



**ZEP-RE**

(PTA Reinsurance Company)

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**BOARD OF DIRECTORS' CHARTER**

(As revised by the 74<sup>th</sup> Board Meeting held in Nairobi, Kenya on Wednesday 4<sup>th</sup> December 2013 and the 107<sup>th</sup> Board meeting held in Nairobi, Kenya on Friday 7<sup>th</sup> October 2022)

## **BOARD OF DIRECTORS' CHARTER**

### **PREAMBLE**

The Annual General Assembly of ZEP-RE elects Directors on the basis of their professional competencies, personal qualities and the contribution they can make to the governance and growth of the Company.

This Charter is being established to facilitate the full and free exercise of these qualities and to ensure the effectiveness of each Director's contribution, and that it is consistent with the standards of corporate governance, independent judgement, ethics and integrity they are expected to observe.

### **ARTICLE 1**

#### **Primary Duty**

- (a) In accordance with the principles of good corporate governance each Director undertakes: -
  - (i) To act first, foremost and always in the best interests of the Company and its shareholders, and not for any other collateral purpose.
  - (ii) To exercise his/her power in the executive duties in good faith, and
  - (iii) To act with the care a prudent person would when acting on their own behalf.
  - (iv) To observe high standards of ethical and moral behaviour.
  - (v) To ensure that the Company acts as a good corporate citizen.
- (b) Each Director undertakes that, in arriving at a decision on any issue, he or she shall strive to ensure that the decision is in the best interest of the Company and is not driven by any other interests.

## **ARTICLE 2**

### **Core Values**

- (a) Each Director subscribes to the company core values including being professional, customer driven, acting with integrity, committed to work and ensuring the Company is a responsible corporate citizen.
- (b) Each Director commits to upholding the company core values, and ensuring their implementation.
- (c) Consequently, Directors undertake to take into account not only the possible financial impact of their decisions but also their consequences for sustainable growth of the company and their effect on relations with stakeholders.

## **ARTICLE 3**

### **Scope of Responsibility**

- (a) Each Director is fully aware that the Board is responsible for determining and ensuring that the Company's vision, mission and values are upheld, deciding its strategic objectives, ensuring establishment of the organisational structure and procedures to achieve the mandate and objectives of the Company, ensuring effective control over the Company and accounting to its members.
- (b) On becoming a Director, one shall familiarise oneself with the Agreement establishing the Company, the legal and regulatory texts associated with the Company, the Company's particulars deriving from the Agreement establishing the Company and the various procedure manuals, the Board's Rules of Procedures and any other issues necessary for the proper discharge of Board duties.

## **ARTICLE 4**

### **Commitment**

- a) Each Director undertakes to dedicate the time and attention necessary to fulfill his/her duties. Should a Director propose to accept another directorship in addition to that (those) held at the time of his or her appointment this fact shall be brought to the attention of the Chairperson with whom they are to assess whether such new responsibilities would leave the director the time necessary to be devoted to the Company's responsibilities.
- b) Each Director undertakes to limit his or her additional directorships or similar positions, to ensure he or she can perform their duties as a member of the Board.
- c) On an annual basis, each of the Directors shall advise the Company Secretary in writing of the other directorships or similar positions held by the Director. The Company Secretary shall keep a register of the outside positions held by each Board member

## **ARTICLE 5**

### **Independence**

- (a) In all circumstances, each Director undertakes to preserve his/her independence of analysis, judgement, decision and action and to resist any pressure direct or indirect whether by other Directors, member groups, creditors, suppliers or more generally third parties.
- (b) Each Director undertakes not to seek nor accept from the Company or any other party directly or indirectly any advantage that might be considered as or appears to be compromising his or her independence.

## **ARTICLE 6**

### **Conflicts of Interest**

- (a) Each Director undertakes to disclose to the Board fully and immediately it comes to his or her attention any real or potential conflict of interest, direct or indirect, which such Director may have, and to provide all relevant information
- (b) A Director with such a conflict shall not participate in any discussion of any such topic or on voting on it.

## **ARTICLE 7**

### **Effectiveness and Evaluation**

- (a) Each Director is fully aware of the importance of regular attendance and effective participation at meetings. Each Director undertakes to do everything within its power to attend and participate in all meetings.
- (b) Each Director further undertakes to prepare sufficiently for meetings by carefully considering Board papers and attachments thereto and where necessary seek clarification.
- (c) Where a Director is unable to attend a meeting then the Director is required to send the Alternate Director to the meeting. In the event the Director and his/her Alternate are unable to attend then the Director is required to communicate through the Chairperson or Managing Director any concerns or issues they would wish considered.
- (e) Each Director shall be attentive and respectful of the delineation and exercise of powers and responsibilities attributed to the Company's respective decision-making organs. Directors shall however ensure that no single person can exercise uncontrolled discretionary powers. They shall support the proper functioning of Board Committees and pay particular attention to ensure that the Company's internal controls are effective and that its auditors perform their role and responsibility in an independent, objective and satisfactory manner.
- (f) At regular intervals not exceeding twelve (12) months, the Board of Directors shall undertake an evaluation of its functioning as well as the

Committees. Where necessary the Board may obtain the services of an external facilitator to guide the evaluation.

