

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the period of six months ended on June 30, 2017 prepared by the Board of Directors of **Hallmark Company Limited** (the Company) **formerly Hallmark Insurance Company Limited** to comply with the requirements contained under the chapter 5 clause 5.19.24(b) of Rule Book of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 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 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 of internal control covers all risks and controls or to form an opinion on effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires 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 of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the half year ended June 30, 2017.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the note reference where it is stated in the Statement of Compliance.

Note Reference	Description
9	The Board has not yet started the process of orientation for its Directors to apprise them of their duties and responsibilities.
10	There was no appointment of CFO or head of Internal Audit during The period.
12	the financial statements were signed by CEO and finance representative instead of CEO and CFO before presenting it to the Board.

S.M. Suhail & Co.
Chartered Accountants
Karachi.
Engagement Partner: Muhammad Sajid, FCA

Our Ref: SMS-A-6882017
Date: October 05, 2017