

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 1/2019

ON THE SUMMARY RECORD OF THE 40th ANNUAL ORDINARY MEETING

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 12;

Having examined document AFRICARE/GA/42/SR entitled "Summary Record of the 40th Annual Ordinary Meeting";

Adopts the document unamended.

Benny 
Africa Re

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 2/2019

ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Articles 14.10 and 37;

Considering the General Regulations of the Corporation and, in particular, Article 8 on the Annual Report and Financial Statements;

Adopts the Report of the Board of Directors of the African Reinsurance Corporation for the period 1 January to 31 December 2018, as presented in document AFRICARE/GA/43/302;

Congratulates the Board, Management and Staff for the operating performance, despite the depreciation of operating currencies, high frequency and severity of claims, unfavourable development of prior year claims, poor performance of financial markets, and adverse change in accounting;

Invites the Board, Management and Staff of the Corporation to continue efforts aimed at ensuring a foothold for Africa Re in the global insurance landscape in general and in Africa in particular;

Authorizes the distribution of the 2018 Annual Report to interested institutions, companies and individuals.

Buny

Africa Re

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 3/2019

ON THE NEW DIVIDEND DISTRIBUTION POLICY AND APPROPRIATION OF NET PROFIT

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 39;

Considering the recommendations of the Board of Directors contained in document AFRICARE/GA/43/301 entitled "New Dividend Distribution Policy of the Corporation";

Approves the new Dividend Distribution Policy proposed by the Board of Directors, which comprises the following provisions:

1. Overall Aims of the Policy

The overall aims of the policy, which will allow the Corporation to continue to create value for its customers and shareholders, are as follows:

- a) Maximization of shareholder wealth through a steady dividend payout;
- b) Long-term appreciation of the Corporation's shares;
- c) Capital adequacy of the Corporation;
- d) Stability of the Corporation's financial ratings.

2. Methods of Distributing Dividends

The following types of dividends shall be considered subject to the conditions in the next section:

Regular Dividends: as a going-concern and a profitable institution, this method of distributing dividends will be used by the Corporation to regularly reward its shareholders for providing capital to run the business. As the name implies, this method means that dividends will be distributed regularly, usually annually from the net profit.

Special Dividends: the special dividend is used to achieve a steady dividend growth, in the range of [0-50%], for each financial year. In case the regular dividend is below the previous dividend per share, a special dividend could be deducted from the retained earning brought forward, to match the previous year dividend (0% growth), or to achieve any growth within the range set above.

A special dividend may not be required in case the regular dividend growth is enough to achieve the dividend growth set for the year.

When the conditions for a regular dividend are not met, no special dividend can be considered.

Total Dividend Amount: The total amount of dividend to be paid to the shareholders is the sum of the regular dividend and special dividend. The total can either be equal to the regular dividend only in case the current year profit growth is enough to meet the dividend growth set for the year, or the sum of regular and special dividends.

3. Conditions of Dividend Distribution

The following conditions shall be met to determine the dividend presented above:

- a) **Profitability:** dividends can only be considered if and only if the financial year has recorded a profit, after tax. In case of loss, no dividend can be distributed. Even though, when this condition is met, the Board can propose not to distribute any dividend if a compelling situation requires such a stand.
- b) **Capital Adequacy Ratio (CAR):** CAR is defined as the total adjusted capital divided by the net required capital. Dividends will only be distributed provided the lower limits of the rating agencies (A.M. Best and Standard & Poor's) and internal capital models are not breached.
- c) **Regular Dividend:** the regular dividend computation is capped at 40% of the profit of the financial year. The remaining 60% is used to fund the general reserve, the loss reserve, the Corporation's foundation, and any other initiative approved by the Annual General Meeting.
- d) **Special Dividend:** No special dividend can be considered when the ratio of shareholders' funds (total equity) to paid-up capital is equal to, or less than, 200%. This condition aims to keep a steady shareholders' fund. It also helps to meet the minimum capital adequacy mentioned in b) above.

- e) **Dividend-Equity Ratio**: this is defined as the ratio of the yearly dividend paid to the shareholders' funds. The dividend-equity ratio will be subject to a maximum of 4% of the shareholders' funds, in any financial year.

