



# **Qatarlyst Advisory Board**

## **Terms of Reference**

November 2011



## OBJECTIVE

The Advisory Board has been established in 2008 to help manage the maturation of Qatarlyst (then RI3K) into a transparent and accountable market utility. In particular, the Advisory Board will offer direction on Qatarlyst's marketing, development, and pricing policies.

### 1 BACKGROUND AND PURPOSE

#### 1.1 SCOPE AND AIM

1.1.1 These Terms of Reference (the "**Terms**") relate to the electronic service for the placing and administration of insurance and reinsurance (the "**Service**") owned and maintained by Qatarlyst Limited ("**Qatarlyst**").

1.1.2 The Terms set out the rules relating to:

(a) the Qatarlyst Advisory Board (the "**QAB**") and, in particular:

- (i) membership and appointment procedures;
- (ii) accountability and reporting requirements;
- (iii) the QAB's powers and function; and
- (iv) the principles and procedures which the QAB must observe.

(b) how Qatarlyst can consult with the QAB on issues of policy, perception and pricing of the Service.

(c) the way in which the QAB is funded

1.1.3 The aim of these Terms is to generate an environment in which the companies using the Service (the "**Users**") can have a channel to contribute to the strategy and development direction in relation to the Service and/or its headline functionality.

1.1.4 It is intended that the Terms will improve levels of accountability, ensuring the service is delivered in a way that meets user needs, and also will help in maturing the processes developed by Qatarlyst and to the Service itself.

#### 1.2 ROLE AND FUNCTION

1.2.1 The role and function of the QAB is to:

- (a) Consider market perceptions and review with Qatarlyst the major development priorities of the Service
- (b) To have a legitimate forum to consolidate key customer experiences and perspectives and to influence pricing policy



- (c) Consider any other issues relating to the Service as have been specifically identified in writing to the QAB by Qatarlyst.

- 1.2.2 When carrying out its role and functions, the members of the QAB (the “**Members**”) shall at all times remain cognisant of the fact that Qatarlyst is a commercial and privately owned organisation with a duty to its shareholders and staff to achieve the profit goals in timelines pre-established with investors.
- 1.2.3 It shall be a general principle that any developments to the Service and/or its functionality which are recommended by the QAB in accordance with this Terms and considered by QAB to be of benefit to the Users as a whole can be reviewed for funding by Qatarlyst, and paid for by the service charges paid by the Users. Any such development recommended by the QAB and considered by Qatarlyst to be of use to only one or a minority of the Members shall be presented to those Members for consideration, and such development, by prior written agreement of the Member(s), would be paid for by the Member or Members who request such development.
- 1.2.4 No Member will incur any liability or obligation to Qatarlyst or any Qatarlyst client as a result of QAB membership. Any advice, counsel or recommendation shall be for Qatarlyst to consider, and the outcome or effect of any subsequent implementation shall be the responsibility of Qatarlyst alone in reliance of its own investigation, without recourse of any kind to the QAB, or its Members, either jointly or severally.

### **1.3 WORKING STANDARDS**

- 1.3.1 Qatarlyst and the QAB and each of its Members must ensure that at all times the QAB acts in good faith and in the interests of the major Users, current and future. Qatarlyst and the QAB will at all times work together constructively according to the principles of:
  - (a) openness, transparency and fairness (subject to commercial confidentiality); and
  - (b) co-operation and, unless bound by any obligation of confidentiality, exchange of information.

## **2 ADVISORY BOARD**

### **2.1 APPOINTMENT OF A CHAIRMAN**

- 2.1.1 Qatarlyst shall be responsible for appointing the chairman of the QAB (the “**Chairman**”). The Chairman shall be an independent person of suitable standing and a high degree of knowledge and experience within the insurance industry.
- 2.1.2 The Chairman shall be appointed for such period as considered appropriate by Qatarlyst.

### **2.2 MEMBERSHIP**

- 2.2.1 The QAB shall consist of a Chairman and not more than 10 and not less than 5 Members.
- 2.2.2 Subject to paragraph 2.2.6, the QAB shall be made up of User Companies which qualify for Membership by being:



- (a) Brokers who have distributed not less than 5000 transactions per annum using the Service (“**Qualifying Transactions**”); or
- (b) Brokers and Carriers who are, in the opinion of Qatarlyst, considered likely to have the potential to significantly enhance the Service [as a result of their size and/or influence/standing in the insurance industry] and the QAB would benefit from them having a Member on the QAB.

