GUARDIAN HOLDINGS LIMITED

Annual Report 2011

165 Years






There for you throughout your life

GUARDIAN HOLDINGS LIMITED

In our continued effort to manage our "carbon footprint" as well as reduce the expense incurred in producing a large number of Annual Reports including the full 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 will be issued no later than April 30, 2012 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 ext 2037
- by emailing your request to: shareholder@ghl.co.tt

Copies will also be available at the Annual Meeting.

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Guardian Holdings Limited
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1 Guardian Drive, Westmoorings
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Email: ghl@guardianholdings.com
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), Mr. Imtiaz Ahamad, Mr. Douglas Camacho, Mr. David Davies, Mr. Philip Hamel-Smith, Mr. Jemal-ud-din Kassum, Mr. Antony Lancaster, Dr. Aleem Mohammed, Mr. Selby Wilson

SECRETARY
Mrs. Fé Lopez-Collymore

REGISTERED OFFICE
1 Guardian Drive, Westmoorings, Trinidad and Tobago

REGISTRAR AND TRANSFER OFFICE
Guardian Holdings Limited, 1 Guardian Drive, Westmoorings, Trinidad and Tobago

AUDITORS
Ernst & Young, 5-7 Sweet Briar Road, St. Clair, Trinidad and Tobago

PRINCIPAL BANKERS
Citibank (Trinidad & Tobago) Limited, 12 Queen's Park West, Port of Spain, Trinidad and Tobago

RBC Royal Bank, 19-21 Park Street, Port of Spain, Trinidad and Tobago

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

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

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

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

GHL ENTERPRISE INVESTMENT COMMITTEE
Mr. Arthur Lok Jack (Chairman), Mr. Peter Ganteaume , Mr. Jemal-ud-din Kassum, Mr. Jeffrey Mack, Dr. Aleem Mohammed

Notice is hereby given that the Annual Meeting of Shareholders of Guardian Holdings Limited for 2012 will be held at The Atrium, Guardian Corporate Centre, 1 Guardian Drive, Westmoorings, on May 8, 2012 at 4:30 in the afternoon 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. Imtiaz Ahamad, David Davies and Jeffrey Mack 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.
4. To consider and, if thought fit, to pass the following ordinary resolution to confirm the amendments to By Law No. 1 of the Company set out therein in accordance with section 66 of the Companies Act Ch. 81:01 of the laws of Trinidad and Tobago.

"BE IT RESOLVED THAT the amendment to By-Law No. 1 of the Company effected by resolution of the Board of Directors on March 21, 2012 be and is hereby confirmed as follows:

THAT By-Law No. 1 of the Company enacted by resolution of the Directors on the 14th day of April 1998 and amended as confirmed by resolutions of the shareholders on the 23rd of April 2001 and the 1st day of September 2010 be further amended by the deletion of the last sentence of Regulation 4.1 (which requires that 20% of the Board be composed of independent Directors) and its replacement with the following sentence "At least thirty percent (30%) of the Board shall be comprised of Independent Directors."

By Order of the Board

Fé Lopez-Collymore

Corporate Secretary

Date: March 21, 2012

1. CONFIRMATION OF AMENDMENT TO BY-LAWS

By resolution of the Board on March 21, 2012 an amendment was effected to the Company's By-Laws to increase the requirement of independence for the Company's Board of Directors from 20% to 30%. This amendment follows the terms of the Policy Agreement between the Company, International Finance Corporation and IFC African, Latin American And Caribbean Fund, L.P. dated August 2, 2010 (disclosed in our Circular to Shareholders dated August 5, 2010) and is in line with the Group's thrust to strengthen its corporate governance framework.

Under Section 66 (1) of the Companies Act Ch. 81:01 of the laws of Trinidad and Tobago the Directors of the Company are authorised to amend its By-Laws but are required pursuant to Section 66 (2) to submit the amendment to the next following meeting of the shareholders. The shareholders may by ordinary resolution confirm, amend or reject the amendment. Shareholders are being requested to confirm this amendment by passing the resolution set out in the Notice of Meeting.

2. 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 in their stead. 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, 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 or her 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 13, 2012 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 13, 2012 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.

3. DIRECTORS' CONTRACTS

There are no contracts during or at the end of the year ended December 31, 2011, 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 is no service contract 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 Insurance 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 Limited 100%
- Fatum General Insurance N.V. 100%
- Fatum General Insurance Aruba N.V. 100%
- Trans-Nemwil Insurance (Grenada) Limited 54%
- RoyalStar Assurance Limited 25%

International Property & Casualty
- Guardian Re (S.A.C.) Limited 100%
- Jubilee Group Holdings Limited 39.1% sold Aug 2011

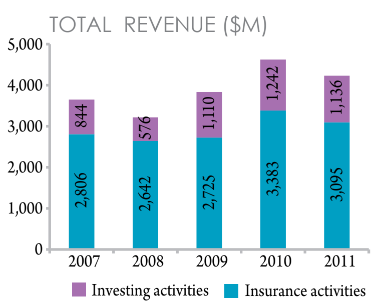
Asset Management
- Guardian Asset Management Limited 100%

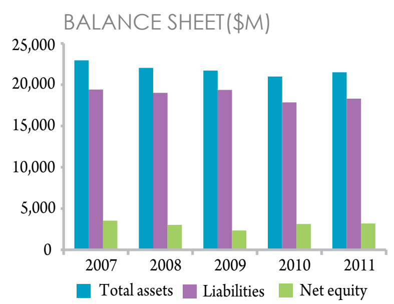
Strategic Alternative Investments
- RGM Limited 33.33%
- Servus Limited 50%
- Eastern Caribbean Gas Pipeline Company Limited 40.5%
- Laevulose Inc Limited 79%

CONSOLIDATED FINANCIAL HIGHLIGHTS

REVENUE	2011	2010
Life business net premiums written	$2,183 million	$2,137 million
General business net premiums written	$721 million	$736 million
General business net premiums earned	$714 million	$1,034 million
Revenue from insurance operations	$3,095 million	$3,383 million
Revenue from investment activities	$1,136 million	$1,242 million
Total revenue	$4,231 million	$4,625 million
RESULTS		
Profit for the year	$246 million	$425 million
Profit for the year from continuing operations	$456 million	$481 million
Earnings per ordinary share on continuing operations	$2.04	$2.20
BALANCE SHEET AS AT DECEMBER 31		
Total capital & reserves	$3,194 million	$3,130 million
Shareholders' equity	$3,155 million	$3,039 million
Net asset value per share	13.60	13.11
DIVIDEND		
Total dividend for the year per ordinary share on continuing operations	52 cents	50 cents
Dividend cover	3.92	4.41

CONVERSION RATE	2011 Average rate	2011 Year end rate
Trinidad & Tobago dollar to one US Dollar	6.4055	6.4156
Trinidad & Tobago dollar to one British Pound	10.2290	9.8201
Trinidad & Tobago dollar to one Euro	8.8911	8.2828
Trinidad & Tobago dollar to one Jamaican Dollar	0.0735	0.0732
Trinidad & Tobago dollar to one Netherlands Antillean Guilder	3.5785	3.5841





The Directors have pleasure in submitting their Report for the year ended December 31, 2011.

