

nic  
BOARD  
**CHARTER**

NIC General Insurance Co. Ltd  
**BOARD**

# BOARD CHARTER

## TABLE OF CONTENTS

<b>1. PREAMBLE.....</b>	<b>2</b>
1.1 Complementary to Law and Articles.....	2
1.2 Charter on Website.....	2
<b>2. COMPOSITION OF THE BOARD, POSITIONS, COMMITTEES .....</b>	<b>2</b>
2.1 Board Profile, Size, Expertise and Independence.....	2
2.2 (Re) Appointment; Term of Office.....	3
2.3 Chairperson .....	3
2.4 Company Secretary.....	3
2.5 Committees .....	4
<b>3. DUTIES AND POWERS OF THE BOARD.....</b>	<b>4</b>
3.1 General Duties and Powers.....	4
3.2 Duties Regarding the Supervision of Management.....	5
3.3 Duties Regarding the Directors and the Performance of the Board .....	6
<b>4. RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS.....</b>	<b>6</b>
<b>5. BOARD MEETINGS; DECISION-MAKING .....</b>	<b>6</b>
5.1 Frequency, Notice, Agenda and Venue of Meetings .....	6
5.2 Attendance of and Admittance to Meetings.....	7
5.3 Decision-Making within the Board .....	7
<b>6. SUPPLEMENTARY PROVISIONS.....</b>	<b>8</b>
6.1 Conflicts of Interest of Board Directors .....	8
6.2 Compensation of Board Directors.....	8
6.3 Induction Program, Ongoing Training and Education .....	8
6.4 Confidentiality .....	9
6.5 Miscellaneous .....	9

## 1. PREAMBLE

### 1.1 Complementary to Law and Articles

The Board Charter sets out the objectives, roles and responsibilities of the Board of Directors of the NIC General Insurance Co. Ltd (hereinafter referred as “NICGEN” or ‘the Company’). This Charter should be read in conjunction with the Company’s Constitution, the Mauritian Laws and Regulations, which shall prevail over this Charter.

### 1.2 Charter on Website

This Charter will be posted on the Company's website.

## 2. COMPOSITION OF THE BOARD, POSITIONS, COMMITTEES

### 2.1 Board Profile, Size, Expertise and Independence

#### 2.1.1 Board Profile

The Board, in consultation with the Corporate Governance and Ethics Committee, shall prepare the profile of its size and composition, considering the nature of the Company's business and the desired expertise and background of Board Directors (the 'Board Profile').

#### 2.1.2 Number of Directors

The Board shall have a minimum of seven (7) natural persons of which 30% shall be independent directors. Quorum necessary for the transaction of business of the directors may be fixed by the directors and if not so fixed, shall be majority of the directors.

#### 2.1.3 General Composition

The Board shall use its best efforts to ensure that:

- (i) Its Directors are able to act independently of one another;
- (ii) They are in a position to assess the broad outline of the Company’s overall position;
- (iii) Each Board Director has sufficient expertise to perform his or her role as a Board Director;
- (iv) The Board matches the ideal Profile;
- (v) At least one Board Director is fully conversant, has wide knowledge and experience in the insurance sector;
- (vi) No less than two Board Directors shall be independent as defined in Section 2.1.4 below.

#### 2.1.4 Independence

An independent director is a Board Director who:

- (i) Has not been an employee of the Company or the group for the past three years;
- (ii) Has not, or has not had in the past three years, a material business relationship with the Company either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;
- (iii) Has not received, or does not receive, additional remuneration from the Company apart from a director's fee or as a Director of the Company's pension scheme;
- (iv) Is not a nominated director representing a significant shareholder;
- (v) Does not have close family ties with any of the Company’s advisers, directors or senior employees;
- (vi) Does not have conflicting cross directorships, nor significant links with other directors, through involvement in other companies or bodies; and
- (vii) Has not served on the Board for more than nine years from the date of their first election.

## 2.2 (Re) Appointment; Term of Office

### Election by Shareholders

The Board directors shall be appointed by the Shareholders at the Annual Meeting of the company or at such other time as may be deemed appropriate. All Board directors shall hold office until the next annual meeting at which they may offer themselves for re-election or otherwise, as may be decided by the Shareholders.

