

KEY ELEMENTS OF SIGNIFICANT POLICIES

Communication and Disclosure Policy

The Company is committed to the transparent disclosure, management and monitoring of existing and potential conflicts of interest. The Company's Board is also cognizant of its obligations as required under the Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019 and Code of Corporate Governance for Insurers, 2016. Every year in conformity with the section 153 of Companies Act, 2017, Code of Corporate Governance and Insurance Companies (Sound and Prudent Management) Regulations, 2016, the Directors and employees of the Company are required to provide a signed Statement of Compliance. The statement requires all the Directors to disclose the names of the companies, firms and businesses where they are associated and that they comply with all legal requirements to hold the position as Directors.

Code of Conduct

EFU General is committed to upholding ethical behavior, compliance with laws, and sound business practices across all levels. We prioritize excellence in risk management, underwriting, and claims handling to protect our customers, ensuring integrity and fair competition to maintain market leadership. We deliver innovative solutions through expertise and collaboration while safeguarding against financial crime. As a responsible corporate citizen, we create sustainable value for clients, employees, shareholders, and society by fostering diversity, leadership, and regular skill development. EFU ensures a safe and healthy work environment with proper facilities, fire safety, and security measures. The code of ethics is also available on <https://efuinsurance.com/conventional/company/statements-of-ethics-business-practices.php>.

Risk Management Policy

At EFU General managing risk is a key priority. We deal with risks from inside and outside the company using a strong system. Our strategy has three layers to protect us making sure we minimize, mitigate, avoid, or transfer the risks effectively. The first layer of protection starts with line managers and department heads. The second involves our Enterprise Risk Management (ERM) team. They spot and measure risks then tell the Risk Management and Compliance Committee (RMCC) composed of Senior Management who are accountable to the Board of Directors. The third layer of protection comes from checks done by our own team and outside experts.

Internal Control Policy

EFU General's Internal Control framework integrates key components such as Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring. These elements, driven by leadership, risk management, internal audit, and compliance, ensure a robust control system. The Board and management are committed to

maintaining effective internal controls to identify and mitigate risks, ensuring operational efficiency, reliable financial reporting, prudent business practices, and compliance with laws and regulations.

Whistle Blowing Policy

At EFU General, we prioritize integrity and transparency, guided by our Whistle Blowing Policy and Code of Ethics. Employees are expected to uphold these standards in their work. If anyone notices something that doesn't align with our Code, they are encouraged to share their concerns directly with the Managing Director or the Head of the Audit Committee.

Corporate Social Responsibility

The Company Values Corporate Social Responsibility and strives to support its employees, community, clients, vendors, and stakeholders. Prioritizing health and education, the Company promotes employee wellbeing through safety measures and contributes to societal welfare by donating to institutions. All donations are reviewed and approved annually by the Board.

Diversity, Equity, and Inclusion (DE&I) Policy

EFU General Insurance Limited is committed to creating a diverse, equitable, and inclusive workplace in line with our DE&I policy. We offer equal opportunities, fair treatment, and respect to all employees, irrespective of their background. Our emphasis is on enhancing diversity through recruitment, training, career advancement, and encouraging a supportive environment that is free from discrimination or harassment. We regularly review and update our policies to ensure an energetic and inclusive workforce.

BRIEF SYNOPSIS & TOR OF BOARD COMMITTEE

Audit Committee

The Committee comprises of five members, including the Chairman of the committee who is an Independent Director appointed to comply with the requirement of Code of Corporate Governance Regulations, 2017.

The Board has satisfied itself that Audit Committee consists of at least one member having relevant financial experience and knowledge to qualify as financially literate as required by the Code. The Committee focus is to oversee the effectiveness of internal controls, internal audit function, compliance and other responsibilities assigned by the Board of Directors.

The terms of reference of the Audit Committee as determined by Board of Directors are as follows:

- a) Determination of appropriate measures to safeguard the Company's assets.

- b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - major judgmental areas;
 - significant adjustments resulting from the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards; and
 - compliance with statutory and regulatory requirements.
- c) Review of preliminary announcement of results prior to its external communication and publication.
- d) Review of all related party transactions and recommending for approval of the Board of Directors thereon.
- e) Facilitating the external audit and discussion with external auditors of major observations arising from audit and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- f) Review of management letter issued by external auditors and discuss management's response thereto.
- g) Ensuring coordination between the internal and external auditors of the Company.
- h) Review the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- i) Consideration of major findings of internal investigations and management's response thereto.
- j) Ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective.
- k) Review of Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports.
- l) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
- m) Determination of compliance with relevant statutory requirements.
- n) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.

- o) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- p) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements.
- q) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Ethics, Human Resources and Remuneration Committee

The Committee is responsible for recommending to the Board human resource management policies of the Company as well as the selection, evaluation and compensation of key officers of the Company. The Chairperson of the Committee is an Independent Director.

Nomination Committee

The responsibilities of Nomination Committee are being performed by the Board of Directors, when required.

Risk Management Committee

The functions of Risk Management Committee are being performed by Management Committee which reports annually to the Board of Directors.

DIRECTOR'S REMUNERATION POLICY

To comply with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Company's Articles of Association, the Company has established an approved policy for determining the remuneration of the Chairman, Chief Executive Officer and Executive and Non-Executive Directors, including Independent Directors. Additionally, the Board of Directors has approved attendance fees for Board and Board Committee meetings.