DIRECTORS' REPORT	2011	2010
	$'000	**$'000**
Net income from insurance underwriting activities	360,208	261,277
Net income from investing activities	1,055,928	1,158,667
Net income from all activities	1,416,136	1,419,944
Operating profit	576,888	609,058
Share of (loss)/profit of associated companies	(25,005)	23,026
Profit before taxation	551,883	632,084
Taxation	(87,148)	(136,798)
Profit for the year from continuing operations	456,019	480,927
Profit for the year	246,110	425,343
Total assets	21,502,617	20,987,795
Insurance contract liabilities	11,610,115	12,453,763
Equity attributable to owners of the parent	3,154,603	3,039,245

Dividends

An interim dividend of fifteen (15) cents per share was paid in 2011. At their meeting on March 23, 2012 the Directors declared a Final Dividend of thirty seven (37) cents per share which will be paid on April 30, 2012 to shareholders on the Register as at April 16, 2012. The total dividend for 2011 therefore amounts to fifty two (52) cents per share.

Directors

Messrs. Imtiaz Ahamad, David Davies and Jeffrey Mack 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 9–11 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 21, 2012

Directors' and Senior Managers' Interests as at December 31, 2011

Name	Position	Ordinary Shares
Mr. Arthur Lok Jack	Director	14,581,947
Mr. Peter Ganteaume	Director	635,000
Mr. Jeffrey Mack	Director/Senior Manager	0
Mr. Imtiaz Ahamad	Director	4,813,763
Mr. Douglas Camacho	Director/Senior Manager	408,387
Mr. David Davies	Director	0
Mr. Philip Hamel-Smith	Director	291,497
Mr. Jemal-ud-din Kassum	Director	0
Mr. Antony Lancaster	Director	3,517
Dr. Aleem Mohammed	Director	0
Mr. Selby Wilson	Director	60,000
Mr. Neil Dingwall	Senior Manager	2,000
Mr. Richard Espinet	Senior Manager	6,370
Mr. Brent Ford	Senior Manager	211,790
Mr. Gerard Martin Jim	Senior Manager	13,327
Ms. Fé Lopez-Collymore	Senior Manager	210,322
Mr. Kerri Maharaj	Senior Manager	0
Mr. Steven Martina	Senior Manager	0
Mr. Keston Nancoo	Senior Manager	12,485
Mr. Larry Olton	Senior Manager	0
Mrs. Maria Rivas -McMillan	Senior Manager	31,054
Ms. Prabha Siewrattan	Senior Manager	0
Mr. Ravi Tewari	Senior Manager	69,950
Mr. Paul Traboulay	Senior Manager	0

See notes on page 11.

Top Ten Shareholders as at December 31, 2011

Shareholder Name		Ordinary Shares	%
1	Tenetic Limited	35,841,859	15.46%
2	Royal Insurance Holdings (Trinidad & Tobago) Limited	26,834,254	11.57%
3	International Finance Corp	22,271,485	9.60%
4	Arthur Lok Jack	14,581,947	6.29%
5	RBC Trust (Trinidad and Tobago) Limited	10,400,254	4.48%
6	IFC African, Latin American and Caribbean Fund, LP	7,423,828	3.20%
7	Trinidad and Tobago Unit Trust Corporation	7,297,044	3.14%
8	Republic Bank Limited	6,803,877	2.93%
9	RBC Nominee Services (Caribbean) Limited	5,899,594	2.54%
10	First Citizens Trust & Asset Management Limited	5,962,482	2.57%

Substantial Shareholders as at December 31, 2011

Shareholder Name		Ordinary Shares	%
1	Tenetic Limited	35,841,859	15.46%
2	Royal Insurance Holdings (Trinidad & Tobago) Limited	26,834,254	11.57%

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

Employee Share ownership Plan (ESOP)

	Dec 31, 2011	Feb 23, 2012
Ordinary Shares held	3,458,715	3,458,715

See notes on page 11.

Notes

Note 1: The interests of Directors and 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 between the end of the Company's financial year end and February 23, 2012. The following change took place in the Interest of Senior Managers between the end of the Company's financial year and one (1) month prior to the date of the notice convening the Company's Annual Meeting (February 23, 2011): Mrs. Maria Mc Millan (Senior Manager) retired effective February 1, 2012.

Note 4: A substantial interest means one-tenth or more of the issued share capital of the Company.

Seated:
Selby Wilson
Jeffrey Mack, Group Chief Executive Officer
Arthur Lok Jack, Group Chairman (front centre)
Fé Lopez-Collymore, Corporate Secretary
Peter Ganteaume, Deputy Chairman

Standing:
Dr. Aleem Mohammed
Imtiaz Ahamad
David Davies
Douglas Camacho
Antony Lancaster

Not in picture:
Jemal-ud-din Kassum
Philip Hamel-Smith

For more information about our Board of Directors, please refer to
www.guardianholdings.com/content/index.php/about/board-of-directors/

By Arthur Lok Jack and Jeffrey Mack

Jeffrey Mack, Group Chief Executive Officer *Arthur Lok Jack, Group Chairman*

DEAR SHAREHOLDERS,

I am pleased to report that GHL produced a net profit after tax from continuing operations of $465 million or $2.04 per share for the year under review. This very satisfactory result was achieved against a backdrop of one of the worst years for the insurance industry worldwide and illustrates the continuing strong performance of our core insurance businesses operating within the Caribbean region.

In the third quarter of 2011 we completed the sale of the last of our UK businesses, our Lloyd's of London Managing Agency, Jubilee, and realised a gain on the sale of the shares of $74 million. At that time, underwriting losses at Jubilee amounted to $67 million. However, over the next three months those losses grew to $210 million arising mainly from unprecedented catastrophe losses. It should be noted that the current owners of Jubilee establish reserves for both known and unknown losses with little input from former capital providers such as GHL. We do not agree with these large provisions and are of the view that ultimately the losses will be well below their figures. We have, however, booked the full provision for these losses based on their external actuary's report. These losses are being recorded as discontinued operations and have been reclassified on a similar basis for 2010 per IFRS accounting standards.

By taking these measures, we believe we subsume any future negative movements, and for all intents and purposes have brought our U.K. investment to an end.

After taking into consideration the loss on the Jubilee discontinued operations, GHL's net profit after tax attributable to its shareholders amounted to $261 million, or earnings per share of $1.13. This compares to last year's $406 million, or earnings per share of $1.94.