4. **Special Provisions with regard to Dividend Distribution**

a. **Appropriation of Profit:**

The Board recommends the appropriation of the financial year profit as follows:

- i. Up to 50% of the Net Profit in any year to be transferred to the General Reserves;
- ii. Current set amount of US\$ 800,000 to be deducted from the financial year Net Profit to fund the Loss Reserve;
- iii. Up to 2% of the Net Profit in any year transferred to the Africa Re Foundation;
- iv. Up to 4% of the Shareholders' Funds as Total Dividends;
- v. The remaining balance to be kept in Retained Earnings.

b. **Form and Mode of Dividend:**

Dividends shall be paid to shareholders in cash form, by bank cheque, or bank transfer.

Exceptionally, the Corporation may offset the outstanding dividends with any amounts (i.e. premium arrears) owed by a shareholder to the Corporation.

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N°4/2019

ON THE FINAL ACCOUNTS AND APPROPRIATION OF RESULTS

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Articles 10.2 (vi) and (vii), and 37;

Considering Article 8 1 (ii) of the General Regulations of the Corporation;

Considering the new dividend policy (Resolution No. 3/2019) as approved by this 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Having examined the Corporation's Balance Sheet, Profit and Loss, and Underwriting Revenue Accounts for the Financial Year ended 31 December 2018, notes on these accounts, as presented in document AFRICARE/GA/43/302, and the proposed appropriation of results;

Having heard the report of the Corporation's External Auditor for the financial year ended 31 December 2018;

Approves the Balance Sheet and Final Accounts of the Corporation for the financial year ended 31 December 2018;

Decides in accordance with the recommendation of the Board that the 2018 net profit of US\$ 31,268,836 be distributed as follows:

- US\$15,634,418 to the general reserve in accordance with Resolution No. 3/2019 which stipulates that 50% of the net profit after tax of each year is set aside as general reserve;
- US\$800,000 to be transferred to the reserve for loss fluctuation in accordance with Resolution No. 3/2019 to set aside an amount over and above the outstanding claims provision, to moderate the effects of possible fluctuation in losses in future;
- US\$ 312,688 to be transferred to the Africa Re foundation;
- US\$ 22,811,240 to be paid as total dividend amount at the rate of US\$ 8.0 (2017: US\$ 8.0) per subscribed and paid-up share of US\$ 100 par value, from:
 - Part of the 2018 net profit amounting to US\$ 14,521,730 as Regular Dividend, plus
 - Retained earnings of US\$ 8,289,510 brought forward as Special Dividend

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 5/2019

ON THE IMPLEMENTATION OF THE AGREEMENT ESTABLISHING THE CORPORATION

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement Establishing the African Reinsurance Corporation and, in particular, Articles 46 to 53;

Considering the Agreement Establishing the African Reinsurance Corporation and, in particular, Articles 46 (Status, Immunities, Exemptions and Privileges), Article 51 (Freedom of Assets from Restriction), Article 27 (Forms of Cession), paragraphs 2 and 4;

Considering the Headquarters Agreement signed with the Federal Republic of Nigeria which hosts the Corporation's Head Office, and the Host Country Agreement signed with the Republic of Kenya, which hosts one of the Corporation's Regional Offices;

Taking note, particularly, of the hindrances which could impede the smooth functioning of the Corporation and compromise its status if appropriate measures are not taken;

Expresses gratitude to all the member States, insurance markets, insurance regulators and non-member countries that relentlessly extend to the Corporation various facilities, privileges, exemptions and immunities for its smooth operations;

Appeals respectfully to all member countries, especially the Arab Republic of Egypt, the Kingdom of Morocco, and the Republic of Tunisia, and reminds them to uphold the status of Africa Re by ensuring the full application of the Agreement Establishing the Corporation, particularly its Article 46 (Status, Immunities, Exemptions and Privileges), paragraph 2, by recognizing the Diplomatic Laissez-Passer issued by the Corporation, and by facilitating the free movement of the Corporation's staff and officials travelling with that travel document;

Appeals respectfully to the Government of the Republic of Kenya, the host country of one of Africa Re's Regional Offices based in Nairobi, to:

- **Take** the necessary measures to correct the Ministerial Order (Gazette) on the Corporation's Diplomatic Privileges, Immunities and Tax Exemption in order to align it with the principles, spirit and provisions of the Agreement Establishing the Corporation and the Host Country Agreement.