## 2.3 Chairperson

### 2.3.1 Election

The Board shall elect a Chairperson from among its members. Board Meetings are presided over by the Chairperson of the Board. In the absence of the Chairperson, the Board Directors may elect one of the directors present at the meeting to preside over the meeting.

### 2.3.2 Duties

The Chairperson of the Board shall primarily be responsible for the activities of the Board and its Committees. He/She shall act as spokesperson for the Board and shall be the principal Board contact for the Group Chief Executive Officer. The Chairperson of the Board and the Group Chief Executive Officer shall meet regularly. The Chairperson of the Board shall preside over the meetings of shareholders.

### 2.3.3 Responsibilities

The Chairperson shall ensure that:

- (i) The Board fulfills its duties;
- (ii) Board Directors, when appointed, do receive an induction pack and, if needed, be provided with training programs;
- (iii) Directors receive all the information necessary for them to perform their duties;
- (iv) The agenda of Board meetings are determined;
- (v) The Board meetings are chaired in an effective manner;
- (vi) The Board has sufficient time for deliberation and decision-making;
- (vii) Minutes of Board and committee meetings are properly recorded and maintained;
- (viii) The Committees function properly;
- (ix) Consultations are held with external advisors appointed by the Board;
- (x) The performance of Board Directors is evaluated regularly;
- (xi) Problems related to the performance of individual Board Directors are addressed;
- (xii) Internal disputes and conflicts of interest concerning individual Board Directors, including the possible resignation of such Directors as a result, are addressed; and
- (xiii) The Board has proper contact with the executive team.

## 2.4 Company Secretary

### 2.4.1 General Access

The Company Secretary shall be available to Board Directors for any advice required.

### 2.4.2 Responsibilities

The Company Secretary shall see to it that the Board follows correct procedures and that the Board meets its obligations under law and the Company's constitution (if applicable). The Company Secretary shall assist the Chairperson of the Board to organise the Board's activities (including provision of information, preparation of an agenda, report of meetings, evaluation

and organization of training programs).

## **2.5 Committees**

### **2.5.1 Establishment of Committees**

The Board may appoint Committees from among its Directors to perform specific tasks and determine their Directorship under the corporate governance structure. The Board shall establish, as a minimum, an Audit & Risk Committee and a Corporate Governance & Ethics Committee.

### **2.5.2 Board Responsibility for Committee Action**

The Board shall be collectively responsible for the decisions and actions taken by the Committees. A Committee may only perform the tasks delegated to it by the Board. The Board may delegate a degree of decision making powers to the Committee. However, such delegation shall not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.

### **2.5.3 Committee Reporting**

The Committees shall promptly inform the Board of the actions they have taken as well as of any major developments of which they become aware. Each Board Director will have unrestricted access to all Committee meetings and records. The Board shall, as set forth in the Charter of the Committee concerned, receive a report from the Committee describing its actions and findings.

### **2.5.4 Committee Charters**

The Board shall establish (and may amend) Charters for each Committee. The Charters shall specify the role and responsibilities of the Committee, its composition and the manner in which it should perform its duties.

### **2.5.5 Website Disclosure**

The Charters and the composition of the Committees shall be posted on the Company's website.

## **3. DUTIES AND POWERS OF THE BOARD**

### **3.1 General Duties and Powers**

#### **3.1.1 General Responsibilities**

The Board as a whole shall be responsible for the supervision and oversight of the overall business of the Company. The Board shall, in relation to its duties and responsibilities, oversee but not restrict itself to the following areas:-

- (i) Strategy
- (ii) Risk Management and Controls
- (iii) Financial Management and Financial Reporting
- (iv) Shareholders and other Stakeholders' Interests
- (v) Performance Review
- (vi) Compliance with Statutory and Regulatory requirements

### **3.1.2 The Board acts in the Interest of the Company**

The Board shall act in good faith and in the best interests of the Company. Board Directors shall undertake their responsibilities with due diligence, care, honesty and integrity at all times in compliance with law and the highest standards of corporate governance and ethical conduct.

### **3.1.3 Performance Standards**

The Board is responsible for ensuring the standard of its own performance.

