

STATEMENT OF COMPLIANCE

WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED DