

## Statement of Compliance with the Code of Corporate Governance for Insurers, 2016 & Listed Companies (Code of Corporate Governance) Regulations, 2019

**Name of Insurer:** The Universal Insurance Company Limited (the Company)  
**Year Ended:** December 31, 2023

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 number of directors are seven as per the following:
  - a) Male: Five
  - b) Female: Two
2. The Company ensures representation of independent non-executive directors and facilitates directors representing minority interest on its Board of Directors (the Board). At present the Board includes:

Category	Names
Independent Directors	Wing Commander (Retd.) Javaid Ahamd Afzal Dr. Hassan Iqbal
Executive Director	Dr. Shahin Kuli Khan Khattak
Non-Executive Directors	Lt. Gen (Retd.) Ali Kuli Khan Khattak Mr. Ahmed Kuli Khan Khattak Mr. Khalid Kuli Khan Khattak
Female Directors	Mrs. Shahnaz Sajjad Ahmed Dr. Shahin Kuli Khan Khattak

The independent directors meets the criteria of independence as laid down under the Code and CCG 2019.

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

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 the stock exchange.
5. One casual vacancy occurred on the board on November 17, 2023 during the year ended on December 31, 2023, which was filled by the directors within 90 days.

6. The Company has prepared a “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. The Board has ensured that 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 (CEO), other executive directors and the key officers, have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and CCG 2019.
9. 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 and the Board met at least once in every quarter. The board has complied with the requirements of the Act and CCG 2019 with respect to frequency, recording and circulating minutes of meeting of board. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting.
10. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and CCG 2019.
11. 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 necessary aspects of internal controls given in the Code.
12. Three of the directors have acquired certification regarding the “Directors' Training Program” (DTP) conducted by the local institutions that meet the criteria specified by the Securities and Exchange Commission of Pakistan (SECP). Other two directors possess the minimum qualification and experience criteria for the exemption of DTP as stipulated in the Code. Two newly appointed director will acquire certification within stipulated time.
13. No new appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit was made during the year. The Board has approved appointment of Chief Financial Officer and approved the remuneration of CFO, Company Secretary and the Head of Internal Audit Department.
14. 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.
15. The financial statements of the Company were duly endorsed by Chief Executive Officer (CEO) and CFO before approval of the Board.
16. The directors, CEO 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 and CCG 2019.

18. The Board has formed the following Management Committees:

**Underwriting, Re-insurance & Co-Insurance Committee:**

<b>Name of the Member</b>	<b>Category</b>
Dr. Hassan Iqbal	Chairman
Dr. Shahin Kuli Khan Khattak	Member
Mr. Muhammad Alyas	Member / Secretary

**Claims Settlement Committee:**

<b>Name of the Member</b>	<b>Category</b>
Mr. Ahmed Kuli Khan Khattak	Chairman
Dr. Shahin Kuli Khan Khattak	Member
Mr. Amir Raza	Member
Mr. Ashfaq Ahmad	Secretary

**Risk Management & Compliance Committee:**

<b>Name of the Member</b>	<b>Category</b>
Dr. Shahin Kuli Khan Khattak	Chairperson
Wing Commander (R) Javaid Ahmad Afzal	Member
Mr. Amir Raza	Member
Mr. Ashfaq Ahmed	Member
Miss. Bushra Hina Mushtaq	Secretary

19. The Board has formed the following Board Committees:

**Ethics, Human Resource & Remuneration Committee:**

<b>Name of the Member</b>	<b>Category</b>
Wing Commander (R) Javaid Ahmad Afzal	Chairman
Mr. Ahmed Kuli Khan Khattak	Member
Dr. Shahin Kuli Khan Khattak	Member
Mr. Liaqat Ali Shaukat	Secretary

**Investment Committee:**

<b>Name of the Member</b>	<b>Category</b>
Dr. Hassan Iqbal	Chairman
Mr. Ahmed Kuli Khan Khattak	Member
Dr. Shahin Kuli Khan Khattak	Member
Mr. Amir Nazar	Member / Secretary

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

20. 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:

**Audit Committee:**

<b>Name of the Member</b>	<b>Category</b>
Dr. Hassan Iqbal	Chairman
Mr. Ahmed Kuli Khan Khattak	Member
Mrs. Shahnaz Sajjad Ahmed	Member
Mr. Khalid Kuli Khan Khattak	Member
Mr. Ashfaq Ahmad	Secretary

21. The terms of references of the Committees have been formed, documented and advised to the Committees for compliance. The frequency of meetings (quarterly/ half yearly/ yearly) of the Committees were as follows:

<b>Name of the Committee</b>	<b>No. of meetings held during the year</b>
Ethics, Human Resource & Remuneration Committee	1
Investment Committee	2
Audit Committee	5
Underwriting, Reinsurance & Co-Insurance Committee	2
Claims Settlement Committee	2
Risk Management & Compliance Committee	2

22. The Board has set up an effective internal audit function equipped with suitably qualified and experienced staff who are conversant with the policies and procedures of the Company and they are involved in the internal audit function on a regular basis.
23. The CEO, CFO, 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, claims, 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):

<b>Name of the Person</b>	<b>Designation</b>
Dr. Shahin Kuli Khan Khattak	Chief Executive Officer
Mr. Amir Raza	Principal Officer
Mr. Amir Nazar	Chief Financial Officer
Mr. Muhammad Alyas	Compliance Officer and Head of Reinsurance
Mr. Liaqat Ali Shaukat	Company Secretary
Mr. Ashfaq Ahamd	Head of Internal Audit
Mr. Muhammad Alyas	Head of Underwriting & Claims (Acting)
Mr. Bushra Hina Mushtaq	Head of Risk Management
Mr. Aftab Rashid	Chief Information Security Officer & Head of Grievance Dept.

24. 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 (ICAP) and are registered with Audit Oversight Board 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 ICAP 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 director of the Company.
25. 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.
26. The Board ensures that the investment policy of the Company has been drawn up in accordance with the provisions of the Code.
27. The Board ensures that the risk management system of the Company is in place as per the requirements of the Code.
28. The Company has set up a risk management function, which carries out its tasks as covered under the Code.
29. The Board ensures that as part of the risk management system, the Company gets itself rated from The Pakistan Credit Rating Agency Limited (PACRA), which is being used by its risk management function and the respective Committee as a risk monitoring tool. The rating assigned by PACRA on July 27, 2023 is A with Stable outlook.
30. The Board has set up a grievance department, which fully complies with the requirements of the Code.
31. The Company has not obtained any exemption from SECP in respect of the requirements of the Code.
32. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the CCG 2019 and all material requirements of the Code have been complied with.

For and on behalf of the Board of Directors

  
Chairman

  
Chief Executive Officer

  
Director

**Date: March 28, 2024**  
**Place: Lahore**

## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of The Universal 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 **The Universal Insurance Company Limited (the 'Company')** for the year ended December 31, 2023 in accordance with the requirements of the Regulations.

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, 2023.



**Junaidy Shoaib Asad**  
Chartered Accountants

Lahore.

Dated: April 01, 2024

UDIN: **CR202310196pLP3kTQmc**