### **3.1.4 Action in Concert**

To the extent possible and remaining within the limit of their individual responsibilities as Board Directors, they shall act and speak in concert with respect to important affairs and matters of principle.

### **3.1.5 Provision on Information**

The Chairperson, the Group Chief Executive Officer/Group Officer in Charge and the Company Secretary shall see to it that the Management provides, in a timely manner, to the Board and its Committees with information they need to function properly.

### **3.1.6 Use of Experts**

The Board may have recourse to the services of experts for advice or assurance, the cost of which shall be agreed in advance by the Board and paid by the Company. A Board Director may rely upon the advice of a relevant expert so long as the Director has no reason to question the expert's report or conclusion.

## **3.2 Duties Regarding the Supervision of Management**

### **3.2.1 Nature of Supervision**

In supervising Management, the Board shall consider:

- (i) The achievement of the Company's objectives;
- (ii) The strategy and risks inherent in the Company's activities;
- (iii) The structure and operation of the internal risk management, and audit and control systems;
- (iv) The financial reporting process;
- (v) Compliance with law and regulations; and
- (vi) Any other matters the law requires the Board to consider.

### **3.2.2 Financial Reporting**

The Board shall, in consultation with the Audit and Risk Committee, supervise the Company's financial reporting. The Board shall ensure compliance with procedures for the preparation and publication of the Annual Report and Accounts, the quarterly and semi-annual financial reports and the internal control, risk management and audit mechanisms for external financial reporting.

### **3.2.3 Annual Risk Review**

At least once a year, the Board shall discuss the Company's strategy and business risks, the Management's assessment of the internal risk management and control systems, and any significant changes to such systems.

### **3.3 Duties Regarding the Directors and the Performance of the Board**

#### **3.3.1 Duties Regarding Board**

The duties of the Board in relation to the Directors of the Board include:

- (i) The appointment of a Chairperson, the set-up of Committees and defining their role, the evaluation of the Board, its individual Directors and its Committees (including an evaluation of the Board profile and the induction, education and training program); the approval of other positions of Board Directors to the extent required under this Charter; and
- (ii) Addressing any conflict of interest issues between the organisation and members of the Board.

#### **3.3.2 Board Assessment**

At least once a year, the Board shall evaluate its own activities and those of its individual members, the effectiveness of such activities, and competence of the Board and its committees.

## **4. RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS**

#### **4.1.1 Shareholders' Meeting; Record Date; Venue**

The Board shall determine the date and place of any meeting of Shareholders and date for the exercise of any voting. The Board shall use its best efforts to provide Shareholders with all information necessary or requested for the Shareholders to properly act at the meeting of Shareholders.

#### **4.1.2 Attendance by Board Members**

The Chairperson shall ensure that (unless there are important reasons) all members of the Board attend the meetings of Shareholders.

#### **4.1.3 Disclosure of Resolutions**

A resolution of the meeting of shareholders shall be publicly disclosed only through a statement from the Chairperson of the Board or the Company Secretary.

#### **4.1.4 Other Stakeholders Interests**

In discharging its duties, the Board shall consider optimizing stakeholders' value. The Board shall ensure that the Company is governed in a transparent manner through accurate and timely information to its stakeholders through its annual report or otherwise.

## **5. BOARD MEETINGS AND DECISION-MAKING**

### **5.1 Frequency, Notice, Agenda and Venue of Meetings**

#### **5.1.1 Frequency**

The Board shall meet as often as necessary, but at least four times a year.

#### **5.1.2 Notice and Agenda**

Meetings of the Board shall be called by the Chairperson. Save in urgent cases, as determined by the Chairperson, the agenda for a meeting shall be sent to all Board Directors at least five calendar days before the meeting. To the extent possible, for each item of the agenda, an explanation in writing shall be provided and related documentation attached. The Chairperson shall normally consult the Group Chief Executive Officer prior to convening a Board meeting.

### **5.1.3 Venue**

Board meetings are generally held at the registered office of the Company. Where personal attendance of some or all of the Directors is not possible, meetings of the Board may be held by audio conference and/or video call/video conference.

## **5.2 Attendance of and Admittance to Meetings**

### **5.2.1 Attendance by the Group Chief Executive Officer**

The Group Chief Executive Officer shall be in attendance at Board meetings with no voting right. If requested by the Board, other Officers of the company may also attend meetings of the Board in whole or in part.