- **Restore** the diplomatic status that the Corporation has enjoyed for many years and respect the rights, immunities, exemptions and privileges granted to the Corporation by the Agreement Establishing the Corporation, signed by all the member States, and the Host Agreement, signed by the Corporation and the Republic of Kenya.
- In case of permanent disagreement on the interpretation of the provisions of any of above Agreements, and pending the resolution of the dispute by arbitration, **apply the decision of the General Assembly** which is final according to Article 55 "Interpretation" of the Agreement Establishing the Corporation.
- **Request** the Chairman of the General Assembly to engage the Republic of Kenya in order to settle the pending disputes on interpretation or implementation of mutual Agreements by direct negotiation between the Corporation and the Republic of Kenya, in conformity with Article 56 "Arbitration" of the Agreement Establishing the Corporation.

Appeals respectfully to the Government of the Federal Republic of Nigeria, the host country of the Corporation's Head Office, to:

- **Restore** the full diplomatic status that the Corporation has enjoyed for many years and respect the rights, immunities, exemptions and privileges granted to Africa Re by the Agreement Establishing the Corporation signed by all member States, and the Headquarters Agreement signed by the Corporation and the Federal Republic of Nigeria.
- **Take** the necessary measures to correct the Official Gazette on Africa Re diplomatic privileges, immunities and tax exemption, in order to align it with the principles, spirit and provisions of the Agreement Establishing the Corporation and the Headquarters Agreement.

Appeals to the Governments of Tanzania and Ghana, and reminds them to uphold the status of Africa Re by ensuring the full application of the Agreement Establishing the Corporation, particularly Articles 27 (Forms of Cession), paragraphs 2 and 4, by fully recognizing the status of the Corporation as a local reinsurer to freely access local reinsurance treaty (5% minimum) and facultative businesses, at the terms accorded to most favoured reinsurers, as long as there is a mutually acceptable arrangement between the Corporation and a local insurer.

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 6/2019

ON THE APPOINTMENT OF THE EXTERNAL AUDITOR

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 10.2 (v);

Considering the Agreement establishing the African Reinsurance Corporation, in particular Article 38;

Considering the recommendations of the Board of Directors contained in document AFRICARE/GA/43/304 entitled " Appointment of the External Auditor";

- a) **Appoints** PricewaterhouseCoopers (PwC), Nigeria, as the Corporation's auditors for one year. It may be renewed four times by the General Assembly to a maximum of five (5) years.
- b) **Authorizes** the Board to negotiate the annual fees and the modalities for accommodation and subsistence of the auditors while on mission outside their base, and include them as part of the terms of the agreement, with a view to moderating the overall cost of the engagement.
- c) **Authorizes** the Board to negotiate the geographical scope of the audit and its variation parameters upfront, as stipulated in the engagement letter.
- d) **Authorizes** the Board to negotiate the periodic review of annual fees upfront to follow predetermined parameters, such as US dollar inflation rate, geographical scope, and change in applicable and relevant accounting standards.

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 7/2019

ON THE REVIEW OF THE CORPORATE GOVERNANCE AND BOARD COMPOSITION

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 15;

Considering the recommendations of the Board of Directors contained in document AFRICARE/GA/43/305 entitled **“Proposal to Review the Board Size and Nominate Two Independent Non-Executive Directors”**;

Amends the 1st paragraph of Article 15 “Board of Directors – Composition” of the **Agreement Establishing the Corporation** as follows:

