

TURNKEY INSURANCE AND REINSURANCE BROKERS LTD

Governance Manual

Document Control

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1 Terms of reference

1.1 Description and Purpose of the Manual

The purpose of the Corporate Governance Manual (hereafter the “Manual”) is to set out the corporate governance and oversight arrangements of the Company in order to ensure the sound and prudent management of the business and the ongoing compliance with the requirements of the Board of the Company to ensure sound Corporate Governance.

This document encompasses all BoD approved policies and procedures that the Company has in place for the effective and continuous operation of the Company.

1.2 Basis of the document

Although the Company is not an Insurance Undertaking, this Manual is based on the requirements of the Solvency II Directive with regards to Corporate Governance but limited to the scope of the business carried out by the Company as well as to the requirements of Part VIII of the Insurance and Reinsurance and other related issues Law of 2016-2019.

The Article 41 of the Solvency II Manual requires that:

“All insurance and reinsurance undertakings have in place an effective system of governance which provides for sound and prudent Management of the business. The system shall at least include an adequate transparent organizational structure with a clear allocation and appropriate segregation of responsibilities and an effective system for ensuring the transmission of information.”

Article 41(2) states the Principle of Proportionality based on which the Company’s system of Governance should be designed.

“The System of Governance shall be proportionate to the nature, scale and complexity of the operations of the insurance and reinsurance undertakings.”

Articles 42 to 49 of Solvency II set out the requirements that the Company’s Management system shall comply with.

This manual is prepared based on the basic requirements of the Solvency II Directive (“the Directive”), the Draft EU regulation on Level 2 Implementation Measures on Solvency II (“Level 2”).

In areas for which the Level 2 Implementation Measures are not sufficiently detailed, the Manual follows industry best practice in order to ensure that a robust governance framework is in place.

The Manual applies the requirements of Solvency II in a manner that is proportionate to the size, complexity and nature of its business.

1.3 Scope

This Manual covers the operations of the entire Company and is applied without exception.

Management and staff of the Company are expected to strictly follow the standards and procedures described in this Manual.

1.4 Glossary

The Company has adopted the use of common terminology in all levels of operations and Management. The use of a common language, allows the alignment with the terminology used by the supervisory authorities and the more efficient internal and external communication.

Refer to Appendix A for a glossary of frequently used terms.

2 Approval and maintenance of the policies

(Ref. SII Directive Article 41(3))

2.1 General

This Manual forms part of the repository of business documentation and it is the overarching manual that sets out the high level governance principles and structure of the Company. The document is supported by the following set of internal manuals:

- System of Governance (this Manual)
- Risk Management and Procedures Manual for the Prevention of Money Laundering and Terrorist Financing

2.2 Approval of the Manual

This Manual is owned and approved by the Board of Directors (BoD) of the Company. Responsibility for the day to day implementation of the manual lies with the CEO of the Company.

2.3 On-going review

The Manual is reviewed at least on an annual basis, adhering to internal guidelines for continued pertinence of the business policy documentation, to ensure that the policies and procedures reflect the latest regulatory requirements and any changed business processes and circumstances. Any such changes should be approved by the BoD.

3 Governance Policy

(Ref. SII Directive Article 41(1) and 41(2))

3.1 Principles of Corporate Governance

Corporate governance is essential in reinforcing the BoD's oversight role and its independence in making decisions and in the production of transparent and timely information. The Company is committed to implementing a sound governance framework through which objectives are set and the means of attaining these objectives and monitoring performance is determined.

To achieve this, the Company operates within a set of corporate governance principles. These principles require that the Company has:

- Established strategic objectives and a set of corporate values that are communicated throughout the Company
- Set and enforced clear lines of responsibility and accountability throughout the Company
- Ensured that BoD members and the CEO are qualified for their positions, have a clear understanding of their role in corporate governance and are able to exercise sound independent judgment about the affairs of the Company and that Fit and Proper requirements are met
- Ensured that there is appropriate oversight of the Company's activities by the Company's CEO
- Effectively utilized the work conducted by internal and external auditors if and to the extent applicable, as well as other control functions, given their critical contribution to sound corporate governance
- Ensured that compensation policies and practices are consistent with the Company's ethical values, objectives, strategy and control environment
- Conducted corporate governance in a transparent manner
- Maintained an understanding of the Company's operational structure, including when operating in jurisdictions, or through structures, that impede transparency
- Continued to balance the needs of its shareholders

3.2 Structure of the manual

The Manual covers all operational parameters of the Company's corporate governance. Subsequent Sections of the Manual are organized as follows:

- Section 4: Governance structure
- Section 5: Issues in relation to the Board of Directors
- Section 6: Management issues
- Section 7: Oversight of the internal control system
- Section 8: Fit and Proper Requirements
- Section 9: Code of Ethics
- Section 10: Other Governance Issues

4 Governance Structure

4.1 The line of defense

(Ref. SII Directive Article 41(1) and 41(2), 44, 46, 47, 48 and 50(1) (b), Level 2 Article 249 SG1 and 258 SG6)

The Corporate Governance framework for the Company is based on the Principle of Proportionality, and thus the defense of the Company supports the implementation of a robust internal 1st line of defence control system.

1st line of defense: Origination and primary risk management. This refers to the control activities carried out by business line management (i.e. controls within the risk-taking functions, operations, HR, IT etc). These control activities will usually be built into policies, systems, processes and procedures of the specific business.

