

INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members Of The United Insurance Company Of Pakistan 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 December 31, 2023

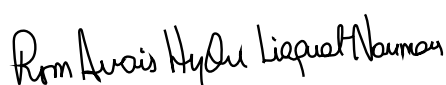
We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 (the Code 2016) and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations 2019) prepared by the Board of Directors (the Board) of The United Insurance Company of Pakistan Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of the Code 2016 and the Regulations 2019.

The responsibility for compliance with the Code 2016 and the Regulations 2019 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 2016 and the Regulations 2019 and report if it does not and to highlight any non-compliance with the requirements of the Code 2016 and the Regulations 2019. 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 2016 and the Regulations 2019.

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 Director's 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 2016 and the Regulations 2019 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 Code 2016 and the Regulations 2019 as applicable to the Company for the year ended December 31, 2023.



RSM AVAIS HYDER LIAQUAT NAUMAN

Chartered Accountants

Place: Lahore

Date: March 09, 2024

UDIN: CR202310239hHvYRPNfy

STATEMENT OF COMPLIANCE

with the Code of Corporate Governance for Insurers, 2016 and Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended December 31, 2023

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

The United Insurance Company of Pakistan Limited has applied the principles contained in the Code 2016 and the Regulations 2019 in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a) Male : Six (6)
 - b) Female : One (1)
2. The Company ensures the representation of independent non-executive directors and facilitates directors representing minority on its Board of Directors. At present the composition of the Board is as follows:

Category	Names
Independent Director	Jamil Ahmed Khan Agha Ali Imam
Executive Director	Muhammad Akram Shahid
Non-Executive Directors	Khawas Khan Niazi Syed Rahat Ali Shah Muhammad Rahat Sadiq
Female Directors (Executive)	Huma Waheed

* All independent directors meet the criteria of independence as laid down under the Code 2016. The fraction of one third is not rounded up as the total no of directors are limited, hence two independent directors are significant and, In our view, serve the purposes of the Regulations 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 directors of the Company are resident and registered taxpayers (Filer), none of them has defaulted in payment of any loan to any banking company or DFI, NBF1 or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
5. No casual vacancy occurred on the Board during the year.
6. The Company has prepared a Statement of Ethics and Business Practices / 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 material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer, other executive directors and key officers have been taken by the Board.
9. The meetings of the Board were presided over the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notice of the board meetings, along with the agenda and working papers, were circulated at least seven (7) days before the meetings. The minutes of the meeting were appropriated recorded and circulated.
10. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Regulations 2019.
11. The following directors have completed certified Director's Training Program (DTP) and they are fully aware of their duties and responsibilities under the Code 2016 and the Regulations 2019

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- **Mr. Muhammad Akram Shahid**
Executive Director
- **Mr. Khawas Khan Niazi**
Non-Executive Director
- **Ms. Huma Waheed**
Executive Director
- **Mr. Jamil Ahmed Khan**
Independent Director
- **Syed Rahat Ali Shah**
Non-Executive Director

Other two directors are exempt from the requirements of completing DTP.

12. 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 Code.
13. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
14. The Directors' Report for this year has been prepared in compliance with the requirement of the Code 2016 and the Regulations, 2019 and fully describes the salient matters required to be disclosed.
15. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

16. The Directors, Chief Executive Officer and other Executives do not hold any interest in the shares of the Company other than disclosed in the pattern of shareholding.

17. The Company has complied with all the corporate and financial reporting requirements of the Code 2016.

18. The Board has formed the following Management Committee:

Underwriting Committee:

Name of Member	Category
Mr. Khawas Khan Niazi	Chairman
Mr. S.M Qaisar Imam	Member
Mr. Aamir Hameed	Member
Mr. Tayyab Bashir	Secretary

Claims Settlement Committee:

Name of Member	Category
Ms. Huma Waheed	Chairperson
Mr. Tajammal Iqbal	Member
Mr. Naeem Tariq	Member
Mr. Rizwan Safdar	Secretary

Reinsurance & Co-insurance Committee:

Name of Member	Category
Mr. Muhammad Rahat Sadiq	Chairman
Mr. Naeem Tariq	Member
Mr. Aamir Hameed	Member
Mr. Tayyab Bashir	Member
Mr. Abrar Ahmed Khan Minhas	Secretary

Risk Management & Compliance Committee:

Name of Member	Category
Mr. Muhammad Akram Shahid	Chairman
Ms. Huma Waheed	Member
Syed Rahat Ali Shah	Member
Mr. Ali Hassan Bhatti	Member
Mr. Ahsan Ali	Secretary

19. All Responsibilities of the nomination committee as laid down under the code 2016 and the Regulations 2019 are being discharged by the board.

