion to shareholders via dividends.

Jamaica’s National Debt Exchange  Even though Jamaica’s National Debt Exchange is a subsequent event after the close of our year-end 2012 results, I wish to address its effect on our business in this Chairman’s Statement.

On February 12, 2013, the Government of Jamaica (GOJ) announced the National Debt Exchange (NDX), which is a follow-up step being taken by the GOJ as a pre-condition to accessing further relief through borrowing from the IMF and other international development multi-nationals. The NDX is designed to further extend maturity dates and lower interest payments on GOJ debt. GHL has decided, along with all of the other holders of GOJ debt, to swap all the affected bonds by the closing date of February 22nd, 2013. The face value of affected bonds held by our Jamaican subsidiaries amounts to J$31 billion or roughly US$328 million. The effect of the NDX on our portfolio of investments of swapping out existing GOJ bonds for the newly issued GOJ bonds is to lower investment
income and lengthen our yield curve. While the participation in the NDX will negatively impact the company’s interest income in the short term, the lengthening of maturities has served to ensure that the balance sheet impact on our liabilities is not material.

In the first quarter of 2013, we expect to take a realised loss related to the NDX of approximately TT$35 million. However, we have already identified a number of mitigation strategies which we anticipate will reduce the overall impact on our 2013 earnings to around TT$10 million.

We do not expect the NDX to have any medium or long-term impact on GHL’s earnings.

**Final Shareholder Dividend** Given our level of profits from the current year and the expected continued good performance of the group, your Board of Directors has decided on paying out a final dividend of thirty seven (37) cents a share, which when combined with the interim dividend of fifteen (15) cents a share amounts to a total dividend payout of fifty two (52) cents a share. This dividend will be paid to shareholders on record on April 5, 2013 when the Register of Members will be closed for this purpose.

The Directors have also fixed the date of the Annual Meeting for May 7, 2013 at 4:30 p.m. at the Guardian Corporate Centre, 1 Guardian Drive, Westmoorings. The formal Notice of Annual Meeting with the Director’s Report and summary of the audited financial statements for the financial year ended December 31, 2012 will be forwarded to Shareholders in due course.

Arthur Lok Jack  
Chairman of the Board

Jeffrey Mack  
Chief Executive Officer
Guardian Holdings Limited
Summary Financials 2012 and
Notice of Annual Meeting for 2013

Board of Directors

Arthur Lok Jack
Group Chairman

Jeffrey Mack
Group Chief Executive Officer

Peter Ganteaume
Deputy Chairman

Fé Lopez-Collymore
Corporate Secretary

Jemal-ud-din Kassum

Antony Lancaster

Dr. Aleem Mohammed

Selby Wilson

Imtiaz Ahamad

Douglas Camacho

David Davies

Philip Hamel-Smith

For more information about our Board of Directors, please refer to:
http://www.guardianholdings.com/content/index.php/about/board-of-directors/
Management Discussion & Analysis 2012

This Management Discussion and Analysis contains detailed information important to understanding the Company's results and financial condition and should therefore be read in its entirety.

Forward looking statements – cautionary language

The report reviews the Company’s financial condition and results of operations including its liquidity and capital resources. Historical information is presented and discussed. Where appropriate, factors that may affect future financial performance are also identified and discussed. Certain statements made in this report include “forward-looking statements”. Forward-looking statements include any statement that may predict, forecast, indicate or imply future results, performance or achievements instead of historical facts and may contain words like “believe”, “expect”, “estimate”, “project”, “budget”, “forecast”, “anticipate”, “plan”, “will”, “shall”, “may” and other words, phrases or expressions with similar meaning. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements and the Company cannot give assurances that such statements will prove to be correct. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Overview

Guardian Holdings Limited (GHL) is a holding company formed in 1982 which became a publicly listed company in Trinidad & Tobago on June 18, 1996 and in Jamaica on September 20, 2000. GHL’s subsidiaries provide financial services through the production, distribution, and administration of insurance and investment products. GHL’s principal operations are conducted throughout the Caribbean. There are three main business segments: Life, Health and Pensions; Property and Casualty Insurance; and Asset Management. Services are primarily distributed and sold throughout the Caribbean, however reinsurance cover is selectively provided on a worldwide basis through the group’s international property and casualty business segment.
Critical accounting policies and estimates

The group’s accounting policies require the use of judgments relating to a variety of assumptions and estimates, in particular, expectations of current and future mortality, morbidity, persistency, expenses and interest rates. Because of the inherent uncertainty when using the assumptions and estimates, the effect of certain accounting policies under different conditions or assumptions could be materially different from those reported in the consolidated financial statements. A discussion of the most significant accounting policies is presented hereunder.

Value of inforce life insurance business The acquisition costs of writing new long-term insurance policies occur at the time that the policies are issued. However, the profits on this business are released gradually over the lifetime of the policies. There are a number of accounting treatments available to deal with the disparity between the timing of the acquisition expenses and the release of profits. The group uses the Achieved Profits Method which is referred to as Embedded Values accounting. An Embedded Value represents the present value of the future profits of the block of existing long-term business. The calculation of Embedded Values requires assumptions concerning future persistency, mortality, morbidity, expenses and investment yields. Under this method, the accounts reported profits are adjusted to reflect the increase or decrease in the future value of the inforce portfolio. The group’s accounting policy in respect of accounting for value of inforce life insurance business is disclosed in Note 2.14 (e) with underlying details provided in Note 13 to the Consolidated Financial Statements.

As at December 31, 2012 the group recorded $879 million (2011: $742 million) in its books for the value to shareholders of inforce long-term business.

Deferred acquisition cost The group incurs significant brokerage costs in connection with the acquisition of its short-term insurance business through its intermediaries. These costs vary with and are integral to the procurement of ongoing insurance business and are amortised over the period during which premiums are earned. The group’s accounting policy in respect of accounting for deferred acquisition costs is disclosed in Note 2.14 (f) with underlying details provided in Note 17 to the Consolidated Financial Statements.

As at December 31, 2012, the deferred acquisition costs remaining to be amortised totalled $79 million (2011: $73 million).

Financial assets The group has financial assets totalling $12.1 billion (2011: $11.3 billion) that are classified as either held to maturity or fair value through profit or loss. The group’s accounting policies in respect of its invested assets are disclosed in Note 2.8 with the underlying analyses of invested assets provided in Note 9 to the Consolidated Financial Statements.
Intangible assets  Included in the group’s consolidated statement of financial position are intangible assets totalling $367 million (2011: $254 million); these represent trademarks and goodwill arising on the acquisition of subsidiaries and require an annual estimate of the future profitability of the respective cash generating units. Revisions to the estimates that result in the impairment of the carrying value of these assets result in the amounts being expensed in the reporting period in which the revisions are made. The group’s accounting policy in respect of its intangible assets is disclosed in Note 2.7 with additional details provided in Note 7 to the Consolidated Financial Statements.

Liabilities related to insurance contracts  Liabilities related to insurance contracts comprise the value of future benefits payable under contracts of insurance related to its life, health and pensions business and claims and unearned premium reserves related to the group’s property and casualty business.

The establishment of adequate reserves to meet the group’s obligations to its policyholders involve estimating liabilities for future policy benefits on life and health insurance products, and requires the use of assumptions such as those relative to future investment yields, mortality, morbidity, persistency and other appropriate assumptions based on historical experience modified as necessary to reflect anticipated trends and to include provisions for possible adverse deviation.

Determining liabilities for the group’s property and casualty insurance products also requires the use of assumptions, including the projected levels of used vehicle prices, the frequency and severity of claims and the effectiveness of internal processes designed to reduce the level of claims.

The group’s accounting policy in respect of insurance benefits and claims is disclosed in Note 2.14 and specific details are provided in Note 23 to the Consolidated Financial Statements.

As at December 31, 2012 the group had established reserves for policy liabilities of $12.5 billion (2011: $11.6 billion).

Pension obligations  Determining the group’s obligations to employees under its defined benefit pension plan and stock-based compensation plans requires the use of estimates. The calculation of the liability related to the group’s defined benefit pension plan requires assumptions regarding the appropriate weighted average discount rate, estimated rate of increase in the compensation of its employees, projected changes in staffing levels and the expected long-term rate of return on the plan’s assets. The group’s accounting policy in respect of pension obligations is disclosed in Note 2.18 to the Consolidated Financial Statements.
**Summary of Financial Performance**

**Life, Health & Pensions** The group’s Life, Health and Pensions business (the LHP group) provides insurance coverage and financial security solutions for customers throughout the English and Dutch-speaking Caribbean. It comprises Guardian Life of the Caribbean (GLOC) and Bancassurance Limited (BANC) domiciled in Trinidad, Guardian Life of the Caribbean (GLOC) branch in Barbados, Guardian Life Limited (GLL) domiciled in Jamaica and Fatum Life and Fatum Health (FATUM) domiciled in Curaçao and Aruba.