Governing Body: This refers to the BoD of the Company. The Governing Body bears the ultimate responsibility for ensuring that Corporate Governance arrangements within the Company are sufficient and appropriate to the size, nature and complexity of its business. The BoD may delegate authority to certain Committees in order that they monitor and oversee specific aspects of the business. Delegating to specialized Committees does not in any way release the BoD from collectively discharging its duties and responsibilities. Specifically the Board has regular and robust interaction with the Committees it establishes, requesting information from them proactively and challenging it when necessary.

4.2 Organizational Structure and Reporting Lines

The Company's Chief Executive Officer (CEO) has the day to day responsibility for the implementation of the BoD's approved strategy and reports to the BoD. Reporting to the BoD is both structured, through planned meetings and regular reporting and ad hoc as required. The operation and responsibilities of the CEO are outlined in this manual.

The Business Functions of the Company through their Managers have the responsibility for the implementation of the BoD's strategy in their business functions. They report directly to the CEO with regards to their day-to-day duties. In order to minimize the probability of a potential conflict of interest and preserve their operational independence, the key control functions have additional direct reporting lines to the BoD or Board Committees if applicable. These additional reporting lines are implemented in order to ensure that these functions have the ability to escalate important issues directly to the BoD.

5 Issues in relation to the Board of Directors

5.1 Role of the Board of Directors

(Ref. SII Directive Article 40)

The Board of Directors is the ultimate authority for the management of the Company and it maintains responsibility for the prudent management of the Company. The BoD organizes and directs the affairs of the Company in a manner that seeks to protect its policyholders' funds, maximize the value of the Company for the benefit of its shareholders, while complying with regulatory requirements and relevant governance standards.

The members of the BoD serve as the elected representatives of the current and future shareholders, act as advisers and counselors to the CEO and oversee their performance on behalf of the shareholders. In performing its overall oversight function, the BoD reviews and assesses the Company's strategic and business planning, its solvency, as well as the CEO's approach to addressing significant risks and challenges facing the business. As part of this function, the BoD reviews and discusses reports regularly submitted to the BoD by the CEO with respect to financial and non-financial performance. In performing its oversight function, the BoD maintains frequent, active and open communication and discussions with the CEO.

The BoD is responsible for setting the appropriate "tone at the top" by providing appropriate organizational values, ethics and priorities and by establishing and embedding an organizational culture that supports the effective operation of the system of governance.

5.2 Selection and Appointment of Board Members

Appointment of Board members is on the recommendation and approval of the existing Board members following a search undertaken internally or by an executive selection agency. Board appointments are validated by shareholders and in compliance with the Company's Articles of Association.

If an appointment to the BoD is made between Annual General Meetings (AGM), the new Director will be put forward for approval and election by the shareholders at an Extraordinary General Meeting (EGM).

The appointment of the members of the BoD is for 5 years and is automatically renewed. For any new appointment, the Company needs to notify the Superintendent of Insurance.

5.3 Composition of the Board

(Ref. SII Directive Article 41(1), Level 2 Article 249 SG1 (1)(c))

The compositions and resourcing of the Board reflects the range of skills, knowledge and experience necessary for the Board to be effective, including the appointments of Non-Executive Directors to provide informed challenge and independent Non- Executive Directors for providing independent external challenge and guidance.

The objective in determining the Board composition is to ensure that there is appropriate level of skills and capability.

The size and composition of the Board should facilitate substantive discussions by the whole Board in which each Director can participate meaningfully.

The current composition of the Company's Board and a list of its members are set out within the Terms of Reference for the Board in Appendix B.

All members of the Board together with the CEO should already fulfill the Fit and Proper requirements in accordance with Article 42 of Solvency II. The Company's General criteria that need to be met for compliance with the Fit and Proper requirement are documented in Section 8 of the Manual.

5.4 Non-executive Directors

(Ref. SII Directive Article 41(1))

The role of all Non-Executive Directors has the following key elements:

- **Strategy:** Non-Executive Directors should constructively challenge and contribute to the development of strategy
- **Performance:** Non-Executive Directors should scrutinize the performance of CEO in meeting agreed goals and objectives, and monitor the reporting of performance
- **Risks:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial control and systems of risk management are robust.

In addition Non-Executive Directors should comply with the Fit and Proper requirements set by the Company and the supervisory authority.

They should also ensure that arrangements are in place to meet their commitments to training and competence.

In accordance with best practice, the Company's BoD should be in position to provide sufficiently independent and informed challenge and guidance to the CEO. This is achieved from an external perspective via the role of the independent non-executive Directors. The Company's BoD does not currently need the appointment of independent Non-executive Directors.

The independent Non-Executive Directors shall be independent of the Company and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

5.5 Operation of the BoD

(Ref. SII Directive Article 40 and 41(1))

The operation of the BoD including its composition, its membership, calendar issues, its duties and delegated authorities are documented within the Terms of Reference of the BoD in Appendix B.

5.6 Board Committees

(Ref. SII Directive Article 41(1) and 41(2), Level 2 Article 249 SG1 (b)

Bearing in mind the Principle of Proportionality, the BoD has not currently established any Board Committees.

Delegating to Committees does not in any way release the BoD from collectively discharging its responsibilities. The BoD maintains regular interaction with the Committees through the information provided to the BoD and it proactively challenges this information when necessary.

