



الكوت للتأمين وإعادة التأمين  
Insurance & Reinsurance Co.

**AL KOOT INSURANCE & REINSURANCE COMPANY**

# **BOARD OF DIRECTORS CHARTER**

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## **Introduction**

The Board of Directors Charter sets out the Company's corporate governance policy that defines the respective roles, responsibilities and authorities of the Board and of Management in the governance, management and control of the organization.

This charter should be read in conjunction with the Company's Articles of Association and the Participants Agreement. If a dispute in content or meaning arises, the wording of the Articles of Association prevails.

## **1. The role of the Board**

The role of the Board is to govern the Company rather than to manage it. In general, the Board is responsible for, and has the authority to determine, all matters relating to the directions, policies, practices, management and operations of the Company. It is the role of the senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board is accountable to the Shareholders of the Company for the business operations and affairs of the Company.

The principal functions and responsibilities of the Board include the following:

### ***Strategic management***

- Approval of strategic business plan, with annual updates, an annual operational plan and budget, and related corporate performance measures.
- Reviewing the progress and performance of the Company in meeting these plans and corporate objectives.
- In conjunction with management, taking account of changes in the business environment, their potential impact on the Company's strategies and operating environment and responding to these changes where necessary.
- Approving key company policies and working with management in establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the business through areas such as innovation, initiative, technology, new products and the development of its business capital.

### ***Corporate governance***

- Ensuring corporate accountability to the Shareholders of the Company primarily through adopting an effective stakeholder communications strategy, encouraging effective participation at general meetings and, through the Chairman, providing a link between the Company and its shareholders.
- Ensuring that the Company adheres to high standards of ethical and corporate behavior.
- Ensuring that the Company has appropriate risk management, internal control and regulatory compliance policies and procedures in place.

- Ensuring that IT systems are developed and implemented in accordance with the Organizations needs.
- Ensuring corporate adherence to Qatar Laws and Regulatory bodies.

### ***Key personnel management***

- Monitoring senior management's performance and implementation of strategy.
- Appointment of the CEO, remunerating the CEO, formal reviews of the CEO's performance, overseeing the development of the CEO and ensuring a succession plan is in place for the CEO position.
- Delegating appropriate powers to the CEO, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these responsibilities.
- Approving the corporate remuneration framework and the remuneration levels of senior executives.
- Ensuring appropriate human resource systems are in place to ensure the well-being and effective contribution of all employees.
- Entering into agreements for recurring, voluntary or additional social benefits, superannuation agreements or agreements for general wage and salary increases.
- Approving remunerations of the committees.

### ***Financial management***

- Approval of the annual statutory financial statements ensuring they are true and fair and otherwise conform with law.
- Ensuring the Company's financial position is protected and is able to meet its debts and other obligations when they fall due
- Approving major capital expenditures, major contracts, acquisitions, major investments and divestments
- Approval of acquiring or selling patent rights, rights in registered trade marks, licenses or other intellectual property rights of the Company

## **2. Reporting:**

Reporting to GIS General Assembly.

The General Assembly shall convene upon an invitation from the Chairman of the Company's Board of Directors within the first six months following the end of the financial year, in the place and on the day and time fixed in the invitation to the meeting.

The agenda of the General Assembly includes, in particular, hearing the report of the Board of Directors on the Company's activities and its financial status, the auditor report , budget approval, profit and loss account, adoption of the distributable profits, the appointment of the auditor and specify his fees and any topics included in the agenda.

Resolutions of the General Assembly shall be binding on the Board of Directors who must execute them immediately.

No decision shall be taken on the following matters except by the Extraordinary General Assembly:

1. Amendment of the Company's Articles of Association.
2. Increasing or decreasing the Company's capital
3. Sale or mortgage of the Company's properties, or making loans, unless such acts are by nature part of the Company's objectives.
4. Dissolution, liquidation, sale, merger or reformation of the Company.

If any of the above matters shall be approved by the Extraordinary General Assembly, this shall be recorded in the commercial register.

### **3. Board Structure**

Board structure, composition and method of appointing and removing directors are detailed in Company's Articles of Association.