### **5.2.2 Undue Absence**

If a Board Director is frequently absent from Board meetings, he/she shall be required to explain such absences to the Chairperson.

### **5.2.3 Attendance by Non-Members**

The admission to a meeting of persons other than Board Directors, the Group Chief Executive Officer, the Company Secretary and (if invited) other Officers shall be decided by the Board

## **5.3 Decision-Making within the Board**

### **5.3.1 Preference for Unanimity**

Board Directors shall try to unanimously adopt resolutions. Dissenting opinions shall be recorded in the minutes when unanimity cannot be reached.

### **5.3.2 Individual Vote**

Each Board Director has the right to cast one vote.

### **5.3.3 Majority Vote; Quorum**

All resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote. At a meeting, the Board may pass resolutions only if the quorum is present.

### **5.3.4 Written Resolutions**

Board resolutions may also be adopted in writing, provided the proposal concerned is submitted to all Board Directors entitled to receive notice of meeting and none of them objects to this form of adoption. Decisions taken by way of written resolutions shall either be signed by all Board Directors or approved by them, through electronic means such as fax, electronic mail or any other similar means of communication.

### **5.3.5 Minutes**

Minutes shall be drawn up for every Board meeting and signed by the Chairperson and the Company Secretary. The minutes of Board Meetings and the resolutions in writing must be added to the Company's records. Each Director of the Board is entitled to a copy of the minutes and the resolutions in writing.

### **5.3.6 Certification of Resolutions**

A resolution adopted by the Board shall be publicly disclosed to relevant stakeholders only through a statement from the Chairperson of the Board or the Company Secretary.



## **6. SUPPLEMENTARY PROVISIONS**

### **6.1 Conflicts of Interest of Board Directors**

#### **6.1.1 Duty to Disclose**

The personal interests of a Board Director, or persons closely associated with him/her, must not take precedence over those of the Company. A Board Director shall immediately disclose to the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning persons closely associated with him/her and cause same to be entered in the Interest Register. The Board Director concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

#### **6.1.2 Abstention by Conflicted Party**

A Board Director shall not take part in any discussion or decision-making regarding any subject or transaction in which he/she has a conflict of interest with the organisation.

#### **6.1.3 Requirements to Approve Conflicts of Interest**

All transactions in which there are conflicts of interest with Board Directors shall be agreed on terms that are customary for arm's-length transactions in the organisation's business. Decisions to enter into transactions in which there are conflicts of interest with Board Directors require the approval of the Board.

### **6.2 Compensation of Board Directors**

#### **6.2.1 Approval by Shareholders' Meeting**

The compensation of the Board Directors is determined by the Shareholders.

#### **6.2.2 Reimbursement of Costs**

Apart from their compensation, Board Directors shall be reimbursed for all reasonable costs incurred in connection with their attendance of meetings.

#### **6.2.3 Loans and Guarantees**

The Company do not grant personal loans, guarantees or the like to Board Directors, save as part of its usual business operations.

### **6.3 Induction Program, Ongoing Training and Education**

#### **6.3.1 Induction Program**

Upon his or her election, each Board Director shall participate in an induction program.

#### **6.3.2 Annual Review of Training**

The Board shall conduct an annual review to identify areas where the Board Directors require further training or education.

#### **6.3.3 Costs of Organisation**

The costs of the induction course and any training or education shall be paid by the Company.

## **6.4 Confidentiality**

### **6.4.1 Duty to Keep Information Confidential**

Unless required to do so by law, no Board Director shall, during his or her membership of the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the organisation and which he/she knows or should know to be of a confidential nature. A Board Director shall not use such confidential information for his or her personal benefit.

### **6.4.2 Notice of Disclosure**

If a Board Director intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his or her intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board Director.

## **6.5 Miscellaneous**

### **6.5.1 Acceptance by Board Directors**

Anyone who is appointed a Board Director must, upon assuming office, declare in writing to the Company that he/she accepts and agrees to comply with the provisions of this Charter.

### **6.5.2 Amendment**

This Charter may be amended by the Board at its sole discretion.