5.7 BoD training

(Ref. SII Directive Article 41(1) and 42(1), Level 2 Article 249 SG1 (c))

The BoD ensures that its members have full knowledge of their responsibilities under corporate governance and have the appropriate qualifications and experience and knowledge to enable them to discharge their duties.

Each member of the BoD should be sufficiently familiar with the business of the Company, including its financial statements, and the risks and the competition it faces, to facilitate active and effective participation in the deliberations of the BoD and of each Committee on which they serve.

6 Management Issues

6.1 Role of the CEO

(Ref. SII Directive Article 41(1))

The Company's Management has the responsibility for the consistent implementation of the BoD approved strategy through setting appropriate policies for all functions and the development and embedding of the mechanisms and procedures for internal control.

In particular the responsibilities of the CEO are the following:

- Coordinates, schedules and manages the activities of the Company. The CEO apportions duties to personnel and creates a governance structure and hierarchy that promotes accountability and reporting. The CEO is responsible to observe the implementation of the apportionment of responsibilities and to report the performance of the Company to the BoD
- Implements the BoD approved strategy by defining appropriate business policies and setting objectives for all business areas, functions and managers
- Implements policies in order to identify and prevent potential conflicts of interest
- Implements the Code of Conduct and Ethics, and the Corporate Values that are adopted by the BoD, which is based on generally accepted principles that include efficiency, responsibility, integrity and confidentiality
- Ensures the preparation of annual financial statements in accordance with the relevant regulation
- Prepares an annual review of the Company's operation for presentation in the Annual General Meeting
- Oversees the implementation of BoD policies and prepares and recommends to the BoD changes to internal policies and procedures
- Determines and reviews the terms of reference and the responsibilities of the Company's business areas
- Maintains a productive relationship with regulators, external auditors and other external stakeholders
- Effectively utilizes the work of external and internal auditors if applicable in improving the Company's internal control system
- Assesses and presents to the BoD any proposals of arrangements for outsourcing
- Ensures the safeguarding of information
- Ensures the timely and accurate preparation of regulatory reporting and disclosures
- Undertakes staff performance appraisals and nominates to the BoD, staff for approval
- Monitors the execution of significant projects undertaken by the Company
- Approves sponsorships and donations on behalf of the Company
- Any other business not explicitly under the responsibilities of the BoD or the Senior management

6.2 Training and Competence of the CEO

(Ref. SII Directive Article 41(1) and 42(1), Level 2 Article 249 SG1(1)(c))

The CEO of the Company is under the scope of the Fit and Proper requirement regarding the competence and reputation of the individuals who effectively run the Company.

The Company's criteria for compliance with the Fit and Proper requirements are documented in Section 8.

The Company ensures that the CEO has the appropriate skills and continued professional development for performing their duties through the attendance of seminars and other professional courses.

6.3 Performance Evaluation and Remuneration

(Ref. SII Directive Article 41(1) and 41(2), Level 2 Article 265 SG13)

The CEO's performance is assessed annually by the BoD.

The Company, in assessing the performance of its CEO, BoD and key function holders considers the following financial and non-financial variables:

- Financial performance of the organization in relation to market conditions, competition and the Company's own strategy
- Non- financial targets related to the contribution to the performance of the Company or function
- Non financial factors relating to skills, personal development, compliance with the Company's internal rules and procedures, compliance with the code of ethics and standards of professional conduct under the Fit and Proper requirements

The Company believes that the remuneration of the CEO should be competitive in order to attract qualified individuals with appropriate skills and professional competence. The reward must promote a cooperative environment and team work in the Company and create the conditions for high performance and continuous improvement.

The CEO is appointed by the Company's shareholders.

7 Oversight of the Internal Control System

7.1 Internal Audit

(Ref. SII Directive Article 47(1), 47(2) and 47(3) and Level 2 Article 261 SG9)

Due to the Principle of Proportionality the Company does not have an Internal Audit Function

In general terms, the Internal Audit Function, if applicable, is responsible for evaluating the adequacy and effectiveness of the internal control system and other elements of the system of governance. The responsibilities of this function are governed by the Internal Audit Manual, which when the function comes into operation will be approved by the BoD and reviewed annually.

8 Fit and Proper Requirements

8.1 Introduction

(Ref. SII Directive Article 42(1))

Article 42 of the Level 1 text of Solvency II states that:

Undertakings shall ensure that all persons who effectively run the undertaking or hold other key functions at all times fulfill the following requirements:

- *Their professional qualifications, knowledge and experience are adequate to enable sound and prudent Management (fit)*
- *They are of good repute and integrity (proper)*

8.2 Scope of the requirements

(Ref. SII Directive Article 41(2), Article 42, Level 2 Article 263 SG11)

The BoD and the CEO of the Company identified the following potential individuals and functions as in scope for the Fit and Proper requirements:

- BoD (executives and non executives if and when appointed)
- CEO
- Managers responsible for significant business operations (e.g. Accounts Officer)

The above identified individuals are required to comply with the code of standards defined by the Company. The BoD and CEO must at all times be prior approved by the Superintendent of Insurance prior to their appointment.

8.3 Criteria for assessing fitness and propriety

(Ref. SII Directive Article 42(1) and Level 2 Article 249 G1 and 263 SG11)

In accordance with supervisory requirements, the Company requires its CEO and holders of key function to be fit and proper, to adhere to the Principles and Code of Ethics and Conduct and achieve competence.

