



CORPORATE GOVERNANCE POLICY

[AIICO Insurance Plc]

AIICO INSURANCE PLC




Document History

Change Record

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Reviewers & Approvals

This document has been reviewed and approved by the undersigned.

| Responsibility | Name | Position | Signature | Date |
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This Document shall be reviewed every three years *[or less than that, if need be]*

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1.0 PREAMBLE

The Board of Directors of AIICO Insurance Plc (herein referred as "AIICO" or the "Company") and its standing committees believe that a primary responsibility of the directors is to provide effective governance over the Company's affairs for the benefit of its shareholders, employees, customers and other stakeholders. To this end, this governing policy has set out responsibilities which includes but not limited to:

- Evaluating the performance of the Chief Executive Officer ("CEO") and taking appropriate action, including removal, when warranted;
- Evaluating the overall effectiveness of the Board and its committees and the individual directors on a periodic basis;
- Reviewing and periodically approving long-term strategic and business plans and monitoring corporate performance against such plans;
- Reviewing succession plans and management development programs for senior management;
- Selecting, evaluating and fixing the compensation of senior management of the Company and establishing policies regarding compensation of other management personnel;
- Reviewing the major risks facing the Company and overseeing strategies to address these risks;
- Adopting policies of corporate conduct, including compliance with applicable laws, rules and regulations, maintenance of accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls; and
- Adopting and implementing best practices of corporate governance in full conformity with the letter and spirit of all applicable laws, rules and regulations.
- The Board and its existing committees have adopted this Policy which includes the following Governance Guidelines to assist in the exercise of their responsibilities. This Policy and the Guidelines shall be reviewed periodically and revised as appropriate to reflect the evolving functions of the Board and developing trends of best practice and regulatory compliance in corporate governance.
- This Policy shall not be construed to mean and modification and or alteration and or interpretation of the Company's Articles of Association (herein referred as "Articles") or any law or regulation.

Governance Guidelines

Functions of the Board — Meetings

1. Presiding Chairman: - Pursuant to the regulatory provisions of the Laws governing the Industry, the Board shall elect a Chairman of the Board amongst other serving Directors and communicate same to the Shareholders at the company's Annual General Meeting .The Chairman of the Board presides over meetings of the Board and shareholders and is responsible for coordinating the overall management and functioning of the Board.

The core responsibilities of the Chairman shall be as follows:

- i. With the advice of the company secretary, develop an appropriate schedule of Board meetings, seeking to ensure that the non-executive directors can perform their duties responsibly while not interfering with ongoing Company operations;
- ii. Review in advance the Board meeting agendas as prepared by the company secretary and the CEO;
- iii. Review in advance the meeting schedules for the Board committees;
- iv. Develop standards as to the quality, quantity and timeliness of the information submitted to the Board by the Company's management that is necessary or appropriate for the non-executive directors to effectively and responsibly perform their duties;
- v. Serve as principal liaison between the non-executive directors and the CEO in respect of Board issues;
- vi. Participate in recommendations regarding succession planning for the Chairman of the Board, recruitment of new directors and management succession planning;
- vii. Participate in meetings of the Nomination, remuneration and Governance Committee (through the Board meeting) in establishing performance goals and assessments of the CEO in meeting agreed-upon targets and overseeing succession plans for key senior management roles;
- viii. Conduct one-on-one peer reviews to coincide with the annual formal survey of board effectiveness and performance;
- ix. Oversee the establishment of processes to assess assurances provided to the Board by senior management, and facilitate effective communication between directors and management in conjunction with the CEO;

- x. Lead in shareholder outreach initiatives on behalf of the Board; and
 - xi. Meet with representatives of the Company's regulators and represent the Company at social, fundraising or industry association gatherings, upon request.
2. Frequency of Board Meetings: - The Board shall conduct four regularly scheduled meetings per year. Emergency meetings may be convened where necessary. Long-term strategic and business plans will be reviewed periodically during regularly scheduled meetings. The schedule for regular meetings of the Board and committees for each year shall be submitted to and approved in advance by the Board. Notice to convene regular or special meetings shall also be circulated by the company secretary.
3. Attendance. Directors are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings and meetings of committees on which they serve, including advance review of pre-meeting agenda materials circulated prior to each meeting.
4. Regular Attendance of Executive-Directors at Board Meetings. The Executive Directors, Company's Chief Financial Officer and any other executive management officer of the company may be present during the Board meetings, except where there is a specific reason for such person or persons to be exempted or excluded from the meeting.
5. Selection of Agenda Items for Board Meetings. Although the Chairman of the Board shall in collaboration with the company secretary establish the agenda of each Board meeting, all other Board members are encouraged to suggest items for inclusion on the agenda. Each director is free to raise subjects that are not on the meeting agenda. Such additions may be considered under "any other business".
6. Pre-meeting Agenda Materials. In advance of each regular Board or committee meeting, an agenda is expected to be circulated to each director by the Company's Secretary. The agenda may be communicated in electronic form.

To the extent feasible or appropriate, information and data important to the directors' understanding of the matters to be considered, including background summaries of presentations to be made at Board or committee meetings and proposed resolutions, will be distributed in advance of the meeting. Directors also shall routinely receive periodic financial statements, earnings reports, press releases, analyst reports and other information designed to keep them informed of the material aspects of AIICO's business, performance and prospects.

Board Structure

1. A Substantial Majority of the Members of the Board Shall Be Non-Executive. As a matter of policy, a substantial majority of the members of the Board shall be Non-Executive directors as determined by the Board. A director qualifies as "Non-Executive" if the Board affirmatively determines that the director has the requisite skills and knowledge, expertise to add value to the growth of the company on the one hand, and an "Independent" director as required in the industry is one who has no material relationship with AIICO (either directly or as a partner, shareholder or officer of an organization that has a business relationship with the Company or its subsidiaries) but whose

independent skills and knowledge, expertise is required for a dispassionate but rewarding view in matters relating to the company's growth. AllCO shall publicly disclose these determinations in its annual proxy statement. In this regard:

- ✓ No director who is, or whose immediate family member is, a current partner of a company that is AllCO's subsidiary or affiliated company can be "independent";
- ✓ No director who is a current employee of an affiliated company or subsidiary to AllCO can be "independent";
- ✓ No director on the Audit Committee can be "independent" if he or she receives any consulting, advisory or other compensation or fees (except normal directors' compensation) from the Company;

For the purposes of these standards:

- "AllCO" means AllCO Insurance Plc and its subsidiaries, collectively;
- "Immediate family member" means a person's spouse, parents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home;

2. Size of the Board. The Board believes that, optimally, the Board should number between 7 and 15 members. The Company's Articles prescribe that the number of directors will not be less than 7 or more than 15.

3. Election of Directors. AllCO's Articles provide that the Board of Directors of the Company is not divided or "classified" with respect to the time directors individually hold office. Each director holds office for a term ending on the date of the next Annual General Meeting following the Annual General Meeting at which such director was elected.

4. Selection of Directors. The Nomination, Remuneration and Governance Committee, with input from the Chairperson of the Board, other Board members is responsible for identifying and screening candidates for Board membership. The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur.

5. Board Membership Criteria. Candidates nominated for election or re-election to the Board of Directors should possess the following qualifications:

- Personal characteristics:
 - highest personal and professional ethics, integrity and values;
 - an inquiring and independent mind; and
 - practical wisdom and mature judgment.
- Experience at the policy-making level in business, government or education.
- Expertise that is useful to the Company and complementary to the background and experience of other Board members. In this regard, previous executive and board experience, an international perspective, capital intensive cyclical business experience and knowledge of the global Insurance industry are considered to be desirable.
- Willingness to devote the required amount of time to perform the duties and responsibilities of Board membership.
- Commitment to serve on the Board over a period of several years to develop knowledge about AllCO's principal operations.
- Willingness to represent the best interests of all shareholders and objectively appraise management performance.
- No involvement in activities or interests that create a conflict with the director's responsibilities to AllCO and its shareholders.

The Nomination, Remuneration and Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members in the context of the perceived needs of the Board at a given point in time and shall periodically review and update the criteria as deemed necessary.

Diversity in personal background, race, gender, age and nationality for the Board as a whole may be taken into account favourably in considering individual candidates.

The Nomination, Remuneration and Governance Committee will evaluate the qualifications of each director candidate against these criteria in making its recommendation to the Board concerning nominations for election or re-election as a director.