Profits in the LHP group continue to be strong and show solid growth. It achieved an after-tax profit of $422 million, which surpassed prior year’s profit by 34%. This excellent financial performance was driven by solid new business growth, increased operational efficiencies and high business retention due to greater customer satisfaction and loyalty.

The LHP group overcame continued sluggish regional economic growth and achieved total revenue of $3.5 billion, which is 11% over prior year. Net premium income of $2.4 billion registered similar growth and contributed 70% of the total revenue of the LHP group. The Individual Life, Annuities and, to a lesser extent, Group Life lines drove the year on year increase over 2011 and contributed $1.8 billion of the net premium income. The growth trend in total net premium income is illustrated below.

![Net Premium Income](image)

Health premiums remained relatively flat over prior year results, based on a deliberate strategy to focus on bottom-line rather than top-line growth. This resulted in significant improvements in claims and combined ratios year over year and increased profitability.
Individual Life annualised premium income of $431 million registered a 5% growth over prior year. The Trinidad and Tobago companies contributed 48% of the annualised premium income of the LHP group and maintained their significant dominance of the Trinidad and Tobago insurance market, which is the largest insurance market in the Caribbean.

During 2012, GLL was a significant contributor to the overall growth in premium income, registering a 49% growth over 2011 followed by FATUM with a 6% growth. The following graph sets out the Individual Lines new business annual premium income by territory for the past four years.

The overall net result from insurance activities was $187 million, with all companies in the LHP group improving on their 2011 performance. The most significant improvement of 97% or $139 million was posted by Fatum and resulted from the 27% increase in net premium income, augmented by the 4% reduction in net claims incurred.

Despite a very challenging economic environment, there was a 3% increase in investment and other income over 2011 to $802 million before fair value gains. Net income from investing activities of $786 million, however, represented a decrease by 3% arising from the 39% reduction in net fair value gains. GLL recorded approximately $10 million in fair value losses, compared to fair value gains of $15 million in 2011. This reduction was largely attributed to the decline in the equities and bond markets in Jamaica due to the uncertainty surrounding that country’s pending transaction with the International Monetary Fund as well as the impairment of the Government of Belize 2029 bond during the year.

The LHP group increased its asset base by 8% to close the year with assets totalling $16 billion. The main contributory factors are the 6% growth in financial assets to over $10 billion and the 19% increase in the value to shareholders of inforce long-term business.
In keeping with the group’s fundamental philosophy of providing its customers with safety and security through our financial strength, the capital base of the LHP group remains strong, as operating companies ensure that the capital maintained is more than adequate to protect policyholders’ benefits while maximising shareholders’ returns.

GLOC closed the year with a solvency margin of 20% in excess of its reserves. In addition, GLOC holds an A.M. Best rating of A-(Excellent). Fatum maintained a strong solvency position in 2012, remaining comfortably well in excess of the minimum solvency requirements of the regulator. The solvency of GLL is measured in terms of a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio. The ratio for GLL is 187% as at December 31, 2012, which is well above the regulatory requirement of 150%.

The LHP group’s strategy is centred on customer service excellence, market leadership in sales and operational efficiency through cost containment, technological innovation, rationalisation of our IT infrastructure and consolidation across the LHP group. During 2012, significant progress was made in this regard and we will continue to deploy our proven strategy in 2013. We have already launched a state-of-the-art new business system in Trinidad and Tobago as well as in Barbados. This will be further deployed in Jamaica in 2013.

2013 is likely to be a challenging year for the Caribbean region, with the continued slow growth in the global and regional economies compounded by the recently implemented National Debt Exchange Offer (NDX) in Jamaica. However, we are confident that we have deployed strategies to continue to grow top-line and extract expense savings and thereby continue our pattern of strong profitable growth.

**Caribbean Property & Casualty** Three significant acquisitions were made in 2012 that are expected to increase revenue for the group by approximately $355 million and reinforce its position as the largest indigenous general insurer in the Caribbean region.

The first acquisition was Globe Insurance Company of Jamaica Limited, which, when combined with our fully owned subsidiary West Indies Alliance, will be the largest general insurance company in Jamaica.
The second acquisition, Royal and Sun Alliance (Antilles) N.V. (RSA), which is still subject to regulatory approval, when combined with Fatum General, will also create the largest General Insurance operation in the Dutch Caribbean. Concurrent with the RSA Antilles acquisition, Fatum has entered into a long-term distribution arrangement for its insurance products with the Maduro and Curiel’s Bank (MCB).

The third acquisition is Thoma Exploitatie B.V. (Thoma), an insurance broker based in the Netherlands. This acquisition will expand Fatum’s existing and successful “Dutch” business while providing the group with additional fee-based business that is free of insurance risk.

GHL’s Caribbean Property and Casualty Business is serviced by five companies whose operations collectively span 21 countries regionally. These companies include West Indies Alliance and the recently acquired Globe, both operating in Jamaica. Guardian General Insurance Limited (GGIL) operates in Trinidad and Tobago, Barbados and several countries in the Eastern and wider Caribbean. Fatum General N.V., operates in the Dutch Caribbean and writes a small property portfolio in the Netherlands, which will be augmented by the Thoma acquisition.

GGIL’s strong financial performance has surpassed prior year technical profits with both the local and overseas territories achieving solid financial performance ratios. The major contributing factors are the improved claims experience and income from multinational business. These favourable results affirm GGIL as the market leader in terms of size and profitability, in spite of the sustained softening of the premium rates particularly by new market entrants.

Guardian’s risk capacity continues to be supported by its long established tradition of maintaining sound underwriting principles and guidelines backed by robust reinsurance programs. Additionally GGIL, with its proven regulatory compliance track record and supported by a strong internal structure, is in the best position to conform to any new and pending regional legislation.
The continued uncertainty for the regional economic outlook, the increased financial market volatility and downgrading of some regional territories by rating agencies have dampened consumer spending and weakened the demand for short-term insurance. This, coupled with new market entrants, resulted in the further softening of premium rates which have challenged us in underwriting adequately priced new business. However, our financial strength, customer service, excellent claims servicing standards as well as our alignment with global networking partners, resulted in premium income growth through multinational accounts.

The 2012 hurricane season is best described as one of high activity but with a lower than expected impact for such an active season. Similar to the last season, there were 19 named storms, of which 10 developed into hurricanes, one of which was classified as major. Hurricane Sandy provided the only impact on Guardian’s Caribbean results with gross and net losses of $6.4 million and $3.2 million in the Bahamas. There were no major losses arising from earthquakes in the region.

In spite of this challenging environment, Caribbean Property and Casualty was successful in growing its gross premiums by 7.8% to $1.761 billion, mainly through business generated from global network partners. Fatum’s shedding of unprofitable and volatile business in the Netherlands resulted in the decline in their gross premiums.

Profit after tax of $127.1 million decreased by 13.4% from $146.8 million in 2012. This was due mainly to the intentional reduction in Fatum’s gross premiums. Net claims ratio improved to 38.2% from the 2011 ratio of 40.9%; the overall combined ratio for claims, expenses and commissions increased slightly to 82.9% from 80.9%.

Total assets of $2.9 billion reflected an increase of 22.7% from $2.3 billion.

A.M. Best affirmed GGIL’s rating of A-(Excellent) with a stable outlook in the Financial Size Category VII, which is the highest category and rating of any indigenous Caribbean Property and Casualty Underwriter.
Asset Management 2012 was a record year for Guardian Asset Management Limited (GAM) despite the challenging investment environment. Interest rates both domestically and internationally continue to be at historic lows, while equity markets are still being viewed with skepticism post the 2008 financial crisis. Nevertheless, GAM has made great strides in meeting its stated mandate of providing financial peace of mind to its investors.

Total assets under management (AUM) increased by 7.33% to $8.8 billion. This growth was most visible in the captive portfolio, which increased from $6.5 billion to $7.1 billion. In particular, the Guardian Life of the Caribbean portfolio benefited from positive returns as well as net inflows. Growth in AUM was also aided by 32% growth in the recently launched Non-Discretionary Private Wealth Business, in which investors can direct their own trades within a very competitive fee structure.

Impressive returns and growth in AUM translated into a milestone financial performance for Guardian Asset Management. Total revenue crossed the $60 million mark due to commensurate growth in management fees from the captive portfolio. Revenue was also supported by stable flows from the company’s primary revenue earner – management fees on the GAM suite of mutual funds. This top line performance was complemented
by strong cost control that saw more efficient use and management of marketing and other fee expenses. In total, the company achieved a profit after tax of $23 million, which represented a 17% growth year on year.

Looking ahead, the separation of the asset management and trust services functions should be completed in 2013. As previously mentioned, this change is being made to improve the transparency for investors, as there will be a clear demarcation of investment management from trustee oversight. In addition, it will create a renewed focus on the offering on trustee services, a business line that has been largely untapped by the group.

