



ABSTRACT

These corporate governance principles and guidelines are intended as a component of the governance framework within which the MII Council directs the affairs of the Institute.

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Corporate Governance Principles and Guidelines

1. Overview and Objectives

These corporate governance principles and guidelines are intended as a component of the governance framework within which the MII Council directs the affairs of the Malta Insurance Institute (MII or the Institute). While these should be interpreted in the context of all applicable laws and regulations in Malta (and in particular Voluntary Organisations Act (Chapter 492 of the Laws of Malta) to which the Institute is subject as a Voluntary Organisation registered with the Office of the Commissioner for Voluntary Organisations) these principles and guidelines are not intended to establish by their own force any legally binding obligations.

2. Council Members' Responsibilities

Council Members duties and responsibilities shall be as detailed under Article 8 of the memorandum and articles of association of MII.

The Board fulfils its role by:

- a.) Providing advice and counsel to persons engaged by MII to execute policy or strategy agreed by the Council.
- b.) Providing oversight of MII's performance.
- c.) Formulating strategic plans and reviewing their implementation.
- d.) Reviewing and approving MII's financial objectives and major plans including material expenditure.
- e.) Designing governance structures and practices to enable the Council and the Institute to fulfil its duties effectively and efficiently.
- f.) Providing oversight of risk assessment and monitoring processes.
- g.) Reviewing and approving major changes in accounting and auditing principles and practices effecting the Institute's operations or disclosure requirements.
- h.) Providing oversight of internal or external auditing processes, financial reporting and/or disclosure controls or procedures.
- i.) Overseeing compliance with applicable laws and regulations.
- j.) Setting expectations about the tone and ethical culture of MII and reviewing efforts to instill an appropriate tone and culture throughout the Institute.
- k.) Performing such functions as the Council deems appropriate or necessary or as otherwise prescribed by applicable rules or regulations.

The Council may appoint Key Officers and delegate authority to such Key Officers to execute the policy or the strategy of the Institute as agreed by the Council.

3. Fit & Proper

The Council shall ensure that all persons, including but not limited to each one of the Council members and Key Officers, who effectively run or represent the institute or its affairs or have key functions within MII are "fit and proper" persons.

"Fit and Proper" is deemed to mean that a person is suitable to hold the particular position which that person holds or is to hold within the Institute. In deciding whether a person is "Fit and Proper" the Council should be satisfied that the said person has the personal characteristics (including that of being of good repute and integrity) and holds the necessary qualifications, competence, knowledge and experience to perform the respective key function effectively, with prudence and integrity.

4. Integrity and Conflict of Interest

Each Council Member and Key Officer is expected to act with utmost integrity at all times in the exercise of their duties whether in the insurance market or the Institute.

In case of conflict of interest, potential conflict of interest or apparent conflict of interest, Council members are to declare such conflict and to recuse themselves from voting on a decision where such conflict, potential conflict or apparent conflict has been identified.

5. Confidentiality

Each Council Member and Key Officer has an obligation to keep confidential all non-public information that relates to the Institute and its business.

Confidential information includes but is not limited to information regarding the strategy, operations, members and finances of the Institute (or of any of the Institute's related parties), minutes, reports and materials of the Council and or its committees and other documents identified as confidential by MII. Additionally, proceedings and deliberations of the Council and or its committees are also confidential.

6. Unfair Advantage or Benefit

Each Council Member and Key Officer has an obligation not to use information learnt from the Institute to his or her personal benefit or advantage or to the benefit of persons or entities outside the Institute.

This Article serves to reinforce Article 3.2 of the Memorandum and Articles wherein no Institute member shall have any personal claim on any property of the Institute or make any profit out of his or her membership. In the case of remuneration or reimbursement for services rendered to the Institute this would be subject to the approval by a majority vote taken by all members of Council prior to the agreement to pay for services.

7. Council Agenda, Materials, Information & Presentations

The President of the Council, with input from the Council Secretary, and the Key Officers of the Institute, establishes the agenda for each Council Meeting. A schedule of Council meetings is to be issued at the beginning of each year. Council Members are free to make suggestions to the President or Council Secretary with respect to the inclusion of items on the agenda or additional information provided by Council Members.

The Agenda and any attachments are to be circulated electronically to the Council Members at least 3 working days prior to a Council Meeting. Persons supplying reports or information are to ensure that inclusions in Council packs are to as brief and concise as possible while providing all essential information.

As a general rule Council time is to be reserved and designated as time for Council discussion. Therefore, any material forwarded as part of the Council meeting pack should be read by Council Members prior to the meeting.

Version Control

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