6. Conflicts of Interest. Each director has a statutory duty, a fiduciary duty and an implied duty of loyalty to the Company and, in certain circumstances, to its shareholders to avoid actual or potential conflicts of interests, as well as the duty to act in good faith in the performance of his or her duties as an AllCO director.

If an actual or potential conflict of interest develops, whether because of a change in the business operations of AllCO or a subsidiary, or in a director's circumstances (for example, significant and ongoing competition between AllCO and a business with which the director is affiliated), or otherwise, the director should report the matter immediately to the Board for evaluation. A significant and potentially ongoing conflict must be resolved or the director should resign.

If a director has a personal or business interest in a proposed transaction, arrangement or other matter before the Board involving the Company, or an existing transaction or arrangement with the Company, the director shall disclose the interest to the Board (to the extent not already disclosed) and excuse himself or herself from participation in the related deliberations and shall abstain from voting on the matter.

7. **Declarations of Interests.** On at least an annual basis, each director shall present to the Board a declaration of interests, setting forth such director's business affiliations with third parties. Each declaration of interests shall include, without limitation, any relationship between the directors and any entities (other than the Company) with which any other directors and/or officers are affiliated, as a potential or actual conflict of interest could arise in such situations. Each director shall present to the Board an updated declaration of interest promptly after entering into a new affiliation or changing a pre-existing affiliation. The Secretary shall keep a register of the declarations of interests made by the directors, and such register shall be reviewed by the Board from time to time and at least annually for completeness and accuracy.

8. **Change in a Director's Principal Occupation.** As a matter of policy, any director who changes his or her principal occupation shall promptly notify the Board of the change and submit a pro-forma letter of resignation from the Board. The other members of the Board shall meet in private session and determine whether the change of occupation impacts the director's

Independence or creates a conflict of interest. Following such determination, the directors (other than the director with a change in occupation) shall decide whether to accept or reject the pro-forma resignation.

9. **Director Retirement.** Retirement from the Board shall be in accordance with the provisions of the Articles of Association of the Company.

10. **Director Compensation Review.** Company management or third party consultants with expertise on director compensation shall periodically report the compensation practices in relation to other companies of comparable size and AIICO's competitors.

11. **Director Compensation.** Changes in director compensation shall be implemented upon the recommendation of the Nomination, Remuneration and Governance Committee, subject to full discussion and approval by the Board.

Committees of the Board

1. **Number and Types of Committees.** A substantial portion of the analyses and work of the Board is performed by Board committees. AIICO maintains the following board committees:-

- a. Statutory Audit Committee;
- b. Finance, General Purpose & Establishment Committee;
- c. Nomination, Remuneration and Corporate Governance Committee and
- d. Investment & Enterprise and Risk Management Committee

A director is expected to participate actively in the meetings of each committee to which he or she is appointed. Each committee's charter shall be periodically reviewed by the committee and the Board and revised as may be deemed appropriate. Any Board committee may establish such sub-committees as it deems appropriate.

The Board may also establish such other standing or special committees as it may deem appropriate.

2. **Composition of Committees.** Independent and non-executive directors shall serve on Board committees. The composition of each committee and the independence of the directors shall be reviewed annually by the Board to ensure that its members meet the requirements set forth in existing rules and regulations applicable to the industry.

3. **Rotation of Committee Membership and Chairpersons.** Upon recommendation of the Nomination Committee, the Board is responsible for the appointment of committee members according to criteria that it determines to be in the best interest of the Company and its shareholders. The Board shall consider periodic rotation of committee membership, taking into account desirability of rotating committee members, the benefits of continuity and experience, applicable legal, regulatory and stock exchange listing requirements, and the desires of individual directors. The Board shall also consider the desirability of rotating committee chair responsibilities when appointing or reappointing chairpersons.

4. **Frequency and Length of Committee Meetings.** Each committee shall meet as frequently and for such length of time as may be required to carry out its assigned duties and responsibilities. The committees shall meet on quarterly basis and at such other times as may be required.

5. **Regular Attendance at Committee Meetings.** All of the Company's directors are encouraged to attend committee meetings, except where the committee chairperson determines that there is a specific reason to limit attendance at the meeting.