### **4. Board Meetings**

- The Board will meet no less than four times per year and as required at places to be agreed.
- Where Board and Committee meetings are scheduled for the same month, where possible, Committee meetings will precede the Board meeting by at least one week to allow the circulation of the minutes of the Committee meeting prior to the Board meeting.
- Where a quorum cannot be established, the Chairman may call a general meeting to deal with the matter. Quorum means the Board of Directors shall convene upon invitation from the Chairman or, in case of his absence, his Deputy, or upon the request of at least three of its members. The number of meetings should not be less than four within one financial year. The meeting of the Board shall not be valid unless it is attended by at least three of the Board's members, provided that the Chairman or Deputy Chairman is amongst them.

The meeting of the Board shall be convened at the main office of the Company, and it may be convened outside the main office providing that all members are present or represented in the meeting and that the meeting is convened inside Qatar.

A Board member may depute, when necessary, in writing one of his colleagues to act on his behalf. In this case, the member so deputed shall have two votes. A member shall not deputize more than one of his colleagues.

The resolutions of the Board shall be passed by the majority of the votes of those present, and, should the votes equalize, the Chairman's or acting Chairman's side shall prevail. A member who objects to the resolutions may record his objection in the minutes of the meeting.

- If there is an equality of votes, the Chairman will have a casting vote in addition to his/her deliberative vote.

- The Directors may pass a resolution without a Director's meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favor of the resolution set out in the document. The minutes of Directors' meetings must record that a meeting was held by way of written resolution.
- Minutes of Meetings will be elaborated for each Board Meeting. Minutes will be written in English language.

## **5. Committees of the Board**

The Board will establish committees as required. The initial committees will be as follows:

- Audit Committee and Risk Committee
- Investment Committee
- Any other Committee that may be appointed by the Board (e.g Conflict of Interest.. etc.)

The Board will appoint Committee Chairs from among the Board members and have the prerogative to appoint external independent consultants to be the remaining members of these Committees. It is expected that each Board member will serve on at least two Board Committees.

Ad hoc committees of the Board may be appointed from time to time to address particular issues, such as selecting program leaders or other senior personnel.

Committee charters will be approved by resolution of the Board.

## **6. Delegations of the Board**

The Board delegates to the CEO authority as per the Delegation of Authority approved by the Board or any other Board Resolutions.

## **7. Directors Code of Conduct**

Directors and key executives of the Company:

- Will act honestly, in good faith and in the best interests of the whole Company
- Owe a fiduciary duty to the Company as a whole.
- Have a duty to use due care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
- Will undertake diligent analysis of all proposals placed before the Board
- Will act with a level of skill expected from directors and key executives of the Company.
- Will use the powers of office for a proper purpose in the best interests of the Company as a whole.
- Will demonstrate commercial reasonableness in decision making.
- Will not make improper use of information acquired as Directors and key executives.
- Will not disclose non-public information except where disclosure is authorized or legally mandated.

- Will keep confidential, information received in the course of the exercise of their duties and such information remains the property of the Company from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorized by the person from whom the information is provided, or is required by law.
- Will not take improper advantage of the position of Director or use the position for personal gain or to compete with the Company.
- Will not take advantage of Company property or use such property for personal gain or to compete with the Company.
- Will protect and ensure the efficient use of the Company's assets for legitimate business purposes.
- Will not allow personal interests, or the interest of any associated person, to conflict with the interests of the Company.
- Have an obligation to be independent in judgment and actions, and Directors will take all reasonable steps to be satisfied as to the soundness of all decision of the Board.
- Will make reasonable enquiries to ensure that the Company is operating efficiently, effectively and legally towards achieving its goals.
- Will not engage in conduct likely to bring discredit upon the Company.
- Will encourage fair dealing by all employees with the Company's customers, suppliers, competitors and other employees.
- Will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations in good faith.
- Will give their specific expertise generously to the company.
- Have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

## **8. Conflicts of Interest**

- Directors must disclose to the Board actual or potential conflicts that might reasonably be thought to exist between the interest of the Director and the interest of the Company.
- Any such interests will be entered into the Company's Register of Ongoing Conflicts of Interest maintained by the Company Secretary.
- Directors need to notify the Company Secretary in writing as soon as they become aware of any potential conflicts or changes in shareholdings.
- To ensure Directors have an opportunity to disclose new or amended conflicts of interest, the first agenda item for each Board meeting will be the disclosure of any conflicts of interest and also conflicts of interest in relation to agenda items.
- The Board can request a Director to take reasonable steps to remove the conflict of interest. If a Director cannot, or is unwilling to, remove a conflict of interest, then the Director must absent himself/herself from the room when discussion and voting occur on matters to which the conflict relates.
- The entry and exit of the Director concerned will be minuted by the Company Secretary.
- Directors do not have to absent themselves when either (a) conflict of interest relates to an interest common to all members or (b) the Board passes a resolution that identifies the Director, the nature and extent of the Director's interest and clearly states that the other Directors are satisfied that the interest

should not disqualify the Director concerned from discussion and/or voting on the matter.