Our core Caribbean insurance activities recorded one of their best results. Their net income from underwriting activities increased 38% to $360 million from $261 million. Gross premiums written, our "top line," increased 12% to $4.007 billion from $3.567 billion. Our results from investing activities produced $1.056 billion in revenue as compared to last year's results of $1.159 billion, an 8.9% decrease. The low interest rate environment accounted for this decline.

Net income from all activities amounted to $1.416 billion for the full year as compared to last year's $1.420 billion.

Operating expenses were contained at $729 million versus $728 million for the prior year, representing, in real terms, a commendable reduction. Finance charges were higher by $27 million due to a period of negative carry associated with the $1 billion bond we raised in the first quarter of the year and is a one-off charge. The results of associated companies were $25 million negative as against a gain of $23 million. This is, in the main, as a result of a one-off write down in the value of a real estate investment in Jamaica.

The return on shareholders equity, which increased 4% to $3.155 billion, was 14.5%, whilst the return on total assets, which increased 2.5% to $21.5 billion, was 4.9%.

Given our overall satisfactory results, our continued positive outlook for our business and a positive generation of net cash from our activities of $299 million, your board of directors has decided to pay a final dividend of 37 cents. This coupled with our interim dividend of 15 cents provides our shareholders with a total dividend of 52 cents. This is a 4% increase over last year's dividend of 50 cents and will be paid to shareholders of record on April 16, 2012 when the Register of Members will be closed for this purpose.

The Directors have also fixed the date of the Annual Meeting for May 8, 2012 at 4:30 p.m. in the afternoon at the Guardian Corporate Centre, 1 Guardian Drive, Westmoorings.

Arthur Lok Jack
Chairman of the Board

Jeffrey Mack
Chief Executive Officer

Left to right:
Brent Ford - Group Chief Investment Officer/ Group President Asset Management
Douglas Camacho – Executive Director/Group President, Strategic Investments & Projects
Richard Espinet – Group President, Caribbean Property & Casualty
Jeffrey Mack – Group Chief Executive Officer
Prabha Siewrattan – Group Head, Compliance
Larry Olton – Group Vice President, Integrated Marketing Communications
Paul Traboulay – Group Chief Risk Officer
Steven Martina – Chief Administration Officer, Insurance Administration Services

Left to right:
Keston Nancoo – Group Vice President, Human Resource Services
Fé Lopez-Collymore – General Counsel & Company Secretary
Neil Dingwall – Group Actuary/Chief Performance Officer
Ravi Tewari – Group President, Life Health & Pension
Wendell Mitchell – Group Chief Information Officer
Kerri Maharaj - Group Chief Financial Officer

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

FORWARD LOOKING STATEMENTS – CAUTIONARY LANGUAGE

The report reviews the Group'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 Group 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 and became a publicly listed company in Trinidad and 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, and in England. There are three main business segments: Life and Health Insurance, 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 in force 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, 2011 the Group recorded $742 million (2010: $673 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 the December 31, 2011, the deferred acquisition costs remaining to be amortised totalled $73 million (2010: $370 million).

Financial assets The Group has financial assets totalling $11.3 billion (2010: $11.2 billion), which 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 $254 million (2010: $253 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 Statement.

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 of provided in Note 23 to the Consolidated Financial Statements.

As at December 31, 2011 the Group had established reserves for policy liabilities of $11.6 billion (2010: $12.5 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.

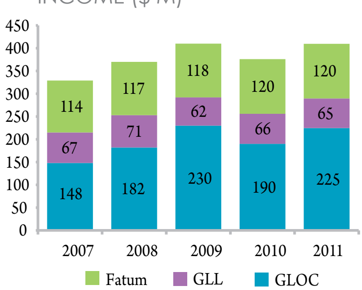
SUMMARY OF FINANCIAL PERFORMANCE

Life, Health & Pensions The Life, Health & Pensions division of the group (LHP group) provides insurance coverage throughout the English and Dutch-speaking Caribbean. This is achieved through five registered insurers. These are Guardian Life of the Caribbean Limited (GLOC) and Bancassurance Limited (BANC) domiciled in Trinidad & Tobago, Guardian Life Limited (GLL) domiciled in Jamaica, and Fatum Life (FATUM) domiciled in Curaçao and Aruba.

Over 2011, the LHP group continued to achieve strong top-line growth and continued to extract cost efficiencies from process improvement and the consolidation of its operations across the Caribbean, which resulted in net profits of $323 million, a 7% improvement over the prior year performance.

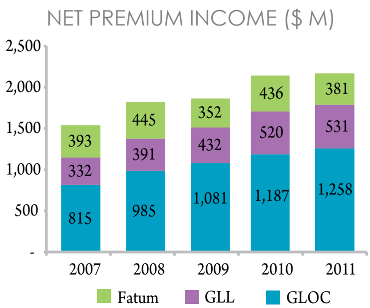
The Trinidad and Tobago companies continued to deliver very strong growth in new individual line sales and dominated in the Trinidad and Tobago life insurance market. The Jamaican company produced very strong growth in health business. These propelled total net premium income to $2.2 billion, registering a five-year compound annual growth rate of 7%.

ANNUALISED PREMIUM INCOME ($ M)



The chart at left sets out the individual lines new business annual premium income by insurer for the past five years. Individual Life annualised premium income (API) of $410 million registered a 9% growth over prior year.

During 2011, the LHP group continued to upgrade its infrastructure in its Employee Benefits area by process and organisational improvements throughout the Caribbean and technological enhancements in Jamaica. This contributed to health premiums of $641 million, a 9% improvement over 2010, resulting mainly from the 26% growth in premium income earned by GLL.



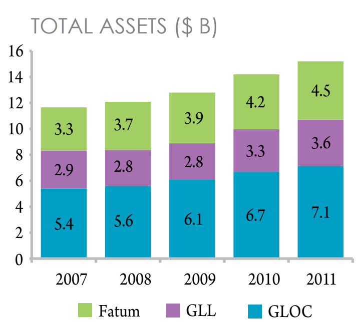
The growth trend in total net premium income is illustrated in the chart at left.

Turbulence continued in global investment markets in 2011. In both Trinidad & Tobago and Curaçao, economies were sluggish. This was also the case for the Jamaican economy even though it showed signs of stability following IMF support and the JDX debt exchange the previous year. In contrast, the Aruba economy showed strong growth due to the re-opening of its oil refinery, a rebound in tourism and the execution of an ambitious infrastructure programme.

The general economic challenges were reflected in the investment performance of the LHP group as, by historical standards, interest rates in all of its key territories continued to be at very low levels. Investment income earned grew by 2% to $698 million in 2011. However, investment income of $813 million, inclusive of realised and unrealised fair value gains, was marginally below 2010 returns due to volatility in the returns on both the regional and international markets.

With its continued strong oversight, the Group's operating expenses increased by just 2%, driven mainly by the effects of inflation in all the territories. Notwithstanding inflationary pressures, the Group realised strong operational efficiencies by maintaining its cost to premium income ratio to its 2010 level of 20%.