6. **Committee Agendas; Reports to the Board.** Appropriate members of management and staff will prepare agenda and related background information for each committee meeting. The Chairperson of the Board, the committee chairperson and each committee member is free to suggest items for inclusion on the committee's agenda and to raise subjects that are not on the meeting agenda.

Reports on each committee meeting may be made to the full Board by the committee chairperson as deemed appropriate by the Chairperson of the Board.

Other Board Practices

1. **Shareholder Communications to the Board.** The Company shall establish a process by which shareholders may communicate with the Company's Board of Directors. Said process shall provide a means for submission of such communications directly to the incumbent chairpersons of all of the Board's standing committees.

2. **Director Attendance at Shareholders Meetings.** It is the Policy of the Company that, barring extenuating circumstances, all members of the Board of Directors shall attend the Company's Annual General Meeting of Shareholders and also are encouraged to attend any and all special shareholders meetings which may be duly convened.

3. Evaluation of CEO Performance. Each year, the directors shall meet in executive session to evaluate the performance of the CEO. To facilitate the evaluation, the Nomination, Remuneration and Corporate Governance Committee shall coordinate a process for the independent directors to consider CEO performance in advance of the Board meeting during which the CEO's performance is to be reviewed. In evaluating the CEO, the independent directors shall take into consideration the executive's performance in both qualitative and quantitative areas, including:

- Leadership and vision;
- Integrity;
- Keeping the Board informed on matters affecting AllCO and its business units;
- Performance of the business (including such measurements as total shareholder return and achievement of financial objectives and goals);
- Development and implementation of initiatives to provide long-term economic benefit to AllCO;
- Accomplishment of strategic objectives; and
- Development of management.

4. Evaluation of Board Performance. The Nomination, Remuneration and Governance Committee shall develop a process whereby the Board of Directors will annually review Board and committee performance, including the conduct of Board and committee meetings, to provide input on means of improving the effectiveness of the Board and its committees.

5. Evaluation of Individual Director Performance. The Nomination Committee shall develop a process whereby each of the directors will periodically review performance of the other directors to provide input on director performance and to facilitate future director nominations.

6. Risk Oversight. The Board should understand the principal risks associated with the Company's business on an ongoing basis and it is the responsibility of management to assure that the Board and its committees are kept well informed of these changing risks on a timely basis. It is important that the Board oversee the key risk decisions of management, which includes comprehending the appropriate balance between risks and rewards. The Board reserves oversight of the major risks facing the company and has delegated risk oversight responsibility to the appropriate committees in the following areas: the Audit Committee and Enterprise Risk Management

relating to financial matters, financial reporting and auditing and the Compensation Committee oversees risks relating to the design and implementation of the Company's compensation policies and procedures.

9. New Director Orientation. New directors shall participate in an orientation program that includes comprehensive information about AllCO's business and operations, general information about

the Board and its committees (including a summary of director compensation and benefits), and a review of director duties and responsibilities.

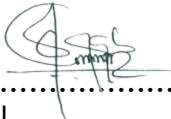
10. Director Continuing Education. The Company's directors are encouraged to participate in continuing education programs to increase their knowledge of corporate governance and enhance their effectiveness on the Company's Board.

11. Periodic Review of These Guidelines. Corporate governance and the function of the Board of Directors involve a dynamic and evolving process. Accordingly, these Governance Guidelines will be reviewed periodically by the Remuneration, Nomination and Corporate Governance Committee and any recommended revisions will be submitted to the full Board for consideration and approval.

12. Public Disclosure. This Policy, the Company's Code of Business Conduct and the Board committee charters, and all revisions and amendments thereto, shall be posted on the Company's website. The Company's annual report will also include a statement to the effect that this information is available on the Company's website and in print to any person who requests it.

13. Reliance on Information. In discharging responsibilities as a director, a director is entitled to rely in good faith and in his or her independent judgment and to a reasonable degree on reports or other information provided by the Company's management, independent auditors, and other persons as to matters the director reasonably believes to be within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

Prepared by:



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Donald KANU
Date Janaury 2020
Group Company Secretary AICO Ins. Plc

Approved and Accepted:

Mr. ~~XXXXX~~ Kundan Sainani
Date Janaury 2020
Chairman of the Board.....