Fitness

In assessing the fitness of a person his/hers professional competence and capability are considered.

The assessment of professional competence covers the assessment of the competence in terms of management and in the area of business activities carried out by the Company (technical competence).

This assessment is based on the person's previous experience, knowledge, and professional qualifications and should demonstrate due skill, care, diligence and compliance with the relevant standards for the area sector they have worked in.

The Company will have regard to whether the person is competent, and demonstrate, through experience and training; they are able to perform the key functions. Any previous dismissal or suspensions from employment, including for drug or alcohol abuses, may also be considered.

All individuals must maintain their competence for the role they fulfill. The HR function is responsible for ensuring that all individuals receive appropriate training for maintaining their competence.

Professional qualifications applicable to each key function are in line with the supervisory authority's requirements.

With regards to the BoD, the collective knowledge, competence and experience of its members, should at a minimum include:

- Market knowledge, i.e. an awareness and understanding of the wider business, economic and market environment in which the Company operates
- Business strategy and business model, i.e. an appropriately detailed understanding of the Company's business strategy and model.
- System of governance, i.e. the awareness and understanding of the risks the Company is facing and the capability of managing them. Furthermore the ability to assess the effectiveness of the Company's arrangements to deliver effective governance, oversight and controls in the business
- Regulatory framework and requirements, i.e. an awareness and understanding of the regulatory framework in which the Company operates, and the regulatory requirements and expectations relevant to it and the capacity to adapt to changes which stem from the regulatory framework without delay
 - By collective knowledge the members of the BoD are not each expected to possess expert knowledge, competence and experience within all areas of the undertaking. However, the collective knowledge, competence and experience of the BoD as a whole has to provide for a sound and prudent management of the undertaking
 - When changes occur within the BoD, e.g. replacement of one of its members, the undertaking is expected to be able to demonstrate that the collective knowledge of the members of the BoD is maintained on an adequate level so that the sound and prudent management of the undertaking will continue

Propriety

In assessing the propriety of a person the Company assesses its honesty, integrity, reputation and financial soundness.

The Company may take into account convictions for criminal offences, adverse findings in civil proceedings, or disciplinary actions by regulators in Cyprus or abroad.

The criteria include an assessment of reasons to believe from past conduct that the person may not discharge their duties in line with applicable rules, regulations and guidelines. Such reasons may arise from criminal antecedents, financial antecedents, and supervisory experience with that person or past business conduct. This approach does not imply that all previous infringements will automatically result in a failure to meet the requirements, but rather than they will be assessed on a case by case basis by the Company before an appointment and application to the supervisory authority is made.

At application, criminal records checks will be performed for approved persons, and other selected roles. Annual criminal records checks of approved persons will not be conducted. Approved persons will self-certify that they remain proper.

The Company will also consider whether the person has a debt that remains outstanding or was not paid within a reasonable period and/or has been involved in bankruptcy proceedings or other insolvency arrangements.

The Company requires the following criteria to the ‘fit and proper’ tests to be met. These are:

Factors that may have a negative impact on propriety and shall be considered include:

- Relevant criminal offences are in particular any offence under the laws governing banking, financial, securities or insurance activity, or concerning securities markets or securities or payment instruments, including but not limited to laws on money laundering, market manipulation, or insider dealing and usury as well as any offences of dishonesty such as fraud or financial crime. Further any other offences under legislation relating to companies, bankruptcy, insolvency, or consumer protection
- Any other criminal offences currently being tried or having been tried in the past will also be considered, as they can cast doubt on the integrity of the person and may mean that the integrity requirements are not met
- Relevant disciplinary or administrative offences are in particular any offences made under an activity of the financial sector, including offences under legislation relating to companies, bankruptcy, insolvency, or consumer protection
- When assessing the propriety of the person other circumstances than court decisions and ongoing judicial proceedings, which may cast doubt on the repute and integrity of the person, will also have to be considered. These could include current investigations or enforcement actions, the imposition of administrative sanctions for non-compliance with provisions governing banking, financial, securities or insurance activity, securities markets, securities or payment instruments or any financial services legislation
- Pending investigations or enforcement actions by any other regulatory or professional body for non-compliance with any relevant provisions could be taken into account
- When assessing the repute and integrity of a person honesty is one of the features to take into consideration. One of the triggers that could put into question this feature is the existence of conflicts of interest. In this regard, consideration should be given to the financial soundness of the person to be assessed in order to assess if it may trigger any dishonest or unprofessional behavior
- Notwithstanding the above, having previous infringements does not automatically result in the person not being assessed as proper for the duties he/she is to perform. It is recognized that, while criminal, disciplinary or administrative convictions or past misconduct are significant factors, the assessment of the fitness and propriety is to be done on a case-by-case basis and that consideration needs to be given to the type of misconduct or conviction, the level of appeal (definitive vs. non-definitive convictions), the lapse of time since the misconduct or conviction, and its severity, as well as the person’s subsequent conduct

8.4 Code of standards for individuals under the Fit and Proper requirements

(Ref. SII Directive Article 42(1))

The Company requires all employees to comply with Company's Code of Conduct and Ethics and policies. Additionally persons under the fit and proper requirement must adhere to the behaviors associated with the Code of Standards described below.

