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Statement on Payments to Former CLICO Directors and Officers

Under the terms of Government's bailout of CLICO in 2009 and 2011, related parties which included directors and officers of CLICO were not to be paid with public funds, on the principle that these parties may have contributed to the financial collapse of the institution. The decision to withhold payment from these former directors and officers of CLICO, who are policyholders, resulted in them remaining creditors on the books of CLICO. CLICO, by law, has to treat with all classes of creditors as part of its resolution strategy.

Under the 2015 CLICO Resolution Plan, CLICO is making payments to its policyholders and creditors entirely from the proceeds of the sale of its assets. These payments are being made from the monetization of CLICO's MHTL shares and the eventual sale of other CLICO assets. Unlike Government's bailout, the 2015 CLICO Resolution Plan is not funded by Government. No Government funds are being used to make payments to creditors and policyholders of CLICO including related parties, under the CLICO Resolution Plan.

After Central Bank assumed control of CLICO in 2009 pursuant to Section 44D of the Central Bank Act, it initiated a forensic investigation into the affairs of CLICO. This investigation was conducted by eminent forensic accountant Mr. Robert Lindquist. Based on the findings of the forensic investigation and the advice of Queen's Counsel received in October 2010, Central Bank and CLICO commenced a Breach of Fiduciary Duty civil case in June 2011 against Mr. Lawrence Duprey, Mr. Andre Monteil and their companies as defendants, as they were considered to be the principal decision makers for the affairs of CLICO. In March 2013, Ms. Gita Sakal was added as a defendant to the case.

This is an ongoing matter and based on the advice of Queen's Counsel, defendants in this civil claim, where they or their companies are policyholders/creditors of CLICO, **will not be paid** under the terms of the 2015 CLICO Resolution Plan, until the determination of the matter by the Court.

In respect of the other former directors and officers of CLICO, where Central Bank and CLICO have not, based on forensic findings and legal advice, contemplated or initiated any litigation against such persons, to date, there would be no legal basis on which CLICO may now withhold payment to them as policyholders/creditors at the point of liquidating its debts to creditors from its own assets.

Central Bank has forwarded reports of all forensic findings since 2010 to the Office of the Director of Public Prosecutions and the Trinidad and Tobago Police Service who have commenced their criminal investigations. No charges have been laid to date.