In 2012, all GAM mutual funds produced attractive, positive returns. The best performer was the GAM European Equity Fund, which returned 20.90% for the year. This was due to favourable selection decisions against the backdrop of an increased level of comfort among international investors that Germany and the other more wealthy European nations would continue to support distressed nations and avoid a breakup of the Eurozone and collapse of the Euro. The Global Fund Solutions – the Conservative, Moderate and Aggressive Funds – generated returns of 3.47%, 5.83% and 10.67% respectively, which is consistent with what is required from these investment styles. In addition to attractive absolute returns, the funds also produced attractive returns relative to benchmarks, local competitors and international competitors. The two income funds – the TT and US Monthly Income Funds – were also able to maintain competitive payout rates throughout the entire year.

The three top performing mutual funds for 2012 were:

- European Equity Fund: 20.90%
- Asia Pacific Rim Equity Fund: 14.82%
- New Economy Equity Fund: 11.67%
Alternative Investments

Pointe Simon Project Guardian Holdings Limited has had a long tradition of success in the development of several major first class real estate development projects over the years. Initially under Guardian Properties Ltd., these included premium residential space like The Towers, La Fontaine, Spanish Court and Marine Villas. Through its partnership in RGM, the group successfully developed commercial space, including Albion Plaza Energy Centre, Princes Court and Newtown Centre, to name a few.

Building on this successful tradition, and seeking to leverage our balance sheet capacity for projects with attractive long-term returns and value for our shareholders, GHL took the decision to partner with other major shareholders to develop Pointe Simon, a mixed-use major development in downtown Fort de France, Martinique. The Pointe Simon project, on which construction began in 2008, was originally jointly owned by GHL, RBTT and other minority investors, all of whom invested as a consortium through Laevulose Inc. Limited. After RBTT was acquired by Royal Bank of Canada, their corporate strategy changed and they opted to dispose of their shares in Laevulose. GHL acquired the shares of RBTT/RBC. This made GHL the largest single shareholder in the consortium. Since inception, GHL has honoured its commitment and pursued its vision for the project over the period, providing substantial capital and strategic direction as well as nurturing the relationships in Martinique and France to successfully promote the premium commercial and residential space that is being constructed.

During the course of 2012, the physical structures of two of the three edifices of the project – the office tower and the condominium block – were completed. The office block/hotel is still under construction, and is expected to be completed by the end of 2013. In June 2012, a ceremonial “key hand over” event took place, signalling the commencement of the commercialisation phase of the project and the availability of space for lease and purchase, especially in the office tower and condominium blocks. The event featured a model condominium, completely outfitted, as a show-room for the hundreds of guests.
and potential investors who took the opportunity to tour the facility. This included a tour of the office tower as well.

The Chairman of the Region and the Mayor of Fort de France, who have both been in full support of the project from inception, welcomed the completion of this phase of the project, which they see as key to stimulating and diversifying the economy of Martinique.

Now that two of the physical structures of the project have been completed, and the third is at an advanced stage of construction, the focus for 2013 is on the commercialisation of the various types of space available. However, in spite of the significant progress made in the project, especially over the last 18 months, in bringing it to a stage of final completion, the weak economic conditions in the Caribbean, more specifically in Martinique, and the very challenging economic conditions in the Eurozone, including in France, whence much of the demand for this space is expected to come, have contrived to stymie our ability to secure sale contracts as anticipated. As such, our projections for commercialisation and sale or lease of the space have not been realised at the scale which we anticipated at this stage. We continue to pursue the several strategies that are planned to crystallise the revenues anticipated from this investment, and we are very encouraged by the discussions we have had with prospective investors in Martinique, the potential hotel operator as well as the French authorities on the mainland, in this regard.

**RGM**

RGM Limited (RGM) is a joint venture of equal equity ownership among RBC Merchant Bank (Caribbean) Limited, Guardian Holdings Limited and Sagicor Life Inc, which began trading in 1996. The GHL balance sheet carrying value is $145 million, and profit attributable to GHL in 2012 is $15 million. The company’s primary product is premium office space, which is leased over the medium to long term, and fully serviced by RGM. With over 500,000 sq.ft. of space comprising seven (7) buildings under management currently, RGM provides facilities to a wide range of organisations. Its clients include multi-national corporations occupying in excess of 100,000 sq.ft. across multiple locations, to small professional and service-oriented firms, occupying as little as 5,000 sq.ft.

In addition to the commercial buildings on its portfolio, in 1999, RGM also constructed four stadia and renovated the existing Hasely Crawford stadium for the Government of Trinidad & Tobago (GORTT) at a cost of $370 million. These projects were financed by a 15 yr. bond. GORTT leased the stadia for 15 years with an option to purchase the facilities at the end of the lease. The stadia were completed within budget in June of 2001.

RGM continues to enjoy full tenancy in all of its buildings. During the year, the company received a number of requests for the provision of additional Grade A accommodation. This has led to its decision to construct another A grade commercial building on land it owns on the eastern side of the Queen’s Park Savannah. This building is expected to be completed by the beginning of the third quarter of 2014.

The building, which will comprise approximately 63,000 sq.ft., will be the first design in Trinidad and Tobago to have a reduced environmental footprint with a LEED bronze certification.
**Eastern Caribbean Gas Pipeline Company (ECGPC)** This company is a joint venture among Bigwater Limited (itself a joint venture between Beowulf Energy LLC and First Reserve Energy Infrastructure), which owns 60%; The Trinidad and Tobago Unit Trust Corporation - 15%; Guardian Holdings Limited - 15% and the National Gas Company of Trinidad and Tobago - 10%. This represents a total share capital of approximately US$20 million.

Work continues apace on the three fundamental elements to complete the pipeline, which include:

- Government agreements
- Technical feasibility
- Financing.

The Inter-Government Agreement between the Governments of Trinidad & Tobago and Barbados reflect a 20-year gas export term. This was signed-off in May of 2012. The Host Governments Agreements for Trinidad & Tobago and Barbados are expected to be completed before the end of the third quarter of 2013.

The underwater seabed and geotechnical surveys are expected to begin at the start of the third quarter of 2013 during the favourable weather window. The Underwater Survey Contractor has been selected. The contracts are expected to be signed at the beginning of the second quarter of 2013.

Detailed project planning workshops were conducted with the stakeholders from the government of Barbados in May of 2012. Coordination with all the stakeholders in the process continued throughout the year.

The Natural Gas to Liquids (NGL) plant design has been progressing well and detailed discussions are on-going with the National Gas Company of Trinidad and Tobago (NGC) and Phoenix Park Gas Processors Limited (PPGPL). NGC is in the final stages of analysing the various solutions for NGLs.

A detailed review of the project was done by DORIS Engineering, a leading company in the field of gas transportation financing. The results demonstrated that the pipeline system could result in reducing fuel costs by 25-40%.

The international development financial institutions such as the International Financial Corporation (IFC), the Inter-American Development Bank (IADB) and the European Investment Bank (EIB) all view the project as transforming regional, economic, environmental and political dynamics. As a consequence, they are considering an investment in the pipeline.

ECGPC has also had discussions with international commercial banks to discuss and analyse financing structures for the project. Based on these discussions, it is the intention to mandate a lead bank for this purpose by the third quarter of 2013.
International Property & Casualty

This segment of the group’s business comprises the reinsurance underwriting activity undertaken by its wholly-owned subsidiary Guardian Re (SAC) Limited, a Bermuda registered Class 3A reinsurer for captive business and non-Caribbean business.

Since late 2011, following a strategic review, the group took a decision to exit its line of business for underwriting in Lloyd’s international property market and ceased underwriting any new risks or offering renewal at natural expiry. As a result of these actions, the group reclassified and reported the residual interests in these treaties as a disposal group held for sale and as a discontinued operation.

Currently Guardian Re’s business is primarily captive business, together with a small share of treaties from non-Caribbean third party cedants, and run-off liabilities from Zenith Insurance plc from the group’s decision to exit this business in 2009.

Human Resources

The best way to inspire people to a superior performance is to convince them by everything you do and by everyday attitude that you are wholeheartedly supporting them.

~ Harold S. Geneen

HR Strategy

“Creating Competitive Advantage through People”

Enabling and Enhancing Performance Excellence

As the Guardian Holdings Limited group of companies continues to focus on its strategy of becoming the Regional Wealth Management and Protection Champion, a critical success factor for HR is the achievement of alignment between HR Strategy and Business Strategy. It is no secret that successful businesses are built around the quality, capability and capacity of its people. Quality, innovative and creative People are the drivers of operational excellence.

Understanding that people are the organisation’s most important asset and a key competitive differentiator, our value add includes supporting and adding value for customers, employees, shareholders and the communities in which we operate. We also need to play a key and active role in supporting the group’s leadership, business unit heads and staff in the achievement of personal, strategic and business goals. Group HR further aims to achieve this by aligning our talent management strategy with business unit strategy to continuously drive performance.
HR's primary objectives are to:

- continue the process of developing organisational capabilities that support business unit strategies and deliver outcomes for creating a clear “line of sight” between individual behaviour and key strategies and goals.
- capture and distribute the organisation’s intellectual capital and expert knowledge.
- develop teams and networks that can share and leverage expertise.
- create, distribute and support HR products and services that support employees and the business.
- continue the process of reviewing processes and procedures to drive improvements and operational efficiencies.
- maximise the robustness of the performance management and reward system to increase productivity and growth opportunities for each employee.
- generate, monitor and track key performance metrics that would allow us to predict organisational performance and drive business outcomes.

