

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended December 31, 2015 prepared by the Board of Directors of **Hallmark Insurance Company Limited** to comply with the Listing Regulations of Pakistan Stock Exchange 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 of Corporate Governance and report if it does not. 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of Pakistan Stock Exchange require the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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.

We report that the documentation prepared by the company to comply with the code is not so maintained to provide us sufficient appropriate evidence to enable us to form an opinion thereon.

Based on our review, we report that we are unable to form an opinion, as to whether the Statement of Compliance appropriately reflect the Company's compliance with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 31 December 2015.

Karachi: **06 APR 2016**


MUNIFF ZIAUDDIN & CO
CHARTERED ACCOUNTANTS
(Muhammad Moin Khan)

