

INDEPENDENT AUDITORS REVIEW REPORT

To the members of Askari General Insurance Company Limited
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Code of Corporate Governance for Insurers, 2016 (both herein referred to as 'the Regulations') prepared by the Board of Directors of Askari General Insurance Company Limited ('the Company') for the year ended December 31, 2022 in accordance with the requirements of regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and provision lxxvi of the Code of Corporate Governance for Insurers, 2016.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2022.



Chartered Accountants

Islamabad

Date: 6 April 2023

UDIN: CR202210134I6c3ERVNP

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

ASKARI GENERAL INSURANCE CO. LTD

Name of the Company:

Askari General Insurance Company Limited (the Company)

Year Ending: 31 December 2022

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (CCG 2016) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Regulations 2019).

The Company has applied the principles contained in CCG 2016 and Regulations 2019 in the following manner:

- The total number of directors are nine (09) as per the following:

a.	Male	Eight (08)
b.	Female	One (01)

- The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name of Director
Independent Directors	Mr. M. Munir Malik Mr. Imran Iqbal Ms. Saima Akbar Khattak
Non-Executive Directors	Lt Gen Naveed Mukhtar (Retd) AVM Mohammad Athar Shams (Retd) Rizwan Ullah Khan Brig Mukhtar Ahmed (Retd) Malik Riffat Mahmood
Executive Directors	Mr. Abdul Waheed
Female Director	Ms. Saima Akbar Khattak

All independent directors meet the criteria of independence as laid down under CCG 2016 and Regulations 2019.

- The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
- All the resident directors of the insurer are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
- A casual vacancy occurred on the Board on 27th April, 2022 which was filled by the directors within 90 days thereof.

- The Company has prepared a Code of Conduct & Ethics and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the insurer. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (Act) and Regulations 2019.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations 2019 with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations 2019.
- No Orientation courses / training programs have been conducted for its directors during the year to apprise them of their duties and responsibilities. However, policies regarding roles and responsibilities of directors were provided to newly appointed director.
- The Board has established a system of sound internal control, which is effectively implemented at all levels within the insurer. The insurer has adopted and complied with all the necessary aspects of internal controls given in the CCG 2016.
- The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- The Directors' Report for this year has been prepared in compliance with the requirements of the CCG 2016 and the Regulations 2019 and fully describes the salient matters required to be disclosed.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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15. CFO and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board.
16. The Directors, Chief Executive Officer and other executives do not hold any interest in the shares of the insurer other than disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of CCG 2016 and Regulations 2019.
18. The Board has put in place a mechanism for an annual evaluation of the Board's own performance as required under the Regulations 2019.
19. The Board has formed the following Management Committees under the CCG 2016:

Underwriting, Reinsurance & Coinsurance Committee:

Name of the Member	Category
AVM Mohammad Athar Shams (Retd)	Chairman
Mr. Shahzad Ameer	Member
Mr. Zaheer Abbas	Member
Mr. Shahzad Munir	Member

Claims Settlement Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Mr. Abdul Waheed	Member
Mr. M. Qasim	Member
Mr. Nadeem Ahmad	Member

Executive, Risk Management & Compliance Committee:

Name of the Member	Category
AVM Mohammad Athar Shams (Retd)	Chairman
Rizwan Ullah Khan	Member
Brig. Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

20. The Board has formed the following Board Committees under CCG 2016/Regulations 2019:

Ethics, Human Resource & Remuneration Committee:

Name of the Member	Category
Mr. Imran Iqbal	Chairman
Brig Mukhtar Ahmed (Retd)	Member
Mr. Abdul Waheed	Member

Investment Committee:

Name of the Member	Category
Malik Riffat Mahmood	Chairman
Mr. M. Munir Malik	Member
Mr. Abdul Waheed	Member
Mr. Suleman Khalid	Member
Mr. Shahid Qayyum	Member

21. The Board has formed an Audit Committee. It comprises of three (3) members, of whom one is independent director and two are non-executive director. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:

Audit Committee:

Name of the Member	Category
Mr. M. Munir Malik	Chairman
Malik Riffat Mahmood	Member
Brig Mukhtar Ahmed (Retd)	Member

22. During the year meeting of the Committees, were held as follows:

Committee	No of Meetings
Underwriting, Reinsurance & Coinsurance Committee	2
Claims Settlement Committee	2
Executive, Risk Management & Compliance Committee	2
Ethics, Human Resource & Remuneration Committee	2
Investment Committee	3
Audit Committee	5

23. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
24. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and they are involved in the internal audit function on regular basis.
25. The Chief Executive Officer, Chief Financial Officer, Compliance Officer and the Head of Internal Audit possess such qualification and experience as required under the

Code of Corporate Governance for Insurers, 2016. The persons heading the underwriting, claim, reinsurance, risk management and grievance functions / departments possess qualification and experience of direct relevance to their respective functions, as required under Section-12 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000):

Name of Persons	Designation
Mr. Abdul Waheed	Chief Executive Officer
Mr. Zaheer Abbas	Head of Underwriting
Mr. Shahzad Ameer	Head of Reinsurance
Mr. M. Qasim	Head of Claims
Mr. Hassan Shafiq	Head of Risk Management
Mr. Anwar Ahmed Malik	Compliance Officer / Head of Grievance Function
Mr. Suleman Khalid	Chief Financial Officer
Mr. Haseeb Gul	Company Secretary
Mr. Ali Noor	Head of Internal Audit

26. The Statutory auditors of the insurer have been appointed from the panel of auditors approved by the Commission in terms of Section 48 of the Insurance Ordinance, 2000 (Ordinance No. XXXIX of 2000). The statutory auditors have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partner of the firm, their spouses and minor children do not hold shares of the insurer and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidance on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
27. The statutory auditors and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the CEO, CFO, Head of Internal Audit, Company Secretary or Director of the Company.
28. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that
- they have observed IFAC guidelines in this regard.
29. The Board ensures that the appointed actuary complies with the requirements set out for him in the Code of Corporate Governance for Insurers, 2016.
30. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the CCG 2016.
31. The Board ensures that the risk management system of the Company is in place as per requirements of the CCG 2016.
32. The Board has set up a risk management function/ department, which carries out its tasks as covered under the CCG 2016.
33. The Board ensured that, as part of the risk management system, the Company obtained rating from JCR-VIS and PACRA, which is being used by its risk management function/department and the respective Committee as a risk monitoring tool. The rating assigned by VIS and PACRA on 17 November 2022 and 14 February 2023 respectively, was "AA" (Double A) with Stable outlook.
34. The Board has set up a grievance department/function, which fully complies with the requirements of the CCG 2016.
35. The Company has not obtained any exemptions from the Securities & Exchange Commission of Pakistan in respect of any of the requirements of the CCG 2016 and Regulations 2019.
36. We confirm that all material principles contained in CCG 2016 and all requirements of the Regulations 2019 have been complied with.

Lt Gen Naveed Mukhtar (Retd)

Chairman – Board of Directors

Rawalpindi

March 15, 2022

Abdul Waheed

President & Chief Executive