The HR strategy is built around four key pillars: talent management, business leadership, metrics and measurement and strategic value-add. The Group Vice President - Human Resource Services leads the human resource team in ensuring initiatives are built around delivering on the strategy.

**Talent Management**

HR objectives in this area are to:

- adopt varying hiring strategies aligned to meet business demands and significantly improve the group’s ability to attract, recruit and retain top quality talent.
- develop Competency Management strategies that target both team and individual growth and development.
- continue the process of succession planning and leadership development.
- build requisite bench strength that will allow GHL to fill the leadership pipeline in a timely manner.
- develop a framework for parallel career paths at all levels in the organisation.
- develop deep functional expertise for key roles.
- ensure all roles must be business critical.

**Business Leadership** HR will continue to work with the line to develop their people management competencies so as to be able to better fulfill their obligations for this role. This also provides an excellent opportunity for employees within the HR division to have a greater level of appreciation and understanding of the business needs and its aspirations.
Metrics and Measurement  HR metrics will be tracked, analysed and disseminated to allow group companies to better predict organisational performance so as to drive business outcomes that meet stakeholder expectations. In this way, we will continue to build on our principle of meritocracy based upon measured performance.

Adding Strategic Value to the Business  Appropriate solutions can only be delivered through proactive partnering, focused problem solving and action. Group HR commits to providing service excellence—respect and fair treatment for all—and offering innovative people strategies that ensure overall business success. It will demonstrate leadership talent and capabilities that develop high performing teams and a rewarding and inclusive work environment.

GHL believes that people are its competitive advantage. The right people in the right jobs will mean effective and efficient processes which will only redound to the ultimate customer experience and consequently sustainable, profitable businesses.

Corporate Social Responsibility

In 2012, the GHL group of companies honed its strategic focus on an ethos of one group, one team, one vision. This meant that throughout the Caribbean, each of the business units, that together provide the group’s full range of insurance, investment and retirement products and services, began to position itself in the market as members of one group. Part of this process involved redefining our vision, mission and core values to represent a single and comprehensive value proposition to our customers, regardless of whether their relationship with us is based on life, health and pension protection, general insurance or on investments, or indeed, on all of these services.

One of the significant drivers of this uniformed approach to our market positioning is our Corporate Social Responsibility (CSR) programme. This therefore meant that as one group, there was the need to re-examine Guardian’s role as a socially conscious business group and to make a more meaningful difference in the communities in which we operate and which we serve. As a customer-centered company, Guardian’s focus became even more defined by trust, integrity and quality in the delivery of service to the people of the Caribbean.

Harvard Business School in a 2012 working paper entitled ‘Why every company needs CSR and How to build it’ articulated the position “regardless of the label, for now the dominant paradigm underlying corporate social responsibility or CSR is centred in the idea of creating ‘shared value’.” Shareholders expect businesses to create value for them. However, based on the principle of shared value, businesses like Guardian in turn create value for the society, thereby establishing a win-win proposition. Guardian transitioned its approach to CSR to a place that allowed for shared value and actively encouraged individual and societal development by supporting efforts to improve wellbeing and realise human potential in the communities and territories where members of the group operate.

This approach to shared value and direct improvement in wellbeing was articulated in 2012 within the framework of:
1. Partnership to support education and leadership development
2. Focus on the youth
3. Support for the work of various non-governmental organisations
4. Health and wellness
5. Staff volunteerism

**Education and Leadership** In 1998, Guardian Life of the Caribbean first signed a memorandum of agreement (MOA) with the University of the West Indies (UWI) to underwrite a Premium Teaching Awards, initially for the St. Augustine Campus. Since the first Premium Teaching Awards were presented in 2000, twenty-seven lecturers from all five faculties have been honoured for their excellence in teaching. In 2001, another MOA was signed to underwrite the Premium Open Lecture Series to alternate with the Teaching Awards. Given its tremendous success, the UWI/Guardian Life Premium Teaching Awards and Open Lecture Series were first presented at Mona Campus Jamaica in 2004 and Cave Hill Barbados in 2005. In 2012, the 13th year of this partnership with UWI, four lecturers from the St. Augustine and Mona Campuses were awarded.

Guardian also continues to provide UWI students with incentives for excellence in academics through its award for the Best Year II Performance in Mathematics, which in 2012 was awarded to Mr. Jeron Johnson. Students at the St. Augustine Campus also benefit from the guidance and counsel of the group’s Human Resource expertise at UWI’s annual World of Work programme. In addition, an annual internship agreement with the College of Science, Technology and the Arts of Trinidad & Tobago (COSTATT), continues to provide one final year public relations student with hands-on exposure to the day to day activities in a marketing and communication working environment. The outcome of these partnerships in education and leadership development have been immediate and direct for beneficiaries as they are better equipped emotionally, financially and intellectually to advance their academic and professional careers.

**Focus on Youth** Across the region, children continue to be a vulnerable sector of our societies, in need of support, protection and care as they represent the most valuable resource we have. In this regard, Guardian has partnered with and continues to support the work of the Just Because Foundation in Trinidad and Tobago. The Foundation provides emotional, practical, educational and social support for families of children with cancer at absolutely no cost and is the only facility of its kind in the English-speaking Caribbean. Several other non-governmental organisations benefited from support in relation to their initiatives for children, including the Cotton Tree Foundation, the Rotary Club and the Lions.

For the sixth year running, one of our major partnerships is that of the Trinidad and Tobago Olympic Committee (TTOC) and its Shape the Community Sports Development Programme. This sponsorship has provided the opportunity for elementary school children and retired persons to benefit from recreation, educational and physical activities, especially in rural areas throughout the country. The programme facilitates an environment for a healthy lifestyle by these two target groups and builds capacity through the training of coaches and sport administrators. In Barbados, the focus on encouraging an active lifestyle, particularly in youth, is seen through Guardian General Insurance Limited (GGIL) title sponsorship of Guardian General Herman Griffith Primary Schools Competition and the Pride of Villa Netball tournament.
Guardian General Insurance Limited (GGIL), Trinidad and Tobago, continued its partnership with Arrive Alive to increase awareness of safe driving practices as part of the recognition of the UN Decade for Action. In 2012, GGIL in collaboration with other business entities, sponsored an Art and Essay Competition, themed “Be Road Wise”, for primary and secondary school students. Students were asked to depict basic road safety practices in the form of a poster or essay.

Health & Wellness Adults were not neglected either as Guardian Life of the Caribbean Barbados partnered with the University of the West Indies Staff Sporting Association of Cave Hill to host the 13th Biennial Staff Inter-Campus Games from August 10-20, 2012. In the Dutch Caribbean, Fatum Holding N.V. hosted Fatum Loop, the largest fun run and walk marathon in the Dutch Caribbean, which attracts over 5,000 participants.

Since 2010 Guardian Life Limited (GLL) in Jamaica made a commitment to the Jamaica Cancer Society to donate a portion of revenue generated from the sales of its newest critical illness plan – Ultimate Provider – to assist with the screening for cervical cancer. In 2012, in addition to GLL’s continued financial support to this screening programme and to the 10th staging of the Jamaica Cancer Society annual marathon, Relay for Life, the staff gave its support in overwhelming fashion with their participation in the annual event.

In Trinidad and Tobago, Guardian Life of the Caribbean (GLOC) has been for years a strident supporter of breast cancer awareness. In 2012, GLOC deepened this commitment through a business partnership which facilitated the launch of the Pink Hibiscus Breast Health Specialists Centre (PHBHS) in Trinidad. The PHBHS is the only centre in the Caribbean specialised in and solely dedicated to the early detection of breast cancer in women. It boasts international expertise, latest technology and a comprehensive screening process in a modern, friendly and comfortable environment.
Staff Volunteerism  Staff volunteerism is a deeply rooted culture across the Guardian Holdings Limited group of companies. Guardian Asset Management’s staff initiative known as “Mission GAMpossible”, through employee involvement, donates time and financial support to various causes. Through LifePulse, staff at all the Trinidad and Tobago offices continue to raise awareness for health and wellness through the hosting of health promotion month, participation in Carifin and coordination of subsidised aerobics classes. Community Caravan, a staff volunteerism initiative of Guardian General Insurance Limited, provides assistance and financial support to communities across Trinidad & Tobago.

The Guardian Holdings Limited group culminated 2012 with a group-wide initiative that highlighted our staff’s spirit of giving and serving others. Over the holiday season, employees brought joy and good cheer to hundreds of disadvantaged and underprivileged children across the Caribbean by adopting the internationally known “Shoebox Project”. Through subsidiaries in Aruba, Barbados, Jamaica, Bonaire, Curaçao, Jamaica, St. Maarten and Trinidad and Tobago, our Guardians presented over 1,000 boys and girls with ‘shoeboxes’ filled with toys to lift their spirits.

