

Allianz EFU Health Insurance Limited
Statement of Compliance with Code of Corporate Governance
For the Year Ended December 31, 2014

This statement is being presented to comply with the Code of Corporate Governance for Insurance Companies for the purpose of establishing a framework of good governance, whereby an Insurance company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code for unlisted insurance companies in the following manner:

1. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies.
2. 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 DFI or an NBFIs nor, being a member of stock exchange, has been declared as a defaulter by a stock exchange.
3. No casual vacancy occurred in the Board during the year 2014.
4. The Company has prepared "Statement of Ethics and Business Practices", which has been signed by all employees and directors of the Company.
5. The Board has developed a vision/mission statement, overall corporate strategy of the Company. A complete record of particulars of significant policies along with the dates of approval or amendment has been maintained.
6. All the 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 have been taken by the Board.
7. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Board has established a system of sound internal control, which is effectively implemented at all levels within the company. The internal control structure of the company includes all the necessary aspects of internal control given in the code.
9. The management of the Company had submitted a paper to the Board of Directors on August 29, 2010 to consider it as an orientation course for its Directors and to apprise them of their duties and responsibilities.
10. No new appointments of Chief Financial Officer, Corporate Secretary and Head of Internal Audit have been made during the year.
11. 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.
12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.



13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed underwriting, claim settlement, reinsurance & coinsurance committee(s).
16. The Board has formed an audit committee. It comprises of 4 non-executive directors including the chairman of the committee.
17. The meetings of the committees were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the audit committee have been formed and advised to the audit committee for compliance.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme 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.
20. The Statutory Auditors appointed to provide other services, have confirmed that they have observed IFAC guidelines in this regard.

We confirm that all other material principles contained in the Code have been complied with.

Director

Director

Chief Executive

Chairman

Karachi: 14 February 2015