The LHP group's strategy is built around customer service excellence and the upgrading of infrastructure to achieve operational efficiency and greater sales. The strategy also involves the practical consolidation of operations across the Caribbean. Considerable progress has been made in deploying this strategy, which has already reaped positive results in new sales, better levels of customer service, cost containment and elimination of waste. In addition, the continued upgrade of the Group's IT infrastructure offers significant opportunities to improve the efficiency of existing processes, gain competitive advantages by leveraging technology into the business, and reduce expenses by the IT infrastructure rationalisation.

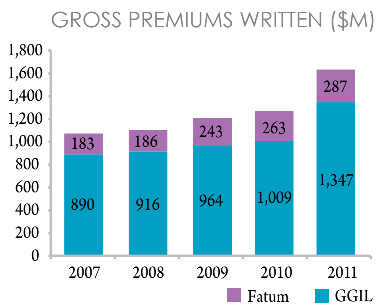


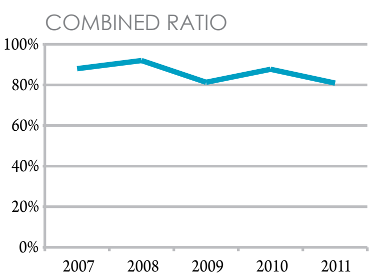
It is expected that the continued deployment of this strategy will further improve operating margins and enhance product and service quality, leading to increased shareholder value.

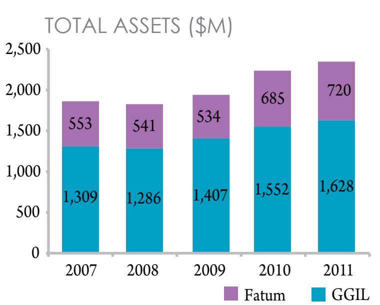
The LHP group increased its asset base by 7% to close the year with assets totalling $15 billion.

All operating companies maintain a solid capital base. GLOC closed the year with a solvency margin of 24% in excess of its reserves. In addition, GLOC holds an A.M. Best Rating of A–. The capitalisation of GLL is measured in terms of a Minimum Continuing Capital and Surplus

Requirements (MCCSR) ratio. The ratio for GLL is 174%, which is above the regulatory requirement of 150%. At year end 2011, Fatum showed a strong solvency position, remaining comfortably well in excess of the minimum solvency requirements of the regulator.







Caribbean Property & Casualty GHL's Caribbean Property and Casualty business is serviced by four companies whose operations collectively span 21 countries regionally. These include Fatum, which is responsible for the Dutch Antilles, Aruba and a property portfolio in the Netherlands.

The prolonged sluggish economic environment maintained pressure on market size and market share retention. Excessive capital in the market continues to sustain soft premium rates, resulting in reduced premium retention and in constraints on attracting new quality business. This was counter-balanced by Guardian's capacity and strong underwriting, supported by a strong reinsurance programme and tightening regulatory controls, which had a greater impact on competitors.

The 2011 hurricane season was one of high activity but with a lower than expected impact for such an active season. There were 19 named storms, of which seven developed into hurricanes, three being classified as major. Hurricane Irene provided the only impact on the Group's Caribbean portfolio with gross and net losses of $12.8 and $6.4 million in the Bahamas. The region also experienced five earthquakes with magnitudes of 4.4 and greater, but with no major losses.

In spite of this challenging environment, Caribbean Property and Casualty was successful in growing its Gross Premiums by 28.4% to $1.634 billion, mainly through business generated from global network partners.

Profit after tax of $146.4 million increased by $31 million from $115.4 million in 2010. This was due mainly to an improved Net Claims ratio of 40.9% from the 2010 ratio of 48.1%. The overall combined ratio for claims, expenses and commissions decreased to 80.9% from 87.7%.

Total assets of $2.3 billion grew by 5.0% from $2.2 billion.

A. M. Best revised GGIL's outlook from Negative to Stable and affirmed the rating of A-(Excellent) in the Financial Size Category VII, which is the highest category and rating of any indigenous Caribbean Property and Casualty Underwriter.

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 which for 2011 underwrote risks on a worldwide basis for both Lloyd's Corporate Members as well as non-Caribbean third party cedants.

Prior to 2007, the business of Guardian Re comprised primarily captive business. However, in 2007, the Company began accepting third party business on selective non-Caribbean property books of business so as to diversify its risk profile.

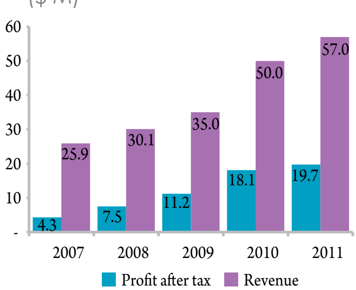
Last year, GHL reported that due to the increased worldwide frequency and severity of catastrophic events affecting all major (Re)insurance companies, the Group had identified both the Lloyd's Managing Agency business and participation in the international property market (through reinsurance) at Lloyd's as areas for strategic review.

In the third quarter of 2011, the Group reported the sale of its 39.1% ownership in its Lloyd's Managing Agent and associated holdings in Jubilee Group Holdings Limited to Ryan Specialty Group for a profit of $74 million.

Following the sale of the Lloyd's Managing Agent, the Group took a decision to exit underwriting in Lloyd's international property market and ceased underwriting any new risks at Lloyd's or offering renewal at natural expiry. As a result of these actions, the Group is required to reclassify and report the residual interests in these treaties as a disposal group held for sale and as a discontinued operation.

Asset Management Guardian Asset Management Limited produced a commendable performance in 2011 in the face of a very difficult investment environment. In spite of historically low interest rates domestically and internationally as well as extraordinary volatility in international equity markets, the subsidiary was able to produce better than market results for investors, which translated into top line and bottom line growth for the organisation.

GAM FINANCIAL PERFORMANCE ($ M)



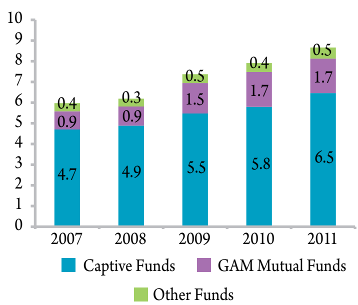
Revenue grew by 14% in 2011 due to improved management fees from growth in assets under management in both the Captive Insurance and Mutual Fund business lines. Reported revenue grew from $50 million to $57 million, with revenue from third party business contributing over $33 million. Guardian Asset Management also did well to contain administrative and IT costs and was more efficient in its tax structure, which helped to contribute to an overall growth in profits after tax of 8.84%.