CSR strategy, according the Harvard Business School paper, should unite the diverse range of a company’s philanthropic giving, supply chain, ‘cause marketing’ and system level initiatives all under one umbrella and it does not mean a complete alignment with the core business strategy of the company. As such, as the group continues to position its CSR programme as a shared value to its customers, the community, key partners and staff, there is the need to narrow the focus to ensure the greatest benefit is achieved. The 2012, redefinition and restructuring of the group’s CSR will ultimately result in more effective and impactful benefits to those who matter most, i.e. those we serve.
Independent Directors

It is provided in Regulation 4.1 of By-Law No. 1 of the Company that at least thirty per cent (30%) of the Board be comprised of Directors who satisfy the following criteria for independence contained in Regulation IA):

“Independent Director” means a Director who has no direct or indirect material relationship with the Company other than membership on the Board and who:

i) is not, and has not been in the past five (5) years, employed by the Company or its affiliates;

ii) does not have, and has not had in the past five (5) years, a material business relationship with the Company or its affiliates (either directly or as a partner, shareholder (other than to the extent to which shares are held by such Director pursuant to a requirement of applicable law to which the Company is subject relating to Directors generally), and is not a director, officer or senior employee of a person that has or had such a relationship);

iii) is not affiliated with any non-profit organisation that receives significant funding from the Company or its affiliates;

iv) does not receive and has not received in the past five (5) years any additional remuneration from the Company or its affiliates other than his or her director’s fee and such director’s fee does not constitute a significant portion of his or her annual income;

v) is not employed as an executive officer of another company where any of the Company’s executives serve on that company’s board of directors;

vi) is not, nor has been at any time during the past three (3) years, affiliated with or employed by a present or former auditor of the Company or any of its affiliates;

vii) does not hold a material interest in the Company or its affiliates (either directly or as a partner, shareholder, director, officer or senior employee of a person that holds such an interest);

viii) is not a member of the immediate family (and is not the executor, administrator or personal representative of any such person who is deceased or legally incompetent) of any individual who would not meet any of the tests set out in (i) to (vi) (were he or she a director of the Company);
ix) is identified in the annual report of the Company distributed to the shareholders of the Company as an independent director.

For purposes of this definition, “material interest” shall mean a direct or indirect ownership of voting shares representing at least three percent (3%) of the outstanding voting power or equity of the Company or any of its affiliates.

The Board has identified the following persons as meeting such independence criteria:

- Mr. Philip Hamel-Smith
- Dr. Aleem Mohammed
- Mr. Antony Lancaster
- Mr. David Davies and
- Mr. Selby Wilson

The Board comprises a total of eleven (11) Directors, of whom five (5) or forty five percent (45%) meet the independence criteria.

**Committee Reports** In accordance with the recognised Principles of Corporate Governance, the Board of Directors of Guardian Holdings Limited has established several Committees to assist the Board in the discharge of its responsibilities.

These Committees are:

- Audit Committee
- Risk and Compliance Committee
- Remuneration Committee
- Corporate Governance Committee
- Enterprise Investment Committee

Each Committee is governed by a Charter that sets out its responsibilities. The composition of each Committee is reviewed on an annual basis by the Corporate Governance Committee, which makes recommendations to the Board. Each Charter is reviewed annually by the Board and each Committee makes an annual report to the Board of Directors.

**REPORT OF THE AUDIT COMMITTEE**

The Guardian Holdings Limited Audit Committee (the Committee) is comprised of five (5) Non-Executive Directors.

- Mr. Selby Wilson (Chairman)
- Mr. Arthur Lok Jack
- Mr. Peter Ganteaume
- Mr. Imtiaz Ahamad
- Mr. David Davies
The Committee is governed by a Charter that sets out its responsibilities in respect of the financial statements, internal controls, the internal audit function and external audit.

The Charter of the Audit Committee was last reviewed and adopted by the GHL Board on May 4, 2011. Responsibility for Risk and Compliance matters, which had previously been included in the mandate of this Committee, was transferred to the newly established Risk & Compliance Committee.

The report of the GHL Audit Committee for 2012 follows.

Meetings The Committee held eight (8) meetings in 2012 to discharge its responsibilities.

Structure of Internal Audit The appointed Group Head Internal Audit is responsible for overall Group Internal Audit Function. Under the co-sourcing arrangement, PricewaterhouseCoopers was engaged to work alongside GHL’s own Internal Audit Department with the objective of providing the group with access to international best practices in internal audit and expanded training opportunities. Internal Audit has unfettered access to the GHL Audit Committee. The Group Internal Head Internal Audit reports administratively to the Group Chief Executive Officer.

Independence of Internal Audit The Committee is satisfied that the Internal Audit function has been discharged in an objective and transparent manner. Further, the Committee has satisfied itself that the performance of the function is not subject to management’s undue influence.

Internal Control and the Internal Audit Function The ongoing assessment of the adequacy and effectiveness of the group’s internal control systems is the primary responsibility of Internal Audit. During the year under review, weaknesses in internal controls noted by the internal auditors and management’s risk-corrective actions were presented to the Committee at its quarterly meetings. The Committee members have satisfied themselves that approved risk corrective actions were adequately addressed by management to remedy the weaknesses in internal controls that were highlighted in the internal audit reports.

External Audit The Committee has reviewed and approved the external auditor’s approach to and scope of their examination of the financial statements for the 2012 financial year. The members are satisfied that Ernst & Young has planned the audit to obtain reasonable assurance that the financial statements are free of material misstatement and present a fair view of the financial position of the group as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Financial Statements During 2012, the interim unaudited financial statements were presented to the Committee at its quarterly meetings for review and recommendation for adoption by the Board. The Committee is satisfied that the audited financial statements contained in this Annual Report are complete, consistent with information known to
its members and in conformity with appropriate accounting principles that have been consistently applied.

**REPORT OF THE RISK & COMPLIANCE COMMITTEE**

The GHL Risk & Compliance Committee (the Committee) is comprised of five (5) Directors, of whom four (4) are Non-Executive Directors.

- Mr. Antony Lancaster (Chairman)
- Mr. Philip Hamel-Smith
- Mr. Jeffrey Mack
- Mr. Imtiaz Ahamad
- Mr. David Davies

The Committee is governed by a Charter that sets out its responsibilities in respect of compliance and risk matters and is a key element of the group’s corporate governance framework. The Committee acts in a review and advisory capacity to the Board of Directors by providing leadership, direction and oversight of the group’s management of risk and compliance.

The Committee met on four (4) occasions in 2012. The Group Chief Risk Officer and the Group Head Compliance attend all meetings of the Committee and provide comprehensive reports on all aspects of risk management and compliance and their impact on both the financial and non-financial objectives of the group. The Chairman of the Group Audit Committee normally attends all meetings of the Committee by invitation to ensure that risk-related issues are considered in decisions of that Committee.

**Risk Management** The primary objectives of the Enterprise Risk Management function is to provide value to our shareholders by:-

- maintaining a comprehensive perspective on risk reduction as it relates to the erosion of critical sources of shareholder value through our focus on earnings volatility reduction and the avoidance of earnings related surprises
- optimising risk and increasing the efficiency and effectiveness through which capital and other resources are allocated by robust assessment of the risk and reward trade-off
- building and sustaining our competitive advantage through increasing our knowledge of the risk environments in which we operate and assuring an adequate pricing of risk
- increasing our resistance to financial contagion and resilience to the impact of external events
During the year, the Committee focused on the following areas:

**Strengthening Risk Management across the group:** the Committee approved a comprehensive Risk Plan that outlined the further steps needed to embed the ERM framework and leading standards of Risk Management at all levels of the business. The group’s risk appetite has been thoroughly reviewed by the Committee and the Board has approved a group risk appetite statement that is cascaded throughout the group. The Chief Risk Officer has overall responsibility for the Plan and reports regularly to the Committee on progress against the Plan.

**Risk monitoring:** the Committee received regular reports on key risk exposures, the drivers of risk in the group, emerging and potential risks, and actions taken to mitigate any risks that were out of appetite. The Committee also monitored the adequacy of the group control framework in collaboration with the Audit Committee. In particular, the Committee focused on assessing the group’s capital and liquidity positions against risk appetite and emerging regulatory based risk-based capital models, and the drivers of financial and insurance risks.

**Operational risks:** the Committee continued its focus on business continuity and IT security risks as well as assessment of strategic and business risks associated with the group’s strategic initiatives and projects.

**Regulatory risks and relationships:** the Committee received regular reports on regulatory and other public policy developments. In particular, it monitored the actions being taken by management in response to risk-based insurance supervisory enquiries as well as overall readiness for the passage of new legislation.