20. The Board has formed the following Board Committees:

Ethics, Human Resource & Remuneration Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Muhammad Akram Shahid	Member
Mr. Muhammad Rahat Sadiq	Member
Mr. Wakeel Ahmed Mirza	Secretary

Investment Committee:

Name of Member	Category
Mr. Jamil Ahmed Khan	Chairman
Mr. Muhammad Akram Shahid	Member
Mr. Agha Ali Imam	Member
Mr. Tajammal Iqbal	Member
Mr. Maqbool Ahmad	Secretary

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21. The Board has formed an Audit Committee. It comprises of three members, of whom one is independent director and two are Non-Executive Directors. The chairman of the Committee is an independent director. The composition of the Audit Committee is as follows:
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 2016. The Appointed Actuary of the Company also meets the conditions as laid down in the said Code. Moreover, the persons handling the underwriting, claims, reinsurance, risk management and grievance functions/ department possess qualification and experience of direct relevance to their respective functions, as required under section 12 of the Insurance Ordinance, 2000.

Name of Member	Category	Name of the Person	Designation
Mr. Agha Ali Imam	Chairman – Independent Director	Muhammad Akram Shahid	Chief Executive Officer
		Maqbool Ahmad	Chief Financial Officer
		Athar Ali Khan	Company Secretary
Mr. Khawas Khan Niazi	Member – Non Executive Director	Abdul Mannan Munir	Head of Internal Audit
		Ali Hassan Bhatti	Head of Compliance & Risk Management
		Faisal Zai	Actuary
		Naeem Tariq	Joint Director - Finance
Syed Rahat Ali Shah	Member – Non Executive Director	Amir Hameed	Chief Operating Officer
		Tajammal Iqbal	Head of Conventional Business
Mr. Abdul Mannan Munir	Secretary	Shakeel Ahmed	Head of Window Takaful Business
		S.M. Qaiser Imam	Head of Underwriting
		Tayyab Bashir	Head of Operation – Underwriting
			Head of Greivance Department
		Kamran Zaman	Head of Claims
		Abrar Ahmed Minhas	Head of Reinsurance
		Wakeel Ahmed Mirza	Head of Human Resources

22. The terms of references of the Committees have been formed and advised to the Committees for compliance. The frequency of meetings of the Committees is quarterly.
23. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.
25. The statutory auditors of the Company have been appointed from the panel of auditors approved by the Commission in terms of sections 48 of the Insurance Ordinance, 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 (ICAP) and registered with Audit Oversight Board of Pakistan, 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 ICAP, that the firm and all its partners 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 Director of the Company and that the firm or any of the partners of the firm, their spouses and minor children do not hold shares 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.

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27. The Appointed Actuary of the Company has confirmed that the Directors or their spouses and their minor children do not hold shares of the Company
28. The Board ensures that the Appointed Actuary complies with the requirements set out for them in the Code 2016.
29. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provision of the Code 2016.
30. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code 2016.
31. The Company has set up a risk management department, which carries out its tasks as covered under the requirement of Code 2016
32. The Pakistan Credit Rating Agency Limited (PACRA) has maintained IFS Rating of The United Insurance Company of Pakistan Limited as AA+ (Double A Plus) with "Stable Outlook". The rating reflects United Insurance's strong business fundamentals emanating from a sustained growth in GPW.
33. The Board has set up a grievance department, which fully complies with the requirements of the Code 2016.
34. The Company has not obtained any exemption(s) from the Securities and Exchange Commission of Pakistan in respect of the requirement of the Code 2016.
35. We confirm that all other material principles contained in the Code 2016 and requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations 2019 have been complied with



Muhammad Akram Shahid
Chief Executive Officer



Jamil Ahmed Khan
Chairman

Moreover, VIS Credit Rating Company Limited (VIS) has maintained the Insurer Financial Strength (IFS) rating of The

Date: March 09, 2024