

nic
BOARD COMMITTEE
CHARTER

National Insurance Co. Ltd

**FINANCE, INVESTMENT &
PROCUREMENT COMMITTEE**

BOARD COMMITTEE CHARTER

FINANCE, INVESTMENT & PROCUREMENT COMMITTEE

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1. Preamble

The primary function of the Finance, Investment and Procurement Committee (hereinafter referred to as the “Committee”) of National Insurance Co. Ltd (“NICL” or the “Company”) is to assist and advise the Board of Directors (“Board”) on all aspects of budgets, finance, investment and procurement as well as to recommend best practices for the Company.

2. Membership

- 2.1 Members of the Committee shall be appointed by the Board and shall be made up of at least [3] three members.
- 2.2 Only members of the Committee have the right to attend Committee meetings. The Group Chief Executive Officer or other Officers of the Company and External Advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3 The Board shall appoint the Committee Chairperson. In the absence of the Committee Chairperson, the remaining members present shall elect one of themselves to chair the meeting.
- 2.4 The Board shall have the power to review at any time the composition of the Committee.

3. Secretary

- 3.1 The Company Secretary, or any other officer nominated by the Board, shall act as the Secretary of the Committee.
- 3.2 In the absence of the designated Committee Secretary, the Committee may designate any member of Management present at that meeting to act as Secretary of the Committee.

4. Quorum

The quorum necessary for the transaction of business shall be the majority of members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

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

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chairperson of the Committee with at least [5] five days’ notice.
- 6.2 The minimum notice period required to call meetings of the Committee under paragraph 6.1 may be waived, where all the members entitled to receive notice of meetings agree to the waiver.
- 6.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend the meeting not later than [5] five days before the date of the meeting.

- 6.4 Committee papers for consideration at meetings shall be sent to Committee members and to other attendees as appropriate, at such reasonable time, in advance of meeting in order to allow the latter sufficient time for perusal of same.

7. Minutes of Meetings

- 7.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 7.2 Minutes of Committee meetings shall be circulated to all members of the Committee following approval from the Chairpersons of the Committee.
- 7.3 Minutes of the Committee meetings shall clearly define the task to be carried out until the next meeting, and the owners of such tasks, so that progress can be effectively monitored.

8. Written Resolutions

Decisions may also be taken by way of written resolutions signed by all members, or approved by all members through electronic means such as fax, electronic mail or other similar means of communication.

9. Terms of Reference

The duties of the Committee shall be to:

A. Finance

- 9.1 Assess and review the business plan of the Company and recommend same to the Board for approval.
- 9.2 Assess and review the annual budget and such extra-budgetary provisions of the Company, as may be applicable and recommend same to the Board for approval.
- 9.3 Consider and approve the allocation of funds for working capital and specific projects or investment.
- 9.4 Annually review financial performance against plan.
- 9.5 Co-ordinate with the Audit & Risk Committee in order to ascertain that accurate and complete financial records are maintained.
- 9.6 Oversee that timely and accurate financial information is presented to the Board.

B. Investment

- 9.7 Evaluate the performance of the Company's portfolio on a regular basis and propose/recommend appropriate actions.
- 9.8 Review investment performance reports received from Management and to recommend changes to the composition of the portfolio of investments.
- 9.9 Assess the new investment opportunities available.
- 9.10 Review the progress on investments already authorised but not yet completed.
- 9.11 Recommend to the Board a written statement of investment policies, standards, and procedures for the portfolio that the Company manages ensuring compliance with the applicable legislative framework, annually review same and recommend changes to the Board as necessary.

- 9.12 Recommend to the Board other investment policies requiring the Board's approval.
- 9.13 Recommend to the Board investment strategies for achieving the investment objectives for the portfolio and for each asset class.
- 9.14 Recommend to Board the selection and termination of external investment managers, as may be applicable.
- 9.15 Require management to implement and maintain appropriate procedures to:
 - (a) Monitor the application of the Company's investment policies, standards and procedures; and
 - (b) Ensure that the Company's agents comply with relevant legislations and to the Company's investment policies, standards and procedures.
- 9.16 Review, evaluate and approve management's procedures as referred to in paragraph 9.12 above;
- 9.17 Manage and monitor risk exposure of the Company with regards to assets and liabilities.
- 9.18 Address mix, duration and quality of investments in portfolio.
- 9.19 Based on the overall corporate objective, set measurement bases, i.e.:
 - (a) Return on capital
 - (b) Liquidity
 - (c) Solvency margin
 - (d) Other financial objectives
 - (e) Risk tolerance levels
- 9.20 Review the risk philosophy, strategy and policies. The Committee will ensure compliance with such policies and with the overall risk profile of the Company;
- 9.21 Review risk identification and measurement methodologies adopted by the Company.
- 9.22 Review the Company's risk management function and its implementation by management and confirm that appropriate action has been taken.

C. Procurement

- 9.23 The Duties and responsibilities of the Committee shall be, but not limited to:
 - (a) Formulate policies and procedures relating to procurement and ensure compliance with relevant legal/regulatory framework;
 - (b) Review, amend, recommend, reject or approve the assessments undertaken by the Management Procurement Committee for tender responses pertaining to the procurement of goods and services in line with the approved Guidelines & Policy;
 - (c) Request such supporting documentations, information or clarification as may be necessary with regards to the above assessments;
 - (d) Monitor adherence to established procurement budgets;
 - (e) Endorse such Procurement Manual elaborated and updated by the Management Procurement Committee in line with best practices;
 - (f) Advise and make such recommendations on issues which may be raised, arising from procurement activities;

- (g) Consider matters relating to the efficiency and effectiveness of the procurement process and make recommendations thereon to facilitate the implementation of measures to improve the functioning of the procurement system; and
- (h) Approve the setting up and composition of such Procurement Committee and related Forum/s as may be required at Management Level.

10. Reporting Responsibilities

- 10.1 The Committee Chairperson shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2 The Committee shall make such recommendations as it may deem appropriate to the Board on any areas within its terms of reference

11. Other Matters

The Committee shall, as directed by the Board, review its own performance, constitution and Charter/Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. Authority

- 12.1 The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 12.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its Charter/Terms of Reference.