**Compliance** The remit of the Group Compliance Unit is to provide assurance to the Board that the GHL group of companies complies with all applicable laws, regulations and internal policies, codes of conduct and standards of good practice in those jurisdictions in which the group’s businesses operate. The unit is vested with the authority to formulate and establish procedures to facilitate the implementation and enforcement of the Group’s Anti-Money Laundering Compliance Policy and the Group Compliance Policy adopted by the Board of Guardian Holdings Limited in 2004.

The unit has established a compliance reporting framework throughout the group and receives periodic compliance reports from the business units on compliance with applicable laws and regulations, regulatory developments and compliance issues. During the year under review, the unit reported to the Committee on the status of each business unit’s compliance with applicable laws and regulations, regulatory developments and the follow up and resolution of compliance issues. The Committee is satisfied that compliance issues raised during the year have been properly followed up and resolved and that there are no material issues remaining unresolved at the year end.
REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee (the Committee) comprises four (4) Non-Executive Directors. The Committee is responsible for making recommendations to the Board pertaining to:

• the remuneration packages of the Chairman and members of the Boards of Directors of all GHL group companies
• the remuneration, performance and incentive awards of senior executives of all GHL group companies as identified from time to time by the Committee
• the recruitment, engagement and promotion of senior executives of the GHL group as identified from time to time by the Committee.

The members of the Committee are:

• Mr. Arthur Lok Jack (Chairman)
• Mr. Peter Ganteaume
• Mr. Philip Hamel-Smith
• Mr. Antony Lancaster

During 2012, the Committee held three (3) meetings to discharge the responsibilities outlined in its Charter. In the course of these, the Committee considered the following matters on which it made recommendations to the GHL Board:

• review and approval of EVA result and grant of Executive Incentive Awards
• review of CEO performance and setting of 2012 targets
• review of executive remuneration
• proposal of a Performance Option Plan (POP) to replace the SOPE Long Term Incentive Plan for Group Executives which was approved by the shareholders at the Company’s annual meeting on May 10, 2011
• proposals for long term incentives for past performance not included in POP
• approval of Group Mortgage Subsidy arrangements

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (the Committee) was established in November 2006 and is comprised of four (4) Non-Executive Directors.

The members of this Committee are:

• Mr. Philip Hamel-Smith (Chairman)
• Mr. Arthur Lok Jack
The Committee is governed by a Charter that was last reviewed and adopted by the GHL Board on March 23, 2011. The objectives of the Corporate Governance Committee are to develop, implement and periodically review guidelines for appropriate corporate governance of the GHL group of companies. The Committee’s responsibilities include:

1) making recommendations to the Board of Directors of GHL on the composition of the Board and its Committees

2) identifying and nominating, for the approval of the GHL Board, suitable candidates to fill vacancies on the boards of directors and board committees of GHL and its major operating subsidiaries

3) developing and implementing processes to assess Board and Committee effectiveness

4) fostering a system to prevent any improper influence, or the perception of any improper influence, on the decision-making of the directors, officers and employees of the GHL group by outside interests, including those of related parties.

The Committee held three (3) meetings during 2012 to discharge the responsibilities outlined in its Charter. In the course of these meetings, the following was accomplished by the Committee:

- review of schedule of rotation of directors and recommendation on presentation of candidates for appointment at annual shareholders meeting
- continuing review the structure of Boards and Committees across the GHL group
- review of the Committee’s Charter and the Group’s Securities Trading (formerly Insider Trading) and Disclosure Policies
- considered and recommended to the Board the adoption of formal Corporate Governance Principles and a Board performance evaluation tool

REPORT OF THE ENTERPRISE INVESTMENT COMMITTEE

The Enterprise Investment Committee (the Committee), which was formed in 2010, was given a mandate to consolidate the supervision of the investment-related functions within Guardian Holdings Limited and its member companies. The Committee comprises five (5) members:

- Mr. Arthur Lok Jack
- Mr. Peter Ganteaume
- Mr. Jemal-ud-din Kassum
The purpose of the Committee is to assist the Board of GHL and its group member companies with oversight of the operation and administration of the GHL investment portfolio.

The Committee will, among other things, do the following:

- oversee investment policies and guidelines
- establish investment benchmarks
- review investment performance
- review significant investment transactions
- formulate strategic investment philosophy
- oversee investment risk management exposure policies and guidelines

The Committee held three (3) meetings during the year and reviewed various presentations and investment reports, including the alternative investment holdings, and satisfied itself on the composition and direction of movement of the investment portfolio. Initiatives were embarked upon to move the group’s portfolios towards a targeted asset mix. The greatest challenge has been in acquiring long-term interest bearing assets denominated in TT dollars. The market remained extremely liquid with only a few new issues coming to market.

The work of the Committee during the year included the following:

- considered interest rate stress testing
- confirmed the move toward an established efficient frontier and target portfolio for the individual companies
- strengthened governance and parameters for subsidiary companies
- considered recommendation for improvement in modeling capabilities and establishment of common practice across the group
Turning the Complexities of CSR into Benefits for People and Societies

GHL’s most important asset is without doubt our people. Our people are nurtured and shaped in the societies in which we live and work. As such, we take great care to ensure that our employees are treated fairly and with respect and that life in the communities in which we operate improves.

In the year under review, GHL’s member companies have undertaken a record number of initiatives to improve community life. From educational awards to health and wellness programmes, to youth sports programmes and staff volunteerism—we consider corporate social responsibility as a major factor in GHL’s future sustainability.
Group Executive Officers

Jeffrey Mack – Group Chief Executive Officer
Ravi Tewari – Group President, Life, Health & Pension
Douglas Camacho – Executive Director/Group President, Strategic Investments & Projects
Richard Espinet – Group President, Caribbean Property & Casualty
Prabha Siewrattan – Group Head, Compliance

Brent Ford - Group Chief Investment Officer/ Group President Asset Management
Paul Traboulay – Group Chief Risk Officer
Kerri Maharaj - Group Chief Financial Officer
Steven Martina – Chief Administration Officer, Insurance Administration Services
Fé Lopez-Collymore – General Counsel & Company Secretary

Neil Dingwall – Group Actuary/Chief Performance Officer
Keston Nancoo – Group Vice President, Human Resource Services
Wendell Mitchell – Group Chief Information Officer
Larry Olton – Group Vice President, Integrated Marketing Communications
TO THE SHAREHOLDERS OF GUARDIAN HOLDINGS LIMITED

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2012, and the summary consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, are derived from the audited financial statements of Guardian Holdings Limited and its subsidiaries (the “Group”) for the year ended December 31, 2012. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 15, 2013.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of the Group.

Management’s Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements on the basis of their established criteria as described in Note 1.

Auditors’ Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, “Engagements to Report on Summary Financial Statements.”

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the year ended December 31, 2012 are consistent, in all material respects, with those financial statements, on the basis of management’s established criteria as described in Note 1.
### Consolidated Statement of Financial Position

**Expressed in Trinidad & Tobago Dollars • as at December 31, 2012**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012 (’000)</th>
<th>2011 (’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>489,886</td>
<td>501,275</td>
</tr>
<tr>
<td>Investment properties</td>
<td>1,056,466</td>
<td>1,120,431</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>367,001</td>
<td>254,278</td>
</tr>
<tr>
<td>Investment in associated companies</td>
<td>206,235</td>
<td>202,010</td>
</tr>
<tr>
<td>Financial assets</td>
<td>12,067,365</td>
<td>11,257,043</td>
</tr>
<tr>
<td>Financial assets of mutual fund unit holders</td>
<td>1,175,694</td>
<td>1,164,983</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>1,568,015</td>
<td>1,510,752</td>
</tr>
<tr>
<td>Properties for development and sale</td>
<td>448,728</td>
<td>391,048</td>
</tr>
<tr>
<td>Pension plan assets</td>
<td>80,918</td>
<td>80,687</td>
</tr>
<tr>
<td>Value of inforce life insurance business</td>
<td>879,080</td>
<td>742,043</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>18,218</td>
<td>21,490</td>
</tr>
<tr>
<td>Reinsurance assets</td>
<td>711,236</td>
<td>680,273</td>
</tr>
<tr>
<td>Segregated fund assets of life insurance policyholders</td>
<td>466,442</td>
<td>499,502</td>
</tr>
<tr>
<td>Deferred acquisition costs</td>
<td>79,354</td>
<td>72,657</td>
</tr>
<tr>
<td>Taxation recoverable</td>
<td>118,820</td>
<td>138,205</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,901,435</td>
<td>1,739,394</td>
</tr>
<tr>
<td>Cash and cash equivalents of mutual fund unit holders</td>
<td>124,326</td>
<td>161,050</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>694,516</td>
<td>1,000,356</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>22,453,717</td>
<td>21,537,477</td>
</tr>
</tbody>
</table>

| **Equity and liabilities**                  |             |             |
| Share capital                               | 2,036,381   | 2,008,338   |
| Reserves                                    | (344,604)   | (264,360)   |
| Retained earnings                           | 1,547,684   | 1,410,625   |
| **Equity attributable to owners of the parent** | 3,239,461 | 3,154,603 |
| Non-controlling interests in subsidiaries   | (41,204)    | 39,668      |
| **Total equity**                            | 3,198,257   | 3,194,271   |