- The individual(s) must act with integrity in carrying out their responsibilities.
- The individual(s) must act with due skill, care and diligence in carrying out their responsibilities
- The individual must observe proper standards of market conduct in carrying out their controlled function.
- The individual(s) must deal with the Company and the regulators in an open and co-operative way and must disclose appropriately any information of which the Company or the regulator would reasonably expect notice
- The individual(s) performing a key function must take reasonable steps to ensure that the business for which they are responsible is organized so that it can be controlled effectively
- The individual(s) performing key function must exercise due skill, care and diligence in managing the business for which they are responsible in their function
- The individual(s) performing a key function must take reasonable steps to ensure that the business for which they are responsible in his key function complies with the relevant requirements and standards of the regulatory system

8.5 Monitoring of compliance with Fit and Proper requirements

(Ref. SII Directive Article 42(2))

All individuals under the scope of the Fit and Proper requirement must comply with regulatory requirements, as well as the Company's requirements and policies.

They should promptly inform Human Resources if they think their fitness and propriety has changed adversely. They should also inform Compliance if it is possible they have breached or will breach the Code of Standards or other regulatory requirements.

If they contravene the Company's policies and Code of Standards or requirements of the regulatory regime, they may be subject to disciplinary action by the Company. In addition they may be disciplined by the regulator. In deciding whether an individual is responsible for a breach, the Company will consider whether the action was deliberate, or whether the behavior was below the standard which would be reasonable in all the circumstances.

9 Code of ethics and conduct

(Ref. SII Directive Article 41(1))

9.1 Introduction

The Code of Ethics and Conduct (the Code) establishes the Company's core values and principles and sets the standards for behavior in the Company.

The Code is adopted by the BoD, which is responsible for the periodic review and assessment of the Code, as well as the approval of any changes to it. The Code is addressed to the BoD, CEO and staff of the Company.

The CEO of the Company develops and implements the necessary procedures to ensure compliance with the Code.

9.2 Individual Conduct

The BoD, CEO and employees of the Company are responsible to carry out their assigned duties in compliance with all applicable legal requirements and Company policies. Beyond compliance with strictly legal aspects involved, the BoD, CEO and employees are expected to conduct themselves with honesty, integrity and professionalism in the discharge of their assigned responsibilities.

Except as otherwise permitted by Company policies, all assets of the Companies are used for legitimate business purposes. The BoD, CEO and employees protect the Companies' assets and ensure their efficient use.

Each director, manager and employee of the Company avoids any activities that could involve, or lead to involvement in any unlawful practice, as well as any actions that may jeopardize or impair the confidence or respect in which the Company is held by their policyholders, regulators, and the general public. All directors, officers and employees comply completely with all applicable laws, rules, and regulations. Failure to comply with all applicable laws, rules, regulations, the Code, and other policies of the Company, will result in appropriate disciplinary action.

Any waiver of the Code of Ethics for the CEO or Directors may be granted only by the BoD. Any waiver of the Code for other officers or employees may be granted by the CEO as appropriate.

9.3 Corporate Opportunities

Directors, CEO and employees do not:

- take for themselves personal opportunities that are discovered through the use of the corporate property, information, or position
- Use Company property, information, or position for personal gain
- Compete with the Company

All Directors, managers, and employees owe a duty to the Company to advance the legitimate business interests of the Company.

9.4 Gifts

In accordance with the Company policy, nothing of any value is, directly or indirectly, given, offered or promised by or on behalf of the Company to any:

- Government employee or official, or any member of the judiciary, with intent to influence any official act or any act within the official responsibility of such employee, official, or member of the judiciary
- Person with intent to influence the testimony under oath of such person
- Present or former government official or employee, or member of the judiciary, for or because of any official act performed or is to be performed by such official, employee or member of the judiciary

No compensation is given, offered or promised to any government official or employee by or on behalf of the Company in relation to any particular matter in which the governmental entity has a direct and substantial interest.

9.5 Political Contributions

The Company does not directly or indirectly give, pay, expend or contribute, or promise to give, pay, expend or contribute, any money or other valuable thing for the purpose of aiding, promoting or preventing the nomination or election of any person to public office, or aiding or promoting or antagonizing the interest of any political party. No director, manager, employee or other individual acting on behalf of the Company makes or authorizes any such contribution by the Company.

This prohibition applies only to the direct or indirect use of Company funds, and is not intended in any way to discourage directors, managers or employees from making personal contributions to candidates or parties of their choice. However, no director, officer or employee may utilize their position with the Company to pressure or coerce other directors, managers or employees to personally give, pay, expend or contribute, or promise to give, pay, expend or contribute, any money or other valuable thing for the purpose of aiding, promoting or preventing the nomination or election of any person to public office, or aiding or promoting or antagonizing the interest of any political party.

9.6 Market Competition

The Company engages in vigorous, fair and ethical competition in the marketplace. Directors, managers, and employees of the Company are expected to refrain from any conduct that may be a violation of competition law. In accordance with the law, certain discussions and/or agreements with competitors concerning pricing or other competitive policies and practices are prohibited.