Limiting performance somewhat were the low interest rates for reinvestment as well as price declines in international equities. The Central Bank of Trinidad and Tobago's 90 day Treasury Bill rate ended 2011 at a meagre 0.26%, while economic stimulation action by the US Federal Reserve resulted in U.S. short-term rates tending to 0% region. The S&P 500 ended a very volatile year with a 0% return, while the MSCI Europe and MSCI Asia Pacific Equity Indices fell 14.45% and 17.31% respectively. Nevertheless, conservative fund management allowed profits to grow from $18.1 million to $19.7 million as the Company moved closer to achieving its objective of becoming a 20 million dollar company.

During the period, the Group received regulatory approval to split its Asset Management and Trust Services functions. This change will improve the transparency for investors, since there will be a clear separation of investment management from Trustee oversight. In addition, it will create a renewed focus on the offering of Trustee services, a business line that has been largely untapped by the Group.

Guardian Asset Management also launched its Non-discretionary Private Wealth Management business line, in which investors can design their own portfolios using the myriad of investment options both locally and abroad for low annual fees.

GAM TOTAL AUM ($ B)



Total Assets under Management (AUM) increased by 8.86% to $8.6 billion, due to growth in the Captive insurance portfolio which grew from $5.8 billion to $6.5 billion for the period. Another notable increase was that of the private wealth portfolio, which also benefited from the appreciation of assets as well as the addition of new clients under the Company's traditional discretionary and newly introduced non-discretionary portfolio product lines. The noteworthy growth in AUM continues to attest to the Company's ability to deliver consistent value to customers amidst the challenging investment climate locally and internationally and increased competition.

Due to the global investment environment, several of the equity mutual funds experienced negative returns in 2011. Emerging market equities were the most hard hit as investors struggled to quantify the impact that slow growth in the United States and a recession in Europe would have on these historically export-dependent countries. However, relative to the market, most funds outperformed their peers in terms of absolute return and risk-adjusted returns in that they exhibited smaller declines and with less frequency over the year.

The Pan Caribbean Balanced Fund was the outstanding performer and produced quite an attractive return in 2011 as the Trinidad and Tobago equity market benefited from low interest rates and improved corporate earnings. The Trinidad &Tobago Stock Exchange was actually one of the top performing indices in the world in 2011. The Income Funds continued to provide stable and positive returns to investors over the period with actual 12 month returns of 2.10% (TTIF) and 1.84% (USIF) respectively.

The three top performing mutual funds for 2011 were:

- Pan Caribbean Balanced Fund: 11.29%
- TT Monthly Income Fund: 2.10%
- US Monthly Income Fund: 1.84%

ALTERNATIVE INVESTMENTS

Eastern Caribbean Gas Pipeline The Group sold 25.5% of its 40.5% holding in the Eastern Caribbean Gas Pipeline Company Limited (ECGPC) to a joint venture between Beowulf Energy LLC (Beowulf) of New York and First Reserve Energy Infrastructure Fund (FREIF) with offices in Greenwich, Houston, Hong Kong and London. The joint venture, to be called Bigwater Limited, has acquired a majority ownership interest in the company that is developing a natural gas export pipeline from Trinidad and Tobago to islands in the Eastern Caribbean.

In Phase I of the project, ECGPC will construct and operate a 300 kilometre natural gas pipeline from the Cove Point Estate in Tobago to Barbados. Phase II of the project will extend the pipeline from Barbados to other Eastern Caribbean islands.

This pioneering project is a ground-breaking regional energy infrastructure project, which will help reshape the regional energy market and reduce dependence on oil based products. The pipeline is expected to significantly lower the cost of producing electricity in countries such as Barbados, which rely primarily on imported fuel oil to produce electricity.

The extensive energy infrastructure experience and substantial financial resources of Beowulf and FREIF will accelerate the implementation of this regionally important project, thereby creating long-term value for the company's investors while delivering tangible financial and environmental benefits to the islands served by the pipeline.


View from the Harbour

Pointe Simon Project, Martinique The physical structures of the office tower and condo block have been completed. The internal finishing for both buildings is scheduled for completion in March 2012. The office block/hotel physical structure is scheduled for completion by the same date and the internal work by September 2012.

The Mayor of Fort de France and SEMAFF, the relevant Government agency, have approved the plans for the agreed public infrastructure works around the site and committed the necessary funding to commence the project. These works should be completed by September 2012, when 100% of the development will be opened.

The Group has shifted its long-term view of the office tower and is considering selling floors as well as leasing. There are many reasons for this, the primary one being pressure from potential tenants to purchase the space which they have requested; this is a common practice in French jurisdictions. Pointe Simon is now prepared to accept potential tenants who want to purchase out right and those who want to lease with an option to purchase at a fixed date in the future.

Interest in the condos remains buoyant and there has been a noticeable increase in the interest of potential buyers now that the building has been completed and the outfitting taking place.

Discussions are at an advanced stage to finalise the outfitting of the hotel/office block. Pointe Simon is hoping to sell the space reserved for offices to the Regional Council, these negotiations are in progress and likely to be finalised by mid-2012.

Retail space remains the most active area for lease; in addition to discussions regarding offers already made, new potential clients are being held in reserve. There are now two potential tenants for every retail area in the complex. A number of these clients have engaged architects and are finalising plans for the layout of their shops.

RGM The Company was able to fully tenant all of its buildings during the year despite the excess space available on the market for rental. This reflects the quality of the facilities and the customer satisfaction that RGM continues to engender.

During the last quarter of the year, a number of requests were made for the provision of custom-built buildings and RGM is actively pursuing these with a view to begin work on them in 2012.

One area in which there have been several requests is that of environmentally friendly, "green" buildings". This area is becoming critical where international clients are concerned, and has to be factored into new construction. Consideration is being given as to the upgrading of existing buildings.

HUMAN RESOURCES (HR)

"A company's share price and the overall quality of its human capital are intrinsically linked."
Management -Human Capital (Value in People)

HR Strategy

"Creating Competitive Advantage through People"
. . . Enabling and Enhancing Performance Excellence

As GHL pursues 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. The changing business landscape has not only veered in the direction of recognising and accepting "people" as crucial to business success and sustainability but, rather, has dictated that unless organisations can maximise the use of their human resource, they will not survive in this new economy. This change has been fuelled by key business challenges such as globalisation, innovation and, more recently, the economic downturn from which some businesses are still struggling to recover.

Understanding that people are the organisation's most important asset and a key competitive differentiator, Group HR recognises that it must position itself as a strategic business partner with a vision "to achieve a level of excellence of HR practice and service that creates a competitive advantage for the Business Units". This includes supporting and adding value for customers, employees and shareholders and playing a key and active role in supporting the Group leadership, Business Unit heads and staff in the achievement of personal, strategic and business goals. Group HR aims to achieve this by attracting, recruiting, training, developing and retaining high calibre staff who will contribute positively to delivering operational excellence within and across the Group's lines of business.