2.2.3 Any User Company which qualifies to be appointed as a Member in accordance with this paragraph 2.2, shall nominate a person to act as its representative (its “**Proposed Representative**”) and make a written application to Qatarlyst setting out the details of the Proposed Representative. A Proposed Representative shall be:

- (a) of sufficient seniority so as to have authority to act on behalf of the User;
- (b) in any event, a person who has a day-to-day working knowledge of the Service
- (c) an individual who is directly committed to furthering the success of the service as a market utility

2.2.4 The appointment of such Proposed Representative to the QAB shall be subject to Qatarlyst’s consent. If Qatarlyst does not consent, the relevant User shall be entitled to nominate another person as its representative and the procedure set out in paragraph 4 shall apply to such appointment.

2.2.5 The Chairman and Qatarlyst will together carry out periodic reviews of Members and reserve the right, at their sole discretion and for any reason whatsoever, to revoke the membership of any Member, the Chairman carrying the casting vote in any disagreement.

2.2.6 Qatarlyst shall have 2 Representatives on the QAB.

### **2.3 PROCEEDINGS OF THE QAB**

2.3.1 The QAB shall meet not less than 4 times annually at the offices of Qatarlyst, London (or at such other location that the Chairman specifies) at a date and time to identified in writing to the Members (the “**QAB Meeting**”) no less than three weeks in advance of the date on which such QAB Meeting is proposed to take place.

2.3.2 Qatarlyst and The Chairman shall set the agenda for each QAB Meeting (the “**Agenda**”) and notify the Members no less than 7 days in advance of the relevant QAB Meeting.

2.3.3 Should any Member or Qatarlyst wish the QAB to discuss any particular issue at the forthcoming QAB Meeting, it shall email the details of such issue to the Chairman no less than one week in advance of the proposed date of such meeting. Notwithstanding the foregoing, every Agenda shall as a minimum contain the following issues for discussion:

- (a) Functional development priorities
- (b) Marketing
- (c) Pricing policies

(d) Performance monitoring

(e) Any other business

2.3.4 No meeting of the QAB shall be convened nor business of the QAB transacted unless the Chairman and at least 4 Representatives are present, physically or by video conference or by telephonic conference.

2.3.5 All recommendations of the QAB shall be taken on a show of hands and passed by a simple majority of those present at the meeting. No Member shall have the right to appoint a proxy to act on his behalf.

2.3.6 Minutes of each meeting will record decisions taken and actions agreed, and will be reviewed and corrected at the next RBA meeting.

### **3 OPERATIONS**

#### **3.1 COMPLIANCE WITH ASSOCIATION FOR COOPERATIVE OPERATIONS RESEARCH AND DEVELOPMENT (“ACORD”)**

3.1.1 In carrying out its business Qatarlyst will support ACORD as a general principle whilst it remains relevant as a standard applicable to its business. However, this shall not be a constraint on Qatarlyst from working on a non-ACORD basis with Users who do not wish to support ACORD or working to other relevant standards such as e.g. SWIFT for data messaging.

3.1.2 In particular and subject to paragraph 3.1.1, Qatarlyst will, so far as commercially reasonable, use reasonable endeavours to:

(a) ensure that its processes, data dictionary and messaging service are ACORD compliant

and

(b) participate in the relevant ACORD committees as reasonably requested to do so by the QAB from time to time.

#### **3.2 TRANSPARENCY**

3.2.1 The QAB shall have in its remit to review and make recommendations for alterations to the standard terms and conditions offered to the Users by Qatarlyst.

#### **3.3 DEVELOPMENT**

3.3.1 Qatarlyst shall provide the QAB with a first draft of a development schedule providing details of features and enhancements that it proposes to make during the forthcoming calendar year (the “**Development Schedule**”) by the end of November in any given year. Until 31 December of the relevant year, QAB shall consult with Qatarlyst on the content of the Development Schedule.



3.3.2 Within one month of the end of each calendar year, Qatarlyst shall, following consultation with the QAB in accordance with paragraph 3.3.1, prepare and make available to its customers, via its website, the Development Schedule.

3.3.3 Following the publication of the report in accordance with 3.3.1, the QAB (through the Chairman) will consult with relevant market associations and committees such as the LMA and the Electronic Placement Sub-Group ('EPSG') in relation to any of the proposals in the Development Schedule.

### **3.4 PRICING**

3.4.1 Qatarlyst will share with QAB its pricing strategy and will actively seek Members' views and expectations. QAB will be a legitimate forum for the Members to make recommendations on the pricing of the Utility so long as the goal will always be to achieve a policy for pricing that balances the need for sustainability of the Company with the requirement for Qatarlyst to become the market Utility.

### **3.5 ALTERATIONS TO THESE TERMS**

3.5.1 Qatarlyst will consult with the QAB in relation to any proposed alterations to these Terms.