9.7 Fair Dealing

Directors, managers and employees endeavor to deal fairly with the Company's policyholders, suppliers, competitors, employees, shareholders and other investors. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

9.8 Relations with Policyholders, Suppliers and Intermediaries

The Company ensures that all dealings with policyholders, suppliers and all other stakeholders are governed by integrity:

- In all advertising and other public communications, untruths, concealment and overstatement will be avoided. The Company will never deliberately give inadequate or misleading descriptions of products or services
- In accepting business or entering contracts, employees are expected to observe the highest standards of integrity and to act in the best interests of the Company. Business are placed or accepted, or contracts or arrangements entered into, for any improper motive
- In dealing with policyholders, suppliers or intermediaries, employees do not give or receive money or gifts of any value, without specific disclosure and evidence of approval from their manager
- Staff or their families do not accept nor solicit loans, gifts in cash or in kind, free-of-charge services or any other favors from any current or prospective business partner
- Token gifts and consumable items received from business partners are accepted only with the specific approval of a responsible manager
- Staff may be entertained in the form of lunches or cocktail parties by business partners provided specific approval is obtained from a responsible manager

9.9 Relations with Competitors

The Company does not unfairly damage the reputation of competitors either directly or by implication or innuendo. In any contacts with competitors, employees avoid discussing proprietary or confidential information

The Company does not attempt to acquire information regarding a competitor's business by disreputable means. This includes industrial espionage, hiring competitors' employees to obtain confidential information, urging competitive personnel or policyholders to disclose confidential information, or any other approach that is not above BoD.

The Company does not engage in restrictive trade practices or abuse any position of market dominance.

9.10 Relations with Employees

Relations with employees are based on respect for the dignity of the individual. The Company is an equal opportunity employer, and does not discriminate against employees or applicants for employment on the basis of race, color, religion, sex, sexual orientation, national origin, age and physical or mental disability or disability unrelated to the task at hand.

The Company complies with all applicable laws and regulations in the hiring, treatment and termination of all employees, and endeavors to maintain a healthy and safe working environment that is conducive to professional growth, accomplishment and satisfaction, and free from any type of hostility or harassment. Directors, managers or employees responsible for harassing conduct against other Directors, officers, employees, agents, policyholders or vendors, are appropriately disciplined.

Efforts of individuals in helping to create the success of Company are recognized. The Company encourages and helps employees at all levels to develop relevant skills and competencies, through both work-related training and self-development, in order to progress their careers within the Company.

Information received by employees in the course of business dealings is not used for personal gain or any purpose except that for which it is given.

9.11 Relations with Shareholders and Other Investors

The Company deals fairly with shareholders and other investors:

- The interests of shareholders and other investors are protected and the Company does not do anything that will advantage one class of investor at the expense of another
- The accounting statements are true and timely
- The Company aims to generate an attractive return to investors on a long-term basis
- The Company communicates business policies, achievements and prospects honestly

9.12 Social Responsibility

The Company takes into account the concerns of the wider community including both national and local interests. It seeks to serve the community by providing services efficiently and profitably, and by providing good employment opportunities and conditions.

9.13 The Environment

The Company is concerned with the conservation of the environment in its broadest sense, and recognizes that certain resources are finite and must be used responsibly. The Company limits the use of finite resources in all business ventures and in particular recognizes its role in managing responsibility for buildings and land it occupies, waste management and usage of energy.

9.14 Confidential Information

Directors, managers, and employees do not:

- Disclose confidential information except when disclosure is authorized or legally mandated
- Access, or use, confidential information unless it is relevant to the performance of their job and they have proper authorization

Except for information routinely provided to industry bureaus and agencies, vendors or other representatives of the Company, in accordance with the Company's policies and procedures, no Director, manager or employee disclose confidential information of any type to anyone, except persons within the Company who have a clear business need to know.

Any requests for information arising through legal process are first referred to Senior Management before releasing any information.

9.15 Integrity of Books and Records

All business records, expense accounts, vouchers, bills, payroll and service records and other reports are prepared with care and honesty, and maintained in accordance with law and Company policy. All corporate funds and assets are recorded in accordance with Company procedures and applicable laws, regulations and accounting principles.

Complaints regarding accounting, internal accounting controls, or auditing matters, including concerns regarding questionable accounting or auditing matters are made on a confidential, anonymous basis and communicated directly to the Head of Internal Audit.

10 Other Governance Issues

10.1 Reporting and Management Information Systems

(Ref. SII Directive Article 41(1), Level 2 Article 249 SG1)

The Company's reporting and communication policies and procedures ensure that key functions have sufficient interaction and have access rights to the relevant systems and staff members including any records, necessary to allow them to carry out their responsibilities.

An effective reporting framework is necessary for taking the appropriate decisions at the BoD and CEO Level. The Company Management Information Systems support the frequent and structured reporting across all levels of the organization. Further, the Company's reporting policy promotes the early identification and escalation of issues and defines reporting routes for independent reporting of breaches or inconsistencies within the governance systems and controls. The Company's reporting framework identifies the type of internal reporting, the frequency of internal reporting and the responsibility for preparing the internal reports.

In addition through the Company's information security and information systems policy it is assured that information is safeguarded and shared across the organization in a timely, accurate and consistent manner.

Further, the BoD encourages the open and honest dialogue of all issues relevant to the Company. The BoD encourages the CEO and staff to report their concerns regarding serious irregularities or omissions to the appropriate internal bodies and sets up procedures for this.

10.2 External communications

The Company's external communications are governed by the Company's communications policy and are targeted in maintain the Company's reputation and relationship with all stakeholder groups.

The stakeholder groups identified and targeted by the Company are:

- Shareholders
- Policyholders and potential policyholders
- Regulators
- Media etc.