HR's main objectives are to:

- develop 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.
- continuously review processes and procedures to drive improvements and operational efficiencies.
- increase the robustness of the performance management and reward system to increase productivity and growth opportunities for each employee.
- generate, monitor and track performance metrics that 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 and Corporate 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:

- significantly improve the Group's ability to attract, recruit and retain top quality talent.
- segment the organisation so as to identify key employees/key talent in the most important jobs through a robust and fair performance management system to ensure that those employees are appropriately rewarded and training and development opportunities are appropriately targeted.
- 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 in every role.
- ensure all roles must be business critical.

Business Leadership

Under the pillar Business Leadership, HR will continue providing employees within the HR division across lines of business, with the opportunity to develop a better understanding of the business and thereby play the role of strategic business partner. In this regard, HR will work with and develop People Management Ownership capabilities in line employees and help Leaders/Managers across the Group to become better leaders and better managers.

Metrics and Measurement

HR metrics will be tracked, analysed and disseminated to allow Group companies predict organisational performance and drive business outcomes that meet stakeholder expectations. In this way, the Guardian culture will be founded on a 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.

SOCIAL RESPONSIBILITY

In 2010, the International Organisation for Standardization provided an outline for social responsibility to all types of organisations regardless of their size or location (ISO 26000:2010). It emphasizes that socially responsible behaviour should extend beyond merely legal compliance and truly adopt sustainable practices that benefit the development of the communities and countries in which they operate.

According to the ISO guidelines, "It is advisable that an organization take into consideration societal, environmental, legal, cultural, political and organizational diversity, as well as differences in economic conditions, while being consistent with international norms of behaviour".

Guardian's CSR policy conforms to this view, stating in part that: "Guardian Holdings and its member companies accept their responsibility to a high standard of reporting on corporate governance, environmental, labour and other key issues." In 2011, Guardian's main focus was on education, the environment and sport.

Guardian partnered with the United Nations Development Programme and Heroes Foundation as part of International Youth Day on August 12, 2011, to host four teenage Interns in various Business Units in Trinidad & Tobago for a 'Day at Work'. This exercise gave the Interns an insight into the world of work, especially in areas aligned to their career interests. Additionally, Guardian took on another group of 17 'First Step' interns for five weeks of intensive, skill-focused training and placement in various branches and business units of the organisation. The First Step programme, aimed at children of employees, is now in its second decade and will continue giving young adults, aged 17–21, exposure to business processes and real life workplace challenges.

2011 marked the 13th year of the UWI/Guardian Life Premium Teaching Awards/Open Lecture programme in Trinidad & Tobago and 11th year in Jamaica. The Teaching Awards and Open Lectures, which occur in alternate years, have the aim of promoting and enhancing the teaching excellence of UWI Faculty with an outreach to the general population with respect to education. To date it has recognised 22 outstanding UWI lecturers and hosted 12 subject matter experts in various spheres in the field of Higher Education across both territories.

Guardian's environmental stewardship also continues to grow. In 2011 the Guardian Life Wildlife Fund continued its Pride in Pawi project, which was funded in part by the UNDP/GEF/SGP. Based on the monthly reporting and successes, the UNDP/GEF/SGP has already signalled interest in funding Phase II of Pride in Pawi. In September, the Guardian companies in Barbados, Jamaica and Trinidad and Tobago participated in the Ocean Conservancy's 26th annual International Coastal Clean-up. In Trinidad and Tobago alone, Guardian recruited more than 300 volunteers for its adopted beach, Chagville at Chaguaramas, collecting and logging hundreds of pounds of debris. The data collected during this international exercise is used to influence national and international legislation as it relates to protecting the environment.

Internally, Guardian's Project Green recycling initiative expanded to a total of six materials (office paper, glass, plastics, penlight batteries, newspapers and magazines). In 2011 the Company also committed its glass recycling project to helping the Lady Hochoy Home for the developmentally challenged. The institution, which sells glass as a means of raising funds, is happy to receive the glass collected from employees.

Sport, which is an ideal vehicle to develop self-esteem, team work and discipline among Caribbean youth, continues to be an area of focus on the social responsibility agenda. For the ninth consecutive year, Guardian served as a regional sponsor of the regional CARIFTA Games. CARIFTA, the premier junior track and field event across the English, French and Dutch-speaking Caribbean, held its 40th instalment in Jamaica. Guardian Jamaica counterparts Guardian Life Limited and West Indies Alliance played a major role in representing the Group.

In Trinidad and Tobago, Guardian Life of the Caribbean partnered with the Trinidad and Tobago Olympic Committee (TTOC) to promote youth and community development through sport. For the fifth year running, the Company donated $250,000 to TTOC's Shape the Community Sports Development programme—an innovative programme that targets elementary school children and retired persons and engages them in recreation and physical education and activities. The Shape the Community programme goes one step further by focusing on training coaches and sport administrators. In this regard, a sustainable and continuous process of development is created while providing opportunities for long-term employment within the community.

When CSR is well thought out and aligned with the organisation's business strategy, the results make a positive impact on that organisation's bottom line. Guardian's strategy and philosophy are based on the fundamental idea behind CSR—that a corporation has a responsibility to the communities in which it operates by contributing to a sustainable future for all its stakeholders. As Guardian pursues its vision 'to be the regional wealth management and protection champion', this continues to govern the way Guardian does business.

INDEPENDENT DIRECTORS

It is provided in Regulation 4.1 of By-Law No. 1 of the Company that at least twenty per cent (20%) of the Board be comprised of Directors who satisfy the following criteria for independence contained in Regulation lA):

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

The Board comprises a total of eleven (11) Directors, of which five (5) (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 which 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. Imtiaz Ahamad
- Mr. David Davies
- Mr. Peter Ganteaume
- Mr. Arthur Lok Jack

The Committee is governed by a Charter which 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 2011 follows.

Meetings The Committee held seven (7) meetings in 2011 to discharge its responsibilities.

Structure of Internal Audit Effective March 29, 2011, the co-sourcing of Internal Audit throughout GHL was implemented. Under this model, 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.

PricewaterhouseCoopers have operated as the overall leaders of this Group Internal Audit Function. Internal Audit has unfettered access to the GHL Audit Committee. The Group Internal Audit Staff report administratively to the Internal Audit Liaison who has a direct functional reporting line 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 have remedied the weaknesses in internal controls that were highlighted in the internal audit reports presented to them.

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 2011 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, 2011, 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 2011, 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

In 2011, following recommendations on the development and implementation of an Enterprise Risk Management framework, the Board of Directors established a separate Risk & Compliance Committee with responsibility for these matters. The Committee is governed by a Charter which sets out its responsibilities in respect of compliance and risk matters, and which was adopted by the GHL Board on May 4, 2011.

The Committee is comprised of five (5) Directors of whom four (4) are non-executive Directors.