## **ARTICLE 8**

### **Information and Confidentiality**

- (a) Each Director is responsible for ensuring that he or she is provided with sufficient information in due time to permit the Board to deliberate properly on all issues. It is the duty of each Director to request of the Chairperson or Managing Director, in a timely and reasonable manner, information they may require for decision making.
- (b) Information concerning the Company which is communicated to a Director in confidence in connection with his function is provided *intuitu personae* (in consideration of the person).
- (c) Directors must personally take the necessary precautions to preserve the confidentiality of such information and not divulge it under any circumstances.

## **ARTICLE 9**

### **Duty to Communicate Dissent**

- (a) Each Director commits to express his or her views clearly and to use all means at his or her disposal to convince the Board of the validity of his or her position should he or she hold the view that a proposed Board decision is not in the best interest of the Company.
- (b) To this end, each Director shall successively consider: -
  - (i) Airing the reasons for the opposition and the negative consequences for the Company that would result from the prospective decision.
  - (ii) To have the advice of internal or outside experts sought on the issue.
  - (iii) To request postponement of the decision if the nature of the issue permits.
  - (iv) To request that his/her position be included in the minutes of the meeting.

## ARTICLE 10

### Duties and Responsibilities of the Board

Each Director understands and commits to the following duties: -

(a) Leadership

To provide effective strategic and enterprising leadership,

(b) Strategy and Values

To determine the purpose, values and strategy to achieve the objectives of the Company,

(c) Organisation Structure

To maintain a proper management structure to run the Company,

(d) Corporate Performance

To monitor and evaluate activities of the Company including corporate performance, viability and financial sustainability,

(e) Internal Control Procedures

To review regularly systems, processes and procedures of the Company,

(f) Appointment of the Chief Executive Officer

To advise the General Assembly on the appointment of the Chief Executive Officer of the Company,

(g) Appointment of Senior Management

To appoint all senior management,

(h) Succession Management

To ensure the establishment and appropriate management of the Company's succession and exit plan systems,

- (i) Technology and Skills  
To ensure that technology, skills and systems used in the Company are adequate,
- (j) Management of Corporate Risk  
To identify and manage key risk areas and key performance indicators of the Company,
- (k) Corporate Culture  
To define, promote and protect the ethics and beliefs of the Company,
- (l) Corporate Social Responsibility  
To oversee the implementation of the corporate social responsibility program of the company,
- (m) Impact and Sustainability program  
To provide oversight of the implementation of the impact and sustainability program of the company.
- (n) Development Impact Fund  
To oversee the effective implementation of the objectives of the Fund, utilization of the Fund and to provide guidance, as necessary
- (o) Corporate Compliance  
To ensure that the Company and the Board complies with the Agreement establishing ZEP-RE, all relevant laws, regulations, governance practices, accounting and auditing standards,
- (p) Corporate Communication  
To ensure that the Company communicates with all its stakeholders effectively,



(q) Board Performance Assessment

To assess the performance of the Board and Committees on an annual basis.

(r) Anti-Money Laundering (AML) and Terrorism Financing (TF) Activities

Ensure that the Company is committed to the highest standards of anti-money laundering (AML) and Terrorism Financing (TF) compliance and adheres to set standards and regulations aimed at preventing the use of ZEP-RE's assets, products and services for money laundering purposes.

To adhere and strictly comply with the provisions of the AML/TF policy of the Company.

(s) Conflict of Interest transactions

To ensure that all transactions in which there are conflicts of interest with Board members are addressed in line with the Related Party Transactions and Conflict of Interest policy of the company, and that agreed terms are those that are customary for arm's-length transactions in the company's business.

(t) Annual attestation on fitness and propriety

To complete an annual attestation form, confirming that he or she continues to meet the fitness & proper criteria provided in the Rules of Procedure of Election of Directors and Alternate Directors.

(u) Annual Work Plan

To put in place the necessary mechanisms to enable it to effectively discharge its roles and responsibilities. To facilitate this, an annual work plan and calendar of meetings shall be approved at the last Board meeting of each preceding financial year.

## **ARTICLE 11**

### **INDUCTION AND TRAINING**

- a) Upon his or her election, each Board member shall participate in an induction program that includes and covers the company's strategy,

general financial and legal affairs, policies, any specific aspects unique to the company and its business activities, the responsibilities of a Board member and governance.

- b) An annual training shall be arranged for Board members, in relation to their duties on the Board, including governance practices and trends, emerging issues and key developments related to the strategy and operations of the company.
- c) The costs of the induction course and training shall be paid for by the Company

## **ARTICLE 12**

### **Interpretation, Review and Effectiveness of the Charter**

- a) Any question of interpretation or application or any dispute or difference that shall arise from this Charter shall be referred to the Board of Directors whose decision shall be final.
- b) This Charter shall be reviewed every two (02) years and may be amended by the Board of Directors on its own volition or upon recommendation by the Governance and Human Resources Committee. This clause shall not restrict earlier reviews or amendments as and when, material changes are deemed necessary.
- c) This Charter comes into effect upon approval by the Board of Directors.



I \_\_\_\_\_ understand that by accepting appointment as a Director of ZEP-RE, I do subscribe to this Charter and in witness thereof I have put my hand hereunder:

**SIGNATURE**  **DATE** \_\_\_\_\_

IN THE PRESENCE OF

\_\_\_\_\_  
**COMPANY SECRETARY, ZEP-RE**