10.3 Disclosures

(Ref. SII Directive Article 51 -56)

The Company discloses information regarding its corporate governance arrangements to the regulators, shareholders and other external stakeholders. The Company has a formally documented policy and procedures for Disclosure and Regulatory reporting and all disclosures should follow the Disclosure and Reporting Manual.

10.4 Outsourcing

(Ref. SII Directive Article 49 (1))

The Company may outsource business areas or functions to external service providers. Outsourcing to external providers should have appropriate internal and external approvals as outlined in the Company's outsourcing manual and should be governed by Service Level Agreements. The CEO retains responsibility for the outsourced functions and the oversight of contractual agreements.

The BoD's policies and procedures on outsourcing are documented in the Outsourcing Manual.

10.5 Conflicts of interest

(Ref. SII Directive Article 41(1), Level 2 Article 249 SG1)

The BoD and CEO of the Company are responsible for ensuring that any potential source of conflict of interest is identified and activities that are likely to create conflicts of interest are performed independently and have distinct reporting lines and internal controls. This is ensured through the Company's organizational structure, the appropriate segregation of duties and the independence of key functions.

The Company's structure promotes segregation of duties and manages conflicts of interest through the line of defense and it was developed in a manner that is compliant with recommended practice for the industry.

The Company's policy and procedures on conflict of interest and the code of ethics outlined in this manual were developed with the objective to identify and address any potential sources of conflict of interest in the Company. CEO has the responsibility of the monitoring of the compliance with the policy.

10.6 Complaints Procedure

Purpose

The purpose of this process is to record complaints / suggestions from Clients, Associates, Employees made against the Company, so that the relevant person responsible for complaints can resolve any complaint or improvement of the Company actions or procedures. The Complaints Department is a part of the Human Resources Department.

Procedure / Responsibilities

- There will be a Complaint / Suggestion Form as per Appendix C herein.
- Any Employee is notified of a complaint from Customer, Associate, Colleague

If the complaint is received by phone, the relevant should complete the Complaint Form and give it directly to his manager, who should immediately inform the Complaints Department giving the original form. The complainant should give all his/her details such as name, address, telephone and email as well as all details forming part of his/her complaint. If, however, he/she wants his/her name not to be used for any reason, then the employee should inform him/her that the relevant complaint cannot be followed up.

- The Complaints Department will arrange a meeting with the relevant department concerned to discuss the issue. Within 48 hours of receipt of the complaint, the Complaints Department must notify the complainant of receipt of the complaint / suggestion by filling in and sending the letter "Acknowledgment Letter" Appendix C and within 10 working days from the submission date of the complaint / suggestion.

Within 10 working days, of the complaint submission should be officially responded to in writing by the Complaints Department on how the issue has been / will be resolved. The complaint file will close after the letter is sent to the complainant. However, if the complainant is not happy with the response or the handling of his/her complaint by the Company, then his file will have to be reopened where the corresponding decisions will be made with the necessary follow up.

- It is strictly forbidden for the Employee involved in the complaint to contact the complainant and ask for explanations. He/She will speak with him only if necessary, after consultation with his / her Manager / Complaints Manager / Human Resources Department.
- "The customer is always right," so it is important to record the complaints so the customer can feel that his request has been dealt with.
- At the end of each year, the Complaints Department should complete the Annual Complaint Report to the Board of Directors, which should describe the complaints received this year. This report will be given to the CEO by the Complaints Department, who in turn will give to the members of the Board of Directors for discussion.

10.7 Regulation Reporting

In Compliance with the applicable Insurance Law the following reporting dates are to be complied with

- (a) Renewal of current Lincence 2/5/2022 and subsequently every 3 years thereafter.
- (b) Submission of Financial Statements within the 1st quarter of the next financial year.

10.8 Cash Received from Clients and which belong to Insurers/Reinsurers

In the event that the Company receives cash which is for the benefit of Insurers/Reinsurers or for Clients (return premium or claims paid) such amounts must be in a separate bank accounts than the normal bank accounts of the Company. In addition the Company must have adequate documentary evidence indicating to whom such monies are owed.

In addition at any time the capital of the Company must be equal to at least 4% of the premiums received by the Company for the benefit of Insurers/Reinsurers.

11 Appendix A: Glossary

11.1 Appendix A: Glossary

Abbreviation/term	Description
Administrative independence	This requires that a function is objective and independent from the operational functions. In effect this means that there needs to be a separate unit or an individual without other duties within the undertaking.
BoD / Board	The Board of Directors of the Company
Business Function	A business function within the Company with distinct responsibilities and accountability
CEO	Chief Executive Officer
Corporate Governance	A set of relationships between the management of the Company, its BoD, its policyholders and other stakeholders that have an interest in the Company. It also provides the structure through which the Company will set out and pursue its targets and the means for their appropriate monitoring.
Golden Parachutes	An agreement between a Company and an employee, specifying that the employee will receive certain significant benefits if employment is terminated
HR	Human Resources Department
Independent NED	A member of the Board that is not an employee (or former employee), client, or associate with the Company or has any other relationship (including close family etc,) which could materially interfere with the exercise of their independent judgment.
Key functions	Key functions are those considered important or critical in the system of governance and include at least the risk management, the compliance, the internal audit and the actuarial functions. Other functions may be considered key functions according to the nature, scale and complexity of an undertaking's business or the way it is organized
NED	Non-executive Director
Operational independence	This requires that the functions are integrated into the organisational structure in a way that ensures that there is no undue influence, control or constraint exercised on the functions with respect to the performance of their duties and responsibilities by other operational or key functions, management or the BoD. The functions have to retain the responsibility for taking the decisions necessary for the proper performance of their duties without interference from others. Operational independence also bars the management body from undue influence on key functions in the exercise of their responsibilities. Operational independence implies that the key functions are able to report their results and any concerns and suggestions for addressing these they may have directly to the management body without restrictions as to their scope or content from anybody else.
SII Directive / The Directive	Directive 2009/138/EC

12 Appendix B – Terms of reference for the Board of Directors

12.1 Overview

The Board of Directors maintains overall responsibility for the management of the Company, including ultimate oversight of the Company's operations.