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

The existence of this Committee is considered by Guardian Holdings Limited to be a key element of its corporate governance framework and part of the Group's commitment to best practice in the area of corporate governance. The Committee supports the full Board and essentially 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 2011. 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 Plan centred on the finalisation of an ERM Policy document, setting clear statements of risk appetite for standard classifications of risk Group-wide and setting out policies and guidelines for the management all risk exposures within these limits. 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 examinations.

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 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 2011 the Committee held five (5) 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 2011 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 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. Peter Ganteaume
- Mr. Antony Lancaster
- Mr. Arthur Lok Jack

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 Corporate Governance 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 2011 to discharge the responsibilities outlined in its Charter. In the course of these meetings the following was accomplished by the Committee:

- consideration and approval of the nomination by the IFC of the appointment of Mr Jemal-ud-din Kassum.

- review of schedule of rotation of Directors and recommendation on presentation of candidates for appointment at annual shareholders meeting.
- commencement of a project to 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), Delegation of Authorities and Disclosure Policies.
- consideration and approval of policy for Board appointments on investee companies.
- review and approval of Charter for Group's Enterprise Investment Committee.
- review and confirmation of the Group's support of the Guardian Life Wildlife Fund.

REPORT OF THE ENTERPRISE INVESTMENT COMMITTEE

The Enterprise Investment Committee (EIC) was formed in 2010 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
- Mr. Jeffery Mack
- Dr. Aleem Mohammed

During the year, the Committee adopted its Charter which sets out its purpose, organisation, authority and responsibilities.

The purpose of the EIC 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 EIC 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 four (4) meetings during the year and reviewed various presentations and investment reports on investment holdings and agreed on definitions for certain types of investments. The Committee also commissioned a study to analyse the Group's investments with a view to maximise efficiency and to ensure proper matching of the Group's liabilities. That study was completed towards the end of 2011 and several recommendations were accepted and will be implemented in 2012. Among those were target portfolios asset mixes for each subsidiary conducting Insurance Business and for the Enterprise.

REPORT OF THE INDEPENDENT AUDITORS

To the Shareholders of Guardian Holdings Limited

The accompanying summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2011, 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 31 December 2011. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 23 March 2012.

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 31 December 2011 are consistent, in all material respects, with those financial statements, on the basis of management's established criteria as described in Note 1.

Ernst + Young

Port of Spain,

TRINIDAD:

23 March 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Expressed in Trinidad & Tobago Dollars • December 31, 2011

	2011 $'000	2010 $'000
ASSETS		
Property, plant and equipment	501,275	509,744
Investment properties	1,120,431	905,507
Intangible assets	254,278	253,484
Investment in associated companies	202,010	276,847
Financial assets	11,257,043	11,183,338
Financial assets of mutual fund unit holders	1,164,983	1,244,907
Loans and receivables	1,510,752	2,148,127
Lands for development and sale	391,048	305,382
Pension plan assets	45,827	86,728
Value of inforce life insurance business	742,043	673,474
Deferred tax assets	21,490	25,595
Reinsurance assets	680,273	761,614
Segregated fund assets of life insurance policyholders	499,502	459,937
Deferred acquisition costs	72,657	369,623
Taxation recoverable	138,205	157,550
Cash and cash equivalents	1,739,394	1,475,421
Cash and cash equivalents of mutual fund unit holders	161,050	150,517
Assets held for sale	1,000,356	--
Total assets	21,502,617	20,987,795
EQUITY AND LIABILITIES		
Share capital	2,008,338	2,003,470
Reserves	(264,360)	(249,587)
Retained earnings	1,410,625	1,285,362
Equity attributable to owners of the parent	3,154,603	3,039,245
Non-controlling interests in subsidiaries	39,668	91,079
Total equity	3,194,271	3,130,324
Liabilities		
Insurance contracts	11,610,115	12,453,763
Financial liabilities	2,965,525	2,729,732
Third party interests in mutual funds	1,085,343	1,065,548
Segregated fund liabilities of life insurance policyholders	499,502	459,937
Post retirement medical benefit obligations	60,923	78,916
Deferred tax liabilities	198,928	208,432
Provision for taxation	56,463	102,308
Other liabilities	831,191	758,835
Liabilities related to assets held for sale	1,000,356	--
Total liabilities	18,308,346	17,857,471
Total equity and liabilities	21,502,617	20,987,795

On 23 March 2012, the Board of Directors of Guardian Holdings Limited authorised these financial statements for issue.

Director	**Director**

CONSOLIDATED STATEMENT OF INCOME

Expressed in Trinidad & Tobago Dollars • December 31, 2011

	2011 $'000	2010 $'000
Insurance activities		
Insurance premium income	3,952,606	3,873,213
Insurance premium ceded to reinsurers	(1,067,746)	(696,729)
Reinsurance commission income	140,171	130,451
	3,025,031	3,306,935
Change in "Value of inforce life insurance business"	70,272	75,808
Net underwriting revenue	3,095,303	3,382,743
Policy acquisition expenses	(513,684)	(548,569)
Net insurance benefits and claims	(2,221,411)	(2,572,897)
Underwriting expenses	(2,735,095)	(3,121,466)
Net result from insurance activities	360,208	261,277
Investing activities		
Investment income	832,045	871,295
Net realised gains on financial instruments	83,872	245,003
Net fair value gains on financial instruments	83,536	98,753
Fee income	44,464	35,648
Other income/(loss)	92,008	(8,307)
Investment contract benefits	(79,997)	(83,725)
Net income from investing activities	1,055,928	1,158,667
Net income from all activities	1,416,136	1,419,944
Operating expenses	(729,204)	(728,032)
Finance charges	(110,044)	(82,854)
Operating profit	576,888	609,058
Share of (loss)/profit of associated companies	(25,005)	23,026
Profit before taxation	551,883	632,084
Taxation	(87,148)	(136,798)
Profit after taxation	464,735	495,286
Amount attributable to participating policyholders	(8,716)	(14,359)
Profit from continuing operations	456,019	480,927
Net loss on discontinued operations	(209,909)	(55,584)
Profit for the year	246,110	425,343
Profit attributable to:		
- Equity holders of the parent	261,103	405,505
- Non-controlling interests	(14,993)	19,838
	246,110	425,343
Earnings per share:		
- Basic - for profit attributable to ordinary equity holders of the parent	$1.13	$1.94
- Diluted - for profit attributable to ordinary equity holders of the parent	$1.10	$1.88
Earnings per share for continuing operations		
- Basic - for profit attributable to ordinary equity holders of the parent	$2.04	$2.20
- Diluted - for profit attributable to ordinary equity holders of the parent	$1.98	$2.14

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Expressed in Trinidad & Tobago Dollars • December 31, 2011

