

Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended December 31, 2022

This statement is being presented in compliance with the Code of Corporate Governance for Insurers, 2016 (the Code) for the purpose of establishing a framework of good governance, whereby an insurer is managed in compliance with the best practices of corporate governance and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG 2019).

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

1. The total numbers of Directors are ten as per the following:
 - a: Male: 9
 - b: Female: 1
2. The Insurer encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
Independent Female Director	Ms. Yasmin Hyder
Independent Directors	Mr. Muhammed Iqbal Mankani Mr. Tanveer Sultan Moledina
Non-Executive Directors	Mr. Saifuddin N. Zoomkawala Mr. Rafique R. Bhimjee Mr. Taher G. Sachak Mr. Ali Raza Siddiqui Mr. Saad Bhimjee Mr. Mahmood Lotia
Executive Director	Mr. Hasanali Abdullah

The independent director meets the criteria of independence as laid down under the code and CCG 2019.

3. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies including this Company.
4. All the resident Directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a development financial institution or a non-banking financial institution or, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
5. A causal vacancy occurred on the Board on October 26, 2021 due to passing away of Mr. Abdur Rehman Haji Habib was filled up by appointment of Mr. Mahmood Lotia as Director with effect from January 20, 2022.
6. The Company has prepared a "Statement of Ethics and Business Practices" as Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
7. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. All 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 Act and CCG 2019. The decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of Chief Executive Officer and key Officers have been taken by the Board.

9. The meetings of the Board were presided over by the Chairman of the Board for this purpose. The Board met at least once in every quarter. The Board has complied with the requirement of the Act and CCG 2019 with respect to frequency, recording and circulating minutes of meeting of Board. Written notices of Board meetings, along with agenda and working papers were circulated at least seven days before the meeting.
10. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and CCG 2019.
11. All Directors of the Company have acquired certification under the Director's training program.
12. The Board has established a system of sound internal control, which is effectively implemented at all levels within the Company. The Company has adopted and complied with all the necessary aspects of internal controls given in the code.
13. The management of the Company has submitted a Booklet to the Board of Directors during the year to consider it as an orientation course for its Directors and to apprise them of their duties and responsibilities. The course Booklet also apprised the Directors about changes in Code of Corporate Governance and other laws Regulations.
14. There was no change of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The Board had approved the remuneration of Chief Financial Officer, Company Secretary and the Head of Internal Audit Department.
15. The Directors' Report for this year has been prepared in compliance with the requirements of the code and CCG 2019 and fully describes the salient matters required to be disclosed.
16. The financial statements of the company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
17. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the company other than disclosed in the pattern of shareholding.
18. The company has complied with all the corporate and financial reporting requirements of the code and CCG 2019.
19. The Board has formed the following Board Committees:

Ethics, Human Resource and Remuneration Committee

Name of the Member	Category
Mr. Muhammed Iqbal Mankani	Chairman - Independent Director
Mr. Saifuddin N. Zoomkawala	Member - Non Executive Director
Mr. Hasanali Abdullah	Member - Executive Director

Investment Committee

Name of the Member	Category
Mr. Rafique R. Bhimjee	Chairman - Non Executive Director
Mr. Saifuddin N. Zoomkawala	Member - Non Executive Director
Mr. Hasanali Abdullah	Member - Managing Director & Chief Executive Officer
Mr. Taher G. Sachak	Member - Non Executive Director
Mr. Altaf Gokal	Member - Chief Financial Officer

20. The Board has formed an Audit Committee. It comprises of five members, of whom three are non-executive Directors and two are independent Director. The chairman of the Committee is an independent non-executive Director. The composition of the Audit Committee is as follows:

Audit Committee

Name of the Member	Category
Mr. Tanveer Sultan Moledina	Chairman - Independent Director
Mr. Rafique R. Bhimjee	Member - Non Executive Director
Mr. Ali Raza Siddiqui	Member - Non Executive Director
Mr. Taher G. Sachak	Member - Non Executive Director
Ms. Yasmin Hyder	Member - Independent Director

21. The Board has formed the following Management Committees:

Underwriting Committee:

Name of the Member	Category
Mr. Hasanali Abdullah	Chairman
Mr. Kamran Arshad Inam	Member
Mr. Imran Ahmed	Member - Secretary
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member

Claim Settlement Committee

Name of the Member	Category
Mr. Hasanali Abdullah	Chairman
Mr. Aftab Fakhruddin	Member - Secretary
Mr. Badar Amin Sissodia	Member
Mr. Farrukh Aamir Baig	Member
Ms. Fatima Bano	Member