12.2 Appointment of the BoD

The Board of Directors (“the BoD”) of the Company is appointed by the shareholders of the Company. The appointment of members of the BoD is for 5 years with automatic renewal.

12.3 Membership and attendance

The BoD is made up by at least 2 members. The current membership of the Company’s BoD presented in the table below:

Chairperson (Executive)	<i>Luke Benfield</i>
Member (Non-Executive, Independent)	<i>Kyriakos Kaloyirou</i>

Chairperson

The specific responsibilities of the Chair of the BoD are assigned by the BoD and include to:

- Chair meetings of the BoD
- Set the agenda, style and tone of BoD discussions to promote effective decision making and constructive debate in BoD meetings including appropriate consideration of strategic issues
- Overseeing the process of informing the BoD through the distribution of information and reports
- Represent the Company to external stakeholders, including members, policyholders, suppliers, investors, and regulatory and governmental authorities
- Promote the highest standards of corporate governance within the Company
- Ensure that the members of the BoD receive accurate, timely and clear information on the Company and its activities
- Ensure effective communication within the BoD and active participation of the Directors
- Manage the BoD to ensure that appropriate time is allowed for consideration of issues
- Ensure that there is in place a properly constructed induction program for new Directors that is comprehensive, formal and tailored, facilitated by the Company Secretary
- Take the lead in identifying and meeting the development needs of individual Directors, with the Company Secretary having a key role in facilitating the provision of the same
- Address the development needs of the BoD as a whole with a view to enhancing its overall effectiveness as a team

- Encourage active engagement by all the members of the BoD

The Chair shall have a casting vote on BoD resolutions.

The Chair shall establish appropriate infrastructure required for his or her support, including the appointment of a vice-chair, if required.

Secretary

The Secretary will attend all meetings of the BoD and will be responsible for taking and circulating minutes.

Quorum

The quorum necessary for the transaction of business shall be 2 members of whom at least one must be either the Secretary or Chairperson or appointed deputy. A duly convened meeting of the BoD 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 BoD.

Outside BoD meeting, decisions can also be made by a written resolution signed by all BoD members.

12.4 Schedule of meetings

Frequency of meetings

The BoD shall meet formally at least once a year.

Notice of meetings

Meetings of the BoD, other than those regularly scheduled as above, shall be summoned by the Secretary at the request of any of its members, if they consider it necessary.

Unless otherwise agreed, notice of Annual General Meeting (AGM) confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the BoD and any other person required to attend no later than 21 working days before the date of the meeting, although urgent items may be circulated separately or tabled at the meeting.

Notice for Extraordinary General Meeting (EGM) shall be forwarded to the members of the BoD and other required attendees no later than 14 working days before the date of the meeting unless agreed by a Special Resolution. Supporting papers shall be sent to BoD members and to other attendees, as appropriate, at the same time.

Documentation and minutes of meetings

The BoD will receive an agenda and any other appropriate information in advance of each meeting and will keep minutes of its proceedings, circulate those minutes as appropriate, record any changes in the membership of the BoD and maintain appropriate records within the Company's Secretarial Office.

Minutes of BoD meetings, including the names of those present and in attendance, shall be circulated promptly to all members of the BoD and to nominated recipients. Minutes of the preceding meeting are submitted for formal approval at the beginning of each meeting.

All Non-Executive Directors have the right to have any unresolved concerns about the running of the Company or a proposed action recorded in the minutes.

13 Appendix C

 COMPLAINT FORM / SUGGESTIONS			
Reference No:	TIRB/2019/CF/.....		
Application for:	<input type="checkbox"/> Complaint <input type="checkbox"/> <input type="checkbox"/> Suggestion		
Date & time of complaint / suggestion:			
Name of person expressing the complaint / suggestion and attribute	colleague <input type="checkbox"/> customer <input type="checkbox"/> Representative		
Contact Phone Number			
Contract Office Number			
Name of person for which the complaint is made /department addressed to complaint / suggestion:			
How the Complaint / Suggestion was made			
<input type="checkbox"/> Telephone	<input type="checkbox"/> Email*	<input type="checkbox"/> Letter*	<input type="checkbox"/> Personal Meeting
*attach copies of communication			
Type of Complaint / Suggestion			
<input type="checkbox"/> Behaviour / Communication	<input type="checkbox"/> Staff behavior		
<input type="checkbox"/> Claim	<input type="checkbox"/> Procedure	<input type="checkbox"/> Other	_____
Other Details			
Complaint Requirement / Handling			

<u>How to resolve a complaint / suggestion</u>	
Comments of Complaints Department	
Comments of Complainant after the handling of the complaint	
Resolve Date (Solution within 10 Days)	
Name & signature of a person who received the complaint:	
Name & Signature of person for whom the complaint is made	