	2011 $'000	2010 $'000
Profit for the year	246,110	425,343
Other comprehensive (loss)/income		
Exchange differences on translating foreign operations	(17,036)	68,592
Gains on property revaluation	1,926	1,312
Actuarial losses on defined benefit pension plans	(60,743)	(14,771)
Other reserve movements	934	265
Income tax relating to components of other comprehensive income	(580)	(890)
Other comprehensive (loss)/income for the year, net of tax	(75,499)	54,508
Total comprehensive income for the year, net of tax	170,611	479,851
Total comprehensive income/(loss) attributable to:		
- Equity holders of the parent	220,797	464,856
- Non-controlling interests	(50,186)	14,995
	170,611	479,851

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Expressed in Trinidad & Tobago Dollars • December 31, 2011

	Attributable to equity holders of the parent					
	Share capital $'000	Reserves $'000	Retained earnings $'000	Total ordinary shareholders' equity $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2011	2,003,470	(249,587)	1,285,362	3,039,245	91,079	3,130,324
Movement in unallocated shares	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	–	–	–
Dividends	–	–	(110,906)	(110,906)	(1,225)	(112,131)
Balance at 31 December 2011	2,008,338	(264,360)	1,410,625	3,154,603	39,668	3,194,271
At 1 January 2010	1,530,398	(325,189)	1,058,786	2,263,995	78,442	2,342,437
Total comprehensive income	–	74,772	390,084	464,856	14,995	479,851
Decrease in non-controlling interest	–	–	1,733	1,733	(1,733)	–
Issue of shares	412,609	–	–	412,609	–	412,609
Transfer to/(from) retained earnings	59,389	830	(60,219)	–	–	–
Share option scheme - value of services provided	1,950	–	–	1,950	–	1,950
Share option scheme - lapses	(876)	–	876	–	–	–
Dividends	–	–	(105,898)	(105,898)	(625)	(106,523)
Balance at 31 December 2010	2,003,470	(249,587)	1,285,362	3,039,245	91,079	3,130,324

CONSOLIDATED STATEMENT OF CASH FLOWS

Expressed in Trinidad & Tobago Dollars • December 31, 2011

	2011 $'000	2010 $'000
Cash flows from operating activities		
Profit before taxation from continuing operations	551,883	632,084
Loss before taxation from discontinued operations	(209,909)	(55,584)
Adjustment for specific items included on the accruals basis:		
- Finance charges	110,044	82,854
- Investment income	(857,053)	(888,213)
Adjustment for non-cash items	(142,149)	(339,801)
Interest received	808,095	940,659
Dividends received	36,133	32,361
Operating profit before changes in operating assets/liabilities	297,044	404,360
Net increase in insurance liabilities	155,142	445,759
Net increase/(decrease) in reinsurance assets	11,941	(48,207)
Net increase in investment contracts	83,765	60,596
Purchase of financial assets	(3,088,106)	(7,276,094)
Proceeds from sale of other financial assets	2,887,594	6,486,036
Purchase of/additions to investment properties	(201,376)	(188,670)
Proceeds from sale of investment property	1,184	–
Net decrease in loans and receivables	41,873	173,061
Net decrease in other operating assets/liabilities	164,307	69,495
Cash provided by operating activities	353,368	126,336
Interest paid	(108,045)	(132,065)
Net taxation paid	(120,251)	(107,748)
Net cash provided by/(used in) operating activities	125,072	(113,477)
Cash flows from investing activities		
Additional investment in associated company	(4,688)	(3,518)
Proceeds on sale of associated companies	116,851	8,261
Proceeds on sale of subsidiary company	–	103,397
Purchase of property, plant and equipment	(32,608)	(46,106)
Proceeds on sale of property, plant and equipment	363	314
Purchase of intangible assets	(1,846)	(1,632)
Net cash provided by investing activities	78,072	60,716
Cash flows from financing activities		
Proceeds from issue of shares	–	412,609
Proceeds from borrowings	1,309,355	206,498
Repayments of borrowings	(1,169,174)	(1,180,089)
Dividends paid to equity holders of the parent	(110,906)	(105,898)
Dividends paid to non-controlling interests	(1,225)	(625)
Redemptions from Mutual Funds	(689,041)	(389,469)
Subscriptions to Mutual Funds	756,457	207,046
Net cash provided by/(used in) financing activities	95,466	(849,928)
Net increase/(decrease) in cash and cash equivalents	298,610	(902,689)

NOTE 1: BASIS OF PREPARATION

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 31 December 2011.

These summary consolidated financial statements have been prepared in accordance with the accounting policies set out in "Note 2" of the 31 December 2011 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 31 December 2011 audited financial statements, have also remained unchanged.

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH. 81:01 (SECTION 144)

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 on Tuesday, May 8, 2012 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

Date	Name and Title	Signature
March 21, 2012	Fé Lopez-Collymore Corporate Secretary	

Photographs of Directors: Abigail Hadeed
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FORM OF PROXY

GUARDIAN HOLDINGS LIMITED

REPUBLIC OF TRINIDAD & TOBAGO

THE COMPANIES ACT CH 81:01 — SECTION143 (1)

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

2. Particulars of Meeting: Annual Meeting of the Company to be held at 4:30 in the afternoon on Tuesday, 8 May, 2012.

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/our 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:

	FOR	AGAINST
RESOLUTION 1: BE IT RESOLVED THAT the Consolidated Financial Statements of the Company for the year ended December 31, 2011 and Reports of the Directors and the Auditors thereon be received and adopted.		
RESOLUTION 2: a) BE IT RESOLVED THAT the Directors to be elected be elected en bloc		
b) BE IT RESOLVED THAT Messrs. Imtiaz Ahamad, David Davies and Jeffrey Mack 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.		
RESOLUTION 4: BE IT RESOLVED THAT the amendment to By-Law No. 1 of the Company effected by resolution of the Board of Directors on March 21, 2012 be and is hereby confirmed as follows: THAT By-Law No. 1 of the Company enacted by resolution of the Directors on the 14th day of April 1998 and amended as confirmed by resolutions of the shareholders on the 23rd of April 2001 and the 1st day of September 2010 be further amended by the deletion of the last sentence of Regulation 4.1 (which requires that 20% of the Board be composed of independent Directors) and its replacement with the following sentence "At least thirty per cent (30%) of the Board shall be comprised of Independent Directors.		

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 initialled 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 duly authorised attorney.

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

For official use only:

Folio Number	
Number of Shares	

GUARDIAN
HOLDINGS
LIMITED

www.guardianholdings.com

For 165 years, Guardian's insurance and investment products and services have been there for you, protecting and securing the financial success of Caribbean families.

GHL's customer service orientation, prudent investment policies, responsible governance, employee and community care, and environmental consciousness are the foundation on which past successes have been built and on which the future rests. By adhering faithfully to best practices and to our mandate, we have been able to navigate turbulent economic waters for many generations. We have provided a solid rock of stability on which individuals, families and companies plan their future.

Our depth of experience has equipped and strengthened us to continue to provide growth and prosperity for our customers, our shareholders and all of our stakeholders.






SOLID AS A ROCK