## **9. Related Party Transactions**

- Related party transactions include any financial transaction between a Director or officer and the Company and will be report in writing to each Board meeting
- Only Members, and not the Board, can approve related party transactions. An exemption to this requirement occurs where the financial benefit is given on arm's length terms
- Where applications are made by a related party to a Director or officer of the Company, then the Director or officer shall exclude himself/herself from the approval process
- Related party for this process means:
  - a spouse or de facto spouse of the Director or officer; or
  - a parent, son or daughter of the Director or officer or their spouse or de facto spouse; or
  - an entity over which the Director or officer or a related party defined in (a) or (b) has a substantial interest
- The Company Secretary will maintain a Register of Related Party Transactions.

## **10. The Role of the Chair**

The role of the Chair includes the following:

### ***Inside the Boardroom***

- Establish the agenda for Board meetings in consultation with the CEO.
- Chair Board meetings. The Directors shall elect a Director as Deputy Chairman to act as Chairman in the Chairman's absence. In addition, the Directors present may elect a Chairman, if there is no Chairman or Deputy Chairman; or neither the Chairman nor Deputy Chairman is present within 15 minutes after the time appointed for holding the Directors' meeting; or the Chairman and Deputy Chairman are unwilling to act as Chairman.
- Be clear on what the Board has to achieve.
- Provide guidance to other Board members about what is expected of them.
- Ensure the right matters are considered carefully and thoroughly during the meeting.
- Ensure that all Directors are given the opportunity to effectively contribute.
- Ensure that the Board comes to clear decisions and resolutions are noted
- Brief all Directors in relation to issues arising at Board meetings.
- Ensure that the decisions of the Board are implemented properly.
- Ensure that the Board behaves in accordance with its Code of Conduct.

## **11. The Role of the Company BOD Secretary**

The role of the Company Secretary includes the following:

- The Company Secretary is charged with facilitating the Company's corporate governance processes and so holds primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.

- The Company Secretary is accountable to the Board, through the Chairman, on all governance matters and reports directly to the Chairman as the representative of the Board.
- The Company Secretary is appointed and dismissed by the Board and all Directors have a right of access to the Company Secretary.
- Notify the directors in writing in advance of a meeting of the Board.
- Maintaining a complete set of Board papers at the Company's main office.
- Preparing for and attending all annual and extraordinary general meetings of the Company.
- Providing counsel on corporate governance principles and Director liability
- Maintaining the Register of Ongoing Conflicts of Interest and the Register of Related Party transactions.
- Maintaining a Register of Company Policies as approved by the Board.
- Maintaining, updating and ensuring that all directors have an up-to-date copy of the Board Charter and associated governance documentation.
- Maintaining the complete list of the Delegations of Authority.
- Reporting at each Board meeting the documents executed under a power of attorney.
- Prepare and distribute minutes of meetings.
- Keep log of BOD resolutions and perform follow-up to ensure implementation or actions.
- Any other services the Chairman or Board may require.

## 12. Others

### ***Protocol for media contact and comment***

- The Board has designated the CEO or the Chairman (where appropriate) to speak to the press on matters associated with the Company.
- Other matters specifically related to members.

### ***Hospitality and Gifts***

While the Company recognizes the need from time to time to give or accept customary business courtesies in accordance with ethical business practices, Directors and officers will not solicit such courtesies and will not accept gifts, services, benefits or hospitality that might influence, or appear to influence, the Directors' and Officers' conduct in representing the Company.

### ***Directors' Liability Insurance***

The Company will take out an appropriate level of Directors and Officers Liability insurance to provide protection for directors from risks associated with the role of Director.

### ***Director Reimbursement of Expenses***

Directors' travel, accommodation and expense reimbursement entitlements will be the same as staff entitlements and will be covered in the Company's Financial Policies and Procedures.