Reinsurance & Co-insurance Committee

Name of the Member	Category
Mr. Hasanali Abdullah	Chairman
Mr. Kamran Arshad Inam	Member
Mr. Altaf Gokal	Member
Mr. Imran Ahmed	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Pervez Ahmed	Member - Secretary

Risk Management & Compliance Committee

Name of the Member	Category
Mr. Hasanali Abdullah	Chairman
Mr. Kamran Arshad Inam	Member
Mr. Altaf Gokal	Member
Mr. Imran Ahmed	Member
Mr. Khurram Nasim	Member
Mr. Muhammad Sohail Nazir	Member
Mr. Abdul Qadir Memon	Member
Mr. Hameed Qureshi	Member
Mr. Atif Anwar	Member
Mr. Ali Ghulam Ali	Member
Mr. Amin Punjani	Member - Secretary

The functions of Nominations Committee are being performed by the Board.

22. The Quarterly meetings of audit committee were held prior to the approval of interim and final results of the company. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings of the Committee were as follows:

Name of Meeting	Frequency
Ethics, Human Resource and Remuneration Committee	Twice a year
Investment Committee	Quarterly
Audit Committee	Quarterly
Underwriting Committee	Quarterly
Claim Settlement Committee	Quarterly
Reinsurance & Co-insurance Committee	Quarterly
Risk Management & Compliance Committee	Quarterly

23. The Board has set up an effective internal audit department which comprises of suitably qualified and experienced staff for the purpose and are conversant with the policies and procedures of the company and are involved in the internal audit function on a regular basis.

24. The Chief Executive Officer, Chief Financial Officer, Company Secretary & Compliance Officer and the Head of Internal Audit possess such qualification and experience as is required under the Code. Moreover, the persons heading the underwriting, claim, reinsurance, risk management and grievance function 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 the Person	Designation
Mr. Hasanali Abdullah	Chief Executive Officer
Mr. Kamran Arshad Inam	Head of Underwriting, Claims and Reinsurance
Mr. Altaf Gokal	Chief Financial Officer
Mr. Amin Punjani	Company Secretary, Compliance Officer and Risk Officer
Mr. Ali Ghulam Ali	Head of Internal Audit
Mr. M. Vaqaruddin	Head of Window Takaful Operations
Mr. Aftab Fakhruddin	Head of Grievance Function

25. The statutory auditors of the company 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 partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
26. The statutory auditors or the persons associated with them have not been appointed to provide other services and the auditors have confirmed that they have observed IFAC guidelines in this regard.
27. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
28. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
29. The company has set up a Risk Management function, which carries out its tasks as covered under the code.
30. The Company has been rated by AM Best, PACRA and VIS and the rating assigned by these rating agencies on October 13, 2022, June 17, 2022 and November 23, 2022 respectively. PACRA and VIS has assigned rating of AA++ with stable outlook while AM Best has assigned rating of B with stable outlook.
31. The Board has set up Grievance function in compliance with the requirements of the code.
32. The Company has not obtained any exemption from the Securities and Exchange Commission of Pakistan in respect of the requirements of the code.
33. We confirm that all requirements no. 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG 2019 and all material requirement of Code have been complied with.

Regulation 6: The Board of the Company comprises of ten elected Directors and one-third works out to be 3.33. Presently, three (3) independent Directors were elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently as per laws and regulations under which, hereby, fulfill the requirements; not warrant the appointment of a forth independent Director.

MAHMOOD LOTIA
Director

TAHER G. SACHAK
Director

HASANALI ABDULLAH
Managing Director & Chief Executive

SAIFUDDIN N. ZOOMKAWALA
Chairman

Independent Auditor's Review Report

To the members of EFU General Insurance Limited Review Report on the Statement of Compliance contained in the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended 31 December 2022

We have reviewed the enclosed Statement of Compliance with the Code of Corporate of Governance for Insurers, 2016 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (combined called 'the Code') prepared by the Board of Directors of EFU General Insurance Limited (the Company) for the year ended 31 December 2022 in accordance with the requirements of the Code.

The responsibility for compliance with the Code 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 Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code 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 Code as applicable to the Company for the year ended 31 December 2022.

EY Ford Rhodes
Chartered Accountants

Date: 24 March 2023

Karachi

UDIN: CR202210191zdBID3on