Current	Amended as follows
<p>“The Board of Directors shall be composed of twelve (12) directors, one (1) of whom shall be appointed by the Bank, eight (8) shall be elected by other class A shareholders and three (3) shall be selected by class B shareholders, in accordance with the Procedure set out in Annex B of this Agreement, which shall form an integral part thereof. In electing the Board of Directors, the General Assembly shall have due regard to the high competence in reinsurance, financial and economic matters required for the office.”</p>	<p>“The Board of Directors shall be composed of <u>fourteen (14) directors</u>, one (1) of whom shall be appointed by the Bank, eight (8) shall be elected by other class A shareholders, three (3) shall be selected by class B shareholders and <u>two (2) Independent Directors shall be appointed by the General Assembly at the proposal of the Board of Directors</u>, in accordance with the Procedure set out in Annex B of this Agreement, which shall form an integral part thereof. In electing the Board of Directors, the General Assembly shall have due regard to the high competence in reinsurance, financial and economic matters <u>and any other areas</u> required for the office.”</p>

Authorizes the Board of Directors to determine the selection criteria and nomination process of the Independent Directors;

Authorizes the Board of Directors to co-opt the Independent Directors and nominate them for approval by the General Assembly at its earliest annual meeting, and to make the required amendments in the Rules for the Election of Directors;

Authorizes the Board of Directors to determine the conditions of service of the appointed Independent Directors.

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 8/2019

ON THE RESOLUTIONS COMMITTEE OF THE 42nd ANNUAL ORDINARY MEETING

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 12.9;

Considering the Rules of Procedure of the General Assembly;

Recalling Resolutions No 6/1979 and 11/1980 on the Rules Governing the Composition and Procedure of the Resolutions Committee;

Notes that the Resolutions Committee of the 42nd Annual Ordinary Meeting, scheduled for June 2020, shall comprise the following members:

- Ghana
- Democratic Republic of Congo
- Uganda
- Algeria

AFRICAN REINSURANCE CORPORATION

GENERAL ASSEMBLY

RESOLUTION N° 9/2019

ON THE ENTRY OF NYALA INSURANCE AND GEPETROL SEGUROS SA IN THE CAPITAL OF AFRICA RE

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and in particular Articles 5, 6, 7, 8, 10 (vii) and 14;

Considering document AFRICARE/GA/43/306 entitled "Entry of Nyala Insurance and Gepetrol Seguros SA in the Corporation's Capital", submitted by the Board of Directors;

Takes note of the entry of Nyala Insurance, Ethiopia, and Gepetrol Seguros SA, Equatorial Guinea, in the shareholding of the Corporation;

Commends the Board and Management for the success of this double entry into the capital of the Corporation.

AFRICAN REINSURANCE CORPORATION
GENERAL ASSEMBLY
ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 10/2019

ON THE DATE AND VENUE OF THE 42nd ANNUAL ORDINARY MEETING

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and in particular Article 12.2;

Considering also the Rules of Procedure of the General Assembly and in particular Rule 1 on meetings;

Accepts the kind invitation of the United Republic of Tanzania to host the 42nd Annual Ordinary Meeting of the General Assembly;

Decides to schedule the said meeting in Dar es Salaam, United Republic of Tanzania, in June 2020;

Thanks the Authorities of the Republic of Tanzania for this fraternal and hospitable gesture.

AFRICAN REINSURANCE CORPORATION

ORDINARY GENERAL ASSEMBLY OF 17 JUNE 2019, TUNIS

RESOLUTION N° 11/2019

ON THE VOTE OF THANKS TO THE HOST COUNTRY

The General Assembly, at its 41st Annual Ordinary Meeting held in Tunis, Republic of Tunisia, on 17 June 2019;

Considering the Agreement establishing the African Reinsurance Corporation and, in particular, Article 12.2;

Is grateful to the Tunisian Authorities and the Tunisian insurance industry for successfully organizing the 41st Annual Meeting, in particular for the necessary facilities provided to the Corporation and the cordial, hospitable and fraternal reception of the representatives of shareholders and observers;

Invites the Chairman of the General Assembly to convey its gratitude, through the relevant Authorities, to the President of the Republic of Tunisia, as well as to the Government and the Tunisian People, for their unflinching attachment and constant support to Africa Re, and for ensuring the success of the 41st Annual Ordinary Meeting of the General Assembly in Tunis.