

STATEMENT OF ETHICS AND BUSINESS PRACTICES
FOR MEMBERS OF THE BOARD OF DIRECTORS OF
STATE LIFE INSURANCE CORPORATION OF PAKISTAN

This Statement / Code of Ethics and Business Practices for members of the Board of Directors and its Chairman / Chairperson of State Life has been designed in pursuant to the of Code of Corporate Governance for insurers–2016 and is intended to:

- a) clarify the duties and responsibilities of Directors;
- b) assist Directors in the recognition and resolution of ethical issues;
- c) provide Directors with a process to report possible unethical conduct; and
- d) further promote a culture of honesty, accountability and integrity.

No code or policy can anticipate every situation that may arise. Accordingly, this statement / code is intended to act as a source of guiding principles of the Directors. Directors should bring questions about particular circumstances & situation involving any director that may implicate one or more of the provisions of this code, or any other ethical issue or area of ethical risk, to the attention of Chairman / Chairperson of the Board and / or Compliance Officer who will direct the matter to the Ethics and / or Compliance Committee for further advice and / or necessary action. The Board, however, will not permit any waiver of this code for any Director. This statement / code will be displayed on the website of the Corporation and will also be made part of Annual Report of the Corporation.

Each Director is required to comply with the terms of this statement / Code and is to be agreed upon by each member and duly signed in token of acceptance, effective _____, 2016.

1. Compliance with Laws and Regulations:

Directors shall assure that the management is carrying out its affairs prudently in line with existing laws, rules and regulations, applicable on the Corporation.

2. Ethical Conduct:

Directors shall act on behalf of the Corporation with professionalism, honesty and integrity as well as high moral and ethical standards. Directors should confirm that the Corporation has practices in place to ensure fair dealing by the Corporation's Directors, officers and employees with the Corporation's customers, suppliers, competitors and employees. For purposes of this Code, "fair dealing" means the Corporation's Directors, officers and employees should avoid taking unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

Directors should ensure that the Corporation has policies and procedures designed to: (a) promote ethical behavior; (b) encourage employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (c) encourage employees to report violations of laws, rules, regulations or the Corporation's Code of Ethics and Business Conduct to appropriate Corporation personnel; and (d) inform employees that the Corporation will not allow retaliation for good faith reporting of any such violation or suspected violation.

3. Conflicts of Interest:

Directors must promote and preserve the interests of all the stakeholders and Corporation and avoid conflicts of interest between themselves and the Corporation. A "conflict of interest" may occur when a Director's personal interest interferes in any way – or appears to interfere – with the interests of the Corporation. A conflicting situation may also arise when a Director has interests that may make it difficult for the Director to perform the Corporation's Board work objectively and effectively. In addition, conflicts of interest happen when a Director, or a member of his or her immediate family, receives improper personal benefits as a result of the Director's position with the Corporation.

This Code does not attempt to describe all possible conflicts of interest that could develop; however, some of the more common conflicts of interest are described below:

Relationship of Corporation with third parties: Directors must not engage in any conduct or activities that are inconsistent with the Corporation's best interests or that disrupt or impair the Corporation's relationship with any person or entity with which the Corporation has – or proposes to enter into – a business or contractual relationship.

Gifts etc.: Directors and members of their immediate families must not accept gifts etc. from third parties where the gift: (a) would be illegal or result in a violation of law; (b) is being made in order to influence the Director's action as a member of the Board; (c) is part of an agreement to do anything in return for the gift; (d) has a value beyond what is normal and customary business practice in the Corporation's business; or (e) where acceptance of the gift would create the appearance of a conflict of interest.

For purposes of this Code:

- A "gift" etc. includes the receipt of (a) a product, service or other matter (including travel or entertainment), the cost of which is in excess of what is reasonable, customary and accepted business practice; (b) a loan made on preferential terms; or (c) any other substantial favor.
- "Immediate family" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than employees) who shares such person's home.

