



AUDLEY
INSURANCE

CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE FRAMEWORK

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CORPORATE GOVERNANCE FRAMEWORK

1 INTRODUCTION

This Corporate Governance Framework establishes the principles and practices guiding the governance structure of Audley Insurance Company Sdn Bhd (“**Audley Insurance**” or “**the Company**”) with the overarching goal of promoting transparency, accountability, and the prudent management of risks. The framework aligns with regulatory requirements and industry best practices to ensure the long-term sustainability and success of Audley Insurance.

This Corporate Governance Framework is subject to periodic review and may be updated to align with evolving regulatory requirements and business needs.

2 CORPORATE PROFILE

Audley Insurance, incorporated on 30th October 1996, is a registered general insurance company in Brunei and is dedicated to serving as a "Captive Insurer" for all assets and interests owned by the Brunei Investment Agency. Subsequently, Audley Insurance extended its services to all assets and interests owned and partly owned by the Government of Brunei Darussalam and others that are of strategic importance to Brunei Darussalam.

As a Captive Insurer, Audley Insurance operates by retaining a percentage of the risks associated with its related companies. This strategic approach not only fosters a relationship with its clients but has also demonstrated its effectiveness in maintaining stability in premium rates.

In addition to its role as a Captive Insurer for these assets, Audley Insurance extends its expertise to cater to the insurance needs of other major corporations and individuals within Brunei Darussalam.

MISSION

- Ensure that all important and strategic assets, owned directly or indirectly by the Government of Brunei Darussalam, are properly and adequately insured at the best market terms with a high-value security framework.
- Ensure all clients and customers know about the Company and associate the Company's name with a high level of professionalism and security.

VISION

- Develop Audley Insurance into an important market player within the insurance industry in Brunei Darussalam.

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3 GOVERNANCE STRUCTURE: COMPOSITION OF THE BOARD OF DIRECTORS



CHAIRMAN

Yang Mulia
Hj Sofian bin Hj Muhammad Jani, CFA

Managing Director
Brunei Investment Agency



DIRECTOR

Yang Mulia
Nur Rossthene binti Hj Muhd Nendaroh

Head of Capital Strategy Section
Real Estate Division,
Brunei Investment Agency



INDEPENDENT DIRECTOR

Yang Mulia
Hjh Lily binti Hj Kula



INDEPENDENT DIRECTOR

Yang Mulia
Hj Osman bin Hj Md. Jair



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BOARD OF DIRECTORS

The Board of Directors (“**the Board**”) has the overall responsibility for promoting the sustainable growth, financial stability and fair treatment of customers in the market, without undue influence from any party. This includes consideration of long-term implications of the Board’s decisions on Audley Insurance, its policyholders, shareholders and other recognised stakeholders.

The Board must possess relevant expertise in finance and risk management, both within the Board and its Committees. Directors' contributions will vary based on their qualifications, but the Board should collectively represent a balance of expertise, skills, and viewpoints in alignment with the Company’s strategy and operations. At least one-third of the composition of Board of Directors shall be made up of independent directors.

In 2023, the Board has taken a decisive step in enhancing the corporate governance of the Company by introducing and officially adopting the “Terms of Reference” for the Board of Directors. The purpose of the Terms of Reference is to outline the responsibilities, authority, and functions of the Board. The Terms of Reference is reviewed on a regular basis, to ensure that the document remains aligned with changing regulations and best practices, ensuring ongoing efficacy and relevance to the Board’s objective.

The roles and responsibilities of the Board are as follows:

1. Strategic Planning
 - a) To approve the short-term and long-term enterprise-wide objectives, strategies, and plans (capital, financial, liquidity) including its risk-appetite and risk limits).
 - b) To approve the Company’s significant strategic initiatives or transactions, such as mergers and acquisition.
 - c) To review and approve the Company’s annual budgets and financial projections.
 - d) To monitor the implementation of strategic plans and ensure they are aligned with the Company’s mission and vision.
2. Risk Management
 - a) To approve the internal control framework.
 - b) To approve the mandate, resources, and budgets for the Control Functions.
 - c) To approve the external audit plan, including the audit fees and scope of audit engagement.
 - d) To approve the appointment of the actuary and the scope of the actuarial review.
3. Appointment and Evaluation of Senior Management
 - a) To approve the appointment, performance review and compensation of the Chief Executive Officer/Managing Director/General Manager and other members of the Senior Management; and
 - b) To approve the succession plans with respect to the Board, Chief Executive Officer/Managing Director, and other members of Senior Management.



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In addition to the above, the Board should provide guidance to the Senior Management, through review and discussions on the following matters:

1. Significant operational and business policies;
2. Business and financial performance relative to the Board's approved strategy and risk appetite;
3. Compensation policy for all human resources;
4. Implementation of internal controls, including their effectiveness;
5. Organizational structure; and
6. Compliance with applicable laws, regulations and guidelines.

BOARD COMMITTEE

In accordance with the business, size and complexity of Audley Insurance, the Board holds the authority to delegate specific activities or responsibilities inherent to its own duties to a designated Board Committee. The Board retains complete responsibility for any powers that are assigned to the Board Committee.

AUDIT COMMITTEE

The primary purpose of the Audit Committee ("**the Committee**") is to assist the Board of Audley Insurance in fulfilling its oversight responsibilities related to financial reporting, internal controls, and risk management. By diligently reviewing the financial statements, assessing the audit processes, and addressing the risk management, the Committee strives to uphold the highest standards of corporate governance and promote the trust and confidence of shareholders, regulatory authorities, and the broader business community.

The Committee is required to consist of a minimum of three (3) members appointed by the Board of the Company, all of whom must currently serve as members of the Board. The Board retains the authority to remove any member of the Committee at any time.

The Committee is authorized by the Board to undertake any activity within its Terms of Reference, which includes the review and deliberation of the external audit functions, financial reporting, and internal controls.

SENIOR MANAGEMENT

The Board has delegated to the General Manager the authority over the day-to-day administration of the Company. The role and responsibilities of the General Manager are as follows:

1. To manage the day-to-day business operations, activities, and performance efficiently and effectively in accordance with the Company's goals and objectives.
2. To exercise supervisory and appropriate controls in assuring good governance and best practices.
3. To instruct and oversee the tasks and work activities performed by the personnel.
4. To be responsible and accountable for all actions taken to the Board and to the regulatory and legal provisions of Brunei Darussalam.

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GENERAL MANAGER



GENERAL MANAGER

Dayang Siti Zulaikha binti Haji Awang Damit

Dyg Siti Zulaikha holds a BA (Hons) in Accounting and Financial Management from Sheffield University, UK. She joined the Company on 1st March 2007. In addition, she has previously served as the first treasurer for Brunei Insurance and Takaful Association (“**BITA**”) from its inception in 2013 and later became BITA's Assistant Secretary in 2015. Dyg Siti Zulaikha's extensive background in insurance and the industry as well as her leadership experience have been invaluable, leading to her appointment as our General Manager on 20 April 2020. Currently, Dyg Siti Zulaikha has been nominated to be the Treasurer for BITA.

4 POLICIES AND PROCEDURES

In adherence to sound corporate governance principles, Audley Insurance has established a comprehensive framework of policies and procedures designed to ensure consistency, transparency, and effective risk management across all organizational functions. These policies cover critical areas of operational and strategic significance, including but not limited to:

1. **Approval and Authorization Policy**

This policy ensures a structured and accountable decision-making process within the Company, by outlining the guidelines and processes for approvals and authorizations.

2. **Bad Debts Policy and Procedure**

This policy establishes clear guidelines for managing and accounting for bad debts within the Company. It outlines the steps for making allowance for receivables and the process for writing off bad debts.

3. **Business Continuity and Recovery Plan**

This Plan serves as a blueprint for maintaining essential operations during unforeseen disruptions and swift recovery in times of crisis.

4. **Cash Management Policy**

This policy ensures proper set up and handling of cash funds. It outlines the establishment of the petty cash system and addresses the procedure for reporting losses from the petty cash fund.



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5. Capital Expenditure and Operating Expenses Policy

This policy establishes rules governing how the Company makes purchases. It provides guidelines for all purchasing and procurement activities to ensure consistency and adherence to best practices.

6. Claims Policy and Procedure

The Claims Policy ensures fast, fair and compliant handling of insurance claims. It provides guidance on how to report claims and outlines the process from assessment to settlement.

7. Employee Handbook Policy

The Employee Handbook outlines the Company's expectations, rules, and benefits for all employees.

8. Investment Policy

The Investment Policy & Guidelines serves as a framework for the Company's investment decisions. The Company prioritizes factors such as asset liability management, investment security, diversification, future cash needs and achieving an appropriate rate of returns. By adhering to the guidelines, the Company aims to make prudent and strategic investment choices that align with its financial objectives and ensure the long-term stability and growth of its assets.

9. Performance Management Assessment Framework Policy

This Policy provides the framework that outlines how performance is evaluated and improved at all levels. Following this Policy ensures alignment with strategic goals, foster accountability, and continuously improves operations to better serve stakeholders.

10. Remunerations and Benefits Policy

The Remuneration and Benefits Policy outlines the Company's compensation and benefits paid within the Company.

11. Risk and Reinsurance Underwriting Policy

This policy ensures effective reinsurance practices that are integral to the Company's overall risk management strategy. The policy aims to set standards for using reinsurance and other risk transfer methods. It provides a framework for selecting, implementing, monitoring and reviewing reinsurance arrangements. This helps ensure the Company can fulfil its obligations to policyholders and maintains adequate controls over risk transfer programs.

These policies and procedures are periodically reviewed and updated to align with evolving industry standards, regulatory requirements, and the dynamic business environment. They serve as a foundation for fostering a culture of integrity, compliance, and accountability throughout the organization.