



Building a better
working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Asia Care Health and Life Insurance Company Limited (the Company) for the year ended 31 December 2014 to comply with the Code applicable to unlisted insurance companies issued under Notification No. SRO 68(1)/2003, by the Securities and Exchange Commission of Pakistan.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement 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 part of our audit of 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 controls, the Company's corporate governance procedures and risks.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2014.

Further, we highlight instance of non-compliance with the requirements of the Code as reflected in the clause 16 of the Statement.

Our conclusion is not qualified in respect of the above matter.

Chartered Accountants

Date: 28 February 2015

Karachi



ASIA CARE

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance ("the code") for the purpose of establishing a framework of good governance, whereby an unlisted insurance company is managed in compliance with the best practices of corporate governance.

Asia Care Health and Life Insurance Company Limited (the Company) has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board of directors including those representing minority interests. At present the Board includes seven non-executive directors.
2. The directors have confirmed that none of them is serving as a director in ten or more listed companies.
3. 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 and they are not a member of any stock exchange.
4. There was no casual vacancy in the Board of Director during the year 2014.
5. The Company has adopted a "Statement of Ethics & Business Practice", which has been signed by all the directors and employees.
6. The Company has prepared a vision, mission statement and overall corporate strategy. Significant policies of the Company have been developed.
7. All the powers of the Board have been duly exercised and decision on material transactions including determination of remuneration and terms and conditions of employment of the CEO (executive director) have been taken by the Board. No new appointment of CEO took place during the year.
8. 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 met at least once in every

Page - 1

M.M.K

ASIA CARE HEALTH & LIFE INSURANCE COMPANY LIMITED.

Karachi Office :
15-C, 17-C 2nd Floor
Commercial Lane No. 5
Zamzama Phase 5 DHA,
Karachi.
Tel : 021-35302072-5, 35302066-8,
Fax : 021-35302076

Lahore Office :
167-Y Commercial Area,
2nd Floor Block-Y, DHA
Lahore
Tel : 042-35692714-5
UAN : 111-272-273
Fax : 042-35692769

Islamabad Office :
Off # 402, 4th Floor
Royal Centre Fazal-e-Haq Road
Blue Area,
Islamabad
Tel : 051-2806278-9
Fax : 051-2806259

quarter. Written notices of the Board meetings along with agenda were circulated at least seven (7) days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the company. The company include all the necessary aspects of internal control given in the code.
10. The Directors are seasoned professionals / entrepreneurs and are also directors in other listed companies. The Directors are aware of their duties and responsibilities and are briefed on any related significant change in the statutory requirements..
11. There was no new appointment of Chief Financial Officer and Company Secretary during the year. Remuneration and terms and conditions of employment of the Chief Financial Officer, Company Secretary and Internal Auditor have been approved by the Board of Directors.
12. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
14. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
15. The Company has complied with all the corporate and financial reporting requirements of the Code.
16. During the year the functions of underwriting committee, claim committee and reinsurance committee have been performed by management committee.
17. The company has a fully functional audit committee appointed by the Board. It comprises of three non-executive directors including the chairman of the committee.
18. The meetings of the audit committee were held at least once in every quarter prior to the approval of interim and final results of the company as required by the code. The terms



of reference of the committee have been formed and advised to the committee for compliance.

19. The Board has formed an HR and Remuneration Committee. It comprises of three members who are non-executive directors including the chairman of the committee.
20. The Board has outsourced the internal audit function to M/s. Anjum Asim Shahid Rehman Chartered Accounts 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 full time basis.
21. The statutory auditors of the Company 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 International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the prevailing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. The actuary appointed by the company has confirmed that he or his spouse and minor children do not hold shares of the company.
24. The Board ensures that the appointed actuary complied with the requirements set out for him in this code.
25. We confirm that all other material principles contained in the Code have been complied with.

By Order of the Board

M. Mehd. Khan

CHIEF EXECUTIVE OFFICER

28 FEB 2015