<table>
<thead>
<tr>
<th><strong>Liabilities</strong></th>
<th>2012 (’000)</th>
<th>2011 (’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance contracts</td>
<td>12,525,872</td>
<td>11,610,115</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>1,762,481</td>
<td>1,426,580</td>
</tr>
<tr>
<td>Investment contract liabilities</td>
<td>1,609,081</td>
<td>1,538,945</td>
</tr>
<tr>
<td>Third party interests in mutual funds</td>
<td>1,051,040</td>
<td>1,085,343</td>
</tr>
<tr>
<td>Pension plan liabilities</td>
<td>110,749</td>
<td>34,860</td>
</tr>
<tr>
<td>Segregated fund liabilities of life insurance policyholders</td>
<td>466,442</td>
<td>499,502</td>
</tr>
<tr>
<td>Post retirement medical benefit obligations</td>
<td>98,869</td>
<td>60,923</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>193,752</td>
<td>198,928</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td>63,061</td>
<td>56,463</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>688,320</td>
<td>831,191</td>
</tr>
<tr>
<td>Liabilities related to assets held for sale</td>
<td>685,811</td>
<td>1,000,356</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>19,255,460</td>
<td>18,343,206</td>
</tr>
</tbody>
</table>

| **Total equity and liabilities**            | 22,453,717  | 21,537,477  |

On March 15, 2013 the Board of Directors of Guardian Holdings Limited authorised these financial statements for issue.

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**Director**

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**Director**
## Consolidated Statement of Income

Expressed in Trinidad & Tobago Dollars • for the Year ended December 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>2012 ($’000)</th>
<th>2011 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Insurance activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance premium income</td>
<td>4,354,178</td>
<td>3,952,606</td>
</tr>
<tr>
<td>Insurance premium ceded to reinsurers</td>
<td>(1,210,306)</td>
<td>(1,067,746)</td>
</tr>
<tr>
<td>Reinsurance commission income</td>
<td>141,700</td>
<td>140,171</td>
</tr>
<tr>
<td>Change in “Value of inforce life insurance business”</td>
<td>158,266</td>
<td>3,025,031</td>
</tr>
<tr>
<td><strong>Net underwriting revenue</strong></td>
<td>3,443,838</td>
<td>3,095,303</td>
</tr>
<tr>
<td>Policy acquisition expenses</td>
<td>(523,333)</td>
<td>(513,684)</td>
</tr>
<tr>
<td>Net insurance benefits and claims</td>
<td>(2,391,512)</td>
<td>(2,221,411)</td>
</tr>
<tr>
<td><strong>Underwriting expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2,914,845)</td>
<td>(2,735,095)</td>
<td></td>
</tr>
<tr>
<td><strong>Net result from insurance activities</strong></td>
<td>528,993</td>
<td>360,208</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>838,542</td>
<td>832,045</td>
</tr>
<tr>
<td>Net realised gains on financial instruments</td>
<td>7,347</td>
<td>83,872</td>
</tr>
<tr>
<td>Net fair value gains</td>
<td>44,994</td>
<td>83,536</td>
</tr>
<tr>
<td>Fair value adjustment on Pointe Simon investment</td>
<td>(149,752)</td>
<td>–</td>
</tr>
<tr>
<td>Fee income</td>
<td>41,340</td>
<td>44,464</td>
</tr>
<tr>
<td>Other income</td>
<td>72,276</td>
<td>92,008</td>
</tr>
<tr>
<td>Investment contract benefits</td>
<td>(82,198)</td>
<td>(79,997)</td>
</tr>
<tr>
<td><strong>Net income from investing activities</strong></td>
<td>772,549</td>
<td>1,055,928</td>
</tr>
<tr>
<td><strong>Net income from all activities</strong></td>
<td>1,301,542</td>
<td>1,416,136</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(789,016)</td>
<td>(729,204)</td>
</tr>
<tr>
<td>Finance charges</td>
<td>(119,460)</td>
<td>(110,044)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>393,066</td>
<td>576,888</td>
</tr>
<tr>
<td>Share of profit/(loss) of associated companies</td>
<td>21,268</td>
<td>(25,005)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>414,334</td>
<td>551,883</td>
</tr>
<tr>
<td>Taxation</td>
<td>(113,518)</td>
<td>(87,148)</td>
</tr>
<tr>
<td><strong>Profit after taxation</strong></td>
<td>300,816</td>
<td>464,735</td>
</tr>
<tr>
<td>Amount attributable to participating policyholders</td>
<td>(10,004)</td>
<td>(8,716)</td>
</tr>
<tr>
<td><strong>Profit from continuing operations</strong></td>
<td>290,812</td>
<td>456,019</td>
</tr>
<tr>
<td>Net loss on discontinued operations</td>
<td>(17,942)</td>
<td>(209,909)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>272,870</td>
<td>246,110</td>
</tr>
<tr>
<td>Loss attributable to non-controlling interests</td>
<td>79,662</td>
<td>14,993</td>
</tr>
<tr>
<td><strong>Profit attributable to equity holders of the parent</strong></td>
<td>352,532</td>
<td>261,103</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic - for profit attributable to ordinary equity holders of the parent</td>
<td>$ 1.52</td>
<td>$ 1.13</td>
</tr>
<tr>
<td>Diluted - for profit attributable to ordinary equity holders of the parent</td>
<td>$ 1.42</td>
<td>$ 1.10</td>
</tr>
<tr>
<td><strong>Earnings per share for continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic - for profit attributable to ordinary equity holders of the parent</td>
<td>$ 1.60</td>
<td>$ 2.04</td>
</tr>
<tr>
<td>Diluted - for profit attributable to ordinary equity holders of the parent</td>
<td>$ 1.49</td>
<td>$ 1.98</td>
</tr>
</tbody>
</table>
## Consolidated Statement of Comprehensive Income

Expressed in Trinidad & Tobago Dollars • for the Year ended December 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>2012 ($'000)</th>
<th>2011 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the year</strong></td>
<td>272,870</td>
<td>246,110</td>
</tr>
<tr>
<td><strong>Other comprehensive income/(loss)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translating foreign operations</td>
<td>(78,161)</td>
<td>(17,036)</td>
</tr>
<tr>
<td>Gains on property revaluation</td>
<td>4,501</td>
<td>1,926</td>
</tr>
<tr>
<td>Actuarial losses on post employment benefits</td>
<td>(98,995)</td>
<td>(60,743)</td>
</tr>
<tr>
<td>Other reserve movements</td>
<td>(4,519)</td>
<td>934</td>
</tr>
<tr>
<td>Income tax credit/(charge) relating to components of other comprehensive income</td>
<td>1,915</td>
<td>(580)</td>
</tr>
<tr>
<td><strong>Other comprehensive loss for the period, net of tax</strong></td>
<td>(175,259)</td>
<td>(75,499)</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the period, net of tax</strong></td>
<td>97,611</td>
<td>170,611</td>
</tr>
<tr>
<td>Comprehensive loss attributable to non controlling interests</td>
<td>79,792</td>
<td>50,186</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to equity holders of the parent</strong></td>
<td>177,403</td>
<td>220,797</td>
</tr>
</tbody>
</table>
### Consolidated Statement of Changes in Equity

Expressed in Trinidad & Tobago Dollars • for the Year ended December 31, 2012

<table>
<thead>
<tr>
<th>Attributable to equity holders of the parent</th>
<th>Share capital $’000</th>
<th>Reserves $’000</th>
<th>Retained earnings $’000</th>
<th>Total ordinary shareholders’ equity $’000</th>
<th>Non-controlling interests $’000</th>
<th>Total equity $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>At January 1, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated shares movement</td>
<td>15,006</td>
<td>–</td>
<td>–</td>
<td>15,006</td>
<td>–</td>
<td>15,006</td>
</tr>
<tr>
<td>Total comprehensive income/(loss)</td>
<td>–</td>
<td>(72,224)</td>
<td>249,627</td>
<td>177,403</td>
<td>(79,792)</td>
<td>97,611</td>
</tr>
<tr>
<td>Transfer to/from retained earnings</td>
<td>–</td>
<td>(8,020)</td>
<td>8,020</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share option scheme - value of services provided</td>
<td>13,037</td>
<td>–</td>
<td>–</td>
<td>13,037</td>
<td>–</td>
<td>13,037</td>
</tr>
<tr>
<td>Dividends</td>
<td>–</td>
<td>(120,588)</td>
<td>(120,588)</td>
<td>(1,080)</td>
<td>(121,668)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at December 31, 2012</strong></td>
<td>2,036,381</td>
<td>(344,604)</td>
<td>1,547,684</td>
<td>3,239,461</td>
<td>(41,204)</td>
<td>3,198,257</td>
</tr>
</tbody>
</table>

| At January 1, 2011                         | 2,003,470           | (249,587)      | 1,285,362               | 3,039,245                                  | 91,079                        | 3,130,324        |
| Unallocated shares movement                | 197                 | –              | –                       | 197                                        | –                             | 197              |
| Total comprehensive income/(loss)          | –                   | (16,091)       | 236,888                 | 220,797                                    | (50,186)                      | 170,611          |
| Transfer to/from retained earnings         | –                   | 1,318          | (1,318)                 | –                                          | –                             | –                |
| Share option scheme - value of services provided | 5,270              | –              | –                       | 5,270                                      | –                             | 5,270            |
| Share option scheme - lapses               | (599)               | –              | 599                     | –                                          | –                             | –                |
| Dividend                                   | –                   | (110,906)      | (110,906)               | (1,225)                                    | (112,131)                     |                  |
| **Balance at December 31, 2011**           | 2,008,338           | (264,360)      | 1,410,625               | 3,154,603                                  | 39,668                        | 3,194,271        |
## Consolidated Statement of Cash Flows

Expressed in Trinidad & Tobago Dollars • for the Year ended December 31, 2012

<table>
<thead>
<tr>
<th>2012 ($’000)</th>
<th>2011 ($’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation from continuing operations</td>
<td>414,334</td>
</tr>
<tr>
<td>Loss before taxation from discontinued operations</td>
<td>(17,942)</td>
</tr>
<tr>
<td>Adjustment for specific items included on the accruals basis:</td>
<td></td>
</tr>
<tr>
<td>- Finance charges</td>
<td>119,460</td>
</tr>
<tr>
<td>- Investment income</td>
<td>(838,542)</td>
</tr>
<tr>
<td>Adjustment for non-cash items</td>
<td>81,256</td>
</tr>
<tr>
<td>Interest received</td>
<td>774,736</td>
</tr>
<tr>
<td>Dividends received</td>
<td>31,258</td>
</tr>
<tr>
<td><strong>Operating profit before changes in operating assets/liabilities</strong></td>
<td>564,560</td>
</tr>
<tr>
<td>Net increase in insurance liabilities</td>
<td>712,637</td>
</tr>
<tr>
<td>Net increase in reinsurance assets</td>
<td>32,980</td>
</tr>
<tr>
<td>Net increase in investment contracts</td>
<td>70,136</td>
</tr>
<tr>
<td>Purchase of financial assets</td>
<td>(2,283,509)</td>
</tr>
<tr>
<td>Proceeds from sale of other financial assets</td>
<td>1,791,175</td>
</tr>
<tr>
<td>Purchase of / additions to investment properties</td>
<td>(84,265)</td>
</tr>
<tr>
<td>Proceeds from sale of investment property</td>
<td>1,153</td>
</tr>
<tr>
<td>Net (increase)/decrease in loans and receivables</td>
<td>98,866</td>
</tr>
<tr>
<td>Net (increase)/decrease in other operating assets/liabilities</td>
<td>(198,926)</td>
</tr>
<tr>
<td><strong>Cash provided by operating activities</strong></td>
<td>507,075</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(141,559)</td>
</tr>
<tr>
<td>Net taxation paid</td>
<td>(86,054)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>279,462</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiaries, net of cash acquired</td>
<td>(313,963)</td>
</tr>
<tr>
<td>Additional investment in associated company</td>
<td>–</td>
</tr>
<tr>
<td>Proceeds on sale of associated companies</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(39,904)</td>
</tr>
<tr>
<td>Proceeds on sale of property, plant and equipment</td>
<td>704</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(294)</td>
</tr>
<tr>
<td><strong>Net cash (used in)/provided by investing activities</strong></td>
<td>(353,457)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>562,332</td>
</tr>
<tr>
<td>Repayments of borrowings</td>
<td>(263,092)</td>
</tr>
<tr>
<td>Dividends paid to equity holders of the parent</td>
<td>(120,588)</td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(1,080)</td>
</tr>
<tr>
<td>Redemptions from mutual funds</td>
<td>(420,363)</td>
</tr>
<tr>
<td>Subscriptions to mutual funds</td>
<td>428,516</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>185,725</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>111,730</td>
</tr>
</tbody>
</table>
Note 1: Basis of Preparation
Expressed in Trinidad & Tobago Dollars • as at December 31, 2012

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management’s established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary financial statements are derived from the audited consolidated financial statements of Guardian Holdings Limited and its subsidiaries for the year ended December 31, 2012.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in “Note 2” of the December 31, 2012 audited financial statements consistently applied from period to period. Any new Accounting Standards or interpretations which became effective in this financial year have had no material impact on the Group. The areas of critical accounting estimate and judgement as disclosed in “Note 3” of the December 31, 2012 audited financial statements, have also remained unchanged.
**Management Proxy Circular**

I. **Name of Company:** GUARDIAN HOLDINGS LIMITED  
   Company No. G - 967 (C)

II. **Particulars of Meeting:**  
   Annual Meeting of the Company to be held at The Atrium, Guardian Corporate Centre,  
   1 Guardian Drive, Westmoorings, Trinidad, on Tuesday May 7, 2013 at 4:30 in the  
   afternoon.

III. **Solicitation:**  
   It is intended to vote the proxy solicited hereby (unless the shareholder directs  
   otherwise) in favour of all resolutions specified therein.

IV. **Any director’s statement submitted pursuant to section 76 (2):**  
   No statement has been received from any Director pursuant to Section 76 (2) of the  
   Companies Act, Ch 81:01

V. **Any auditor’s statement submitted pursuant to section 171 (1):**  
   No statement has been received from the Auditors of the Company pursuant to  
   Section 171 (1) of the Companies Act, Ch 81:01

VI. **Any shareholder’s proposal submitted pursuant to sections 116 (a) and 117  
    (2):**  
   No proposal has been received from any Shareholder pursuant to Sections 116 (a)  
   and 117 (2) of the Companies Act, Ch 81:01

<table>
<thead>
<tr>
<th>Date</th>
<th>Name and Title</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 13, 2013</td>
<td>Fé Lopez-Collymore</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate Secretary</td>
<td></td>
</tr>
</tbody>
</table>
Form of Proxy

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT CH. 81:01
[SECTION 143 (1)]

Name of Company: GUARDIAN HOLDINGS LIMITED Company No. G - 967 (C)

Particulars of Meeting: Annual Meeting of the Company to be held at 4:30 in the afternoon on Tuesday, May 7, 2013.

I/We (block capitals please) being Shareholder(s) in the above Company (or in the case of an owner whose shares are held in a Clearing Agency being authorised by the Clearing Agency to do so) appoint (s) the Chairman of the Meeting, or failing him, _______________ of ___________________________ to be my/us Proxy to attend and vote for me/us on my/our behalf at the above meeting and any adjournment thereof as indicated below on the Resolutions to be proposed in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof.

Please indicate with an “X” in the spaces below how you wish your Proxy to vote on the resolutions referred to. If no such indication is given the Proxy will exercise his discretion as to how he votes or whether he abstains from voting.

RESOLUTION 1:
BE IT RESOLVED THAT the Consolidated Financial Statements of the Company for the year ended December 31, 2012 and Reports of the Directors and the Auditors thereon be received and adopted

RESOLUTION 2:
(a) BE IT RESOLVED THAT the Directors to be re-elected be elected en bloc.

(b) BE IT RESOLVED THAT Messrs. Antony Lancaster, Selby Wilson, Peter Ganteaume and David Philip Hamel-Smith be and are hereby re-elected Directors of the Company for a term expiring at the close of the third Annual Meeting of the Company following this appointment subject to the provisions of Regulation 4.5 of By-law No. 1.

RESOLUTION 3:
BE IT RESOLVED THAT Ernst & Young be reappointed as auditors of the Company and that the Directors be authorised to fix their remuneration for the ensuing year.

Signature(s): __________________________________________________________

Date: ___________________________________________________________________
Notes:

1. If it is desired to appoint a proxy other than the Chairman of the Meeting, the necessary deletion must be made and initialed and the name inserted in the space provided.

2. In the case of joint holders the signature of any holder is sufficient but the names of all joint holders should be stated.

3. If the appointor is a corporation this form must be under its common seal or under the hand of its attorney.

Mail or deliver to: The Corporate Secretary
Guardian Holdings Limited
P.O. Box 88
1 Guardian Drive, Westmoorings, 110612
Trinidad

For official use only:
Folio Number ______________________________
No. of Shares ____________________________
Notes
GHL presents a summary of the financial statements, as permitted by section 155 (2) of the Companies Act Ch. 81:01, of the laws of Trinidad and Tobago.

As required by current regulations, our full annual report (including the full notes to the financial statements) will be issued no later than April 30, 2013 when it will be available:

• on our website www.guardianholdings.com (go to “Investor Relations/Annual Report”)

• by contacting our Legal Department at (868) 632 5433 extensions 2037 or 2046.

• by emailing your request to: shareholder@ghl.co.tt

Copies of the full Annual Report will also be available at our Annual Meeting scheduled for May 7, 2013 at 4:30 pm at 1 Guardian Drive, Westmoorings, Trinidad.