Compensation from non-Corporation sources: Directors must not accept compensation (in any form) for services performed for the Corporation from any source other than the Corporation.

Corporate Opportunities: Directors must not: (a) take for themselves business opportunities that are substantially related to the Corporation's business; (b) use the Corporation's property, information or position for personal gain; or (c) compete with the Corporation for business opportunities that are substantially

related to the Corporation's business, provided, however, if the Corporation's disinterested Directors determine that the Corporation will not pursue such an opportunity that relates to the Corporation's business, a Director may take advantage of, or otherwise compete for, such opportunity.

4. Disclosure of Interest:

Directors shall ensure that they identify and avoid any situation of actual or apparent conflict of interest, whether the situation involves the Director directly or a member of his or her immediate family. Every director, including his/her spouse and children, who is in any way, whether directly or indirectly, concerned with or interested in any contract or arrangement entered into, or to be entered into, by the Corporation shall disclose the nature of his/her concern or interest at a meeting of the directors and abstain from discussion, voting or otherwise influencing a decision on any matter related to such contract and/or arrangement.

5. Insider Trading:

Directors shall not deal directly or indirectly in the securities of the Corporation whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Corporation. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

6. False or Misleading Statements:

Directors shall not make a statement or disseminate information, which is misleading or false and/or is likely to bring adverse effect on Corporation's image, interests, reputation and / or operations.

7. Other Directorship:

If a Director wishes to become officially involved with any third party corporation or other organization as director, trustee, officer or advisor, the director must inform the 'Board of Directors' and 'Ethics and / or Compliance Committee' through the Corporation Secretary prior to such involvement.

8. Protecting or dealing in Corporation's Assets and Services:

Directors shall oversee the Management's control on the Corporation's physical assets and shall ensure that management invests in assets that are required for the purpose of conducting Corporation's business. Directors must not use the Corporation's assets, labor or information for personal use (except for travel benefits and other incidental personal benefits which, by Corporation policy, are provided to all Directors).

Directors shall also monitor implementation of such policies to ensure that the assets of the Corporation are protected from any misuse. Further, directors shall not enter into leasing, renting and sale/purchase of any kind with the Corporation. However, this restriction shall not apply in case of purchase by paid directors (Executive Directors) of vehicles, laptops, mobile phone devices and iPads which remained in their own use, provided such sale is covered under the employees service rules duly approved by the Board and is effected at least at book value at the date of such transaction.

9. Confidentiality:

Each director has a duty to preserve and protect confidential information. Directors must not disclose the Corporation's confidential information (which includes all non-public or

proprietary information relating to the organization) except when disclosure is authorized by the Chairman / Chairperson of the Board or legally mandated. A Director's duty regarding confidentiality continues even after they no longer serve on the Board of the Corporation. The duty of confidentiality extends to information not only about the Corporation but also about the Corporation's:

- Customers, including persons who apply for products and services;
- Employees; and
- Suppliers, including proprietary information owned by suppliers.

Confidential information concerning a customer, employee or supplier shall never be disclosed to a third party except pursuant to applicable laws or regulations, or a court order or other legal process, or after the informed consent of the customer, employee and/or supplier in writing. Likewise, proprietary information about Corporation's business, including marketing plans, agreements, customer lists, databases, trade secrets, intellectual property as well as information about competitive and strategic matters, and material, non-public information such as information about Corporation's current or projected earnings and new business initiatives shall never be disclosed to a third party except pursuant to a statute or regulation, or a valid court order.

10. Anti-Competitive Practices:

Directors are expected to comply with competition legislation and may not, on behalf of the Corporation, agree with other financial institutions or businesses to (i) fix interest rates, prices, charges or types of services or (ii) avoid competing for customers in particular product categories or geographic markets.

11. Protecting Shareholders' Interest:

Directors shall act to protect the interests of shareholders through their supervisory role on the overall conduct of business and operations by the management and while doing so directors are expected to act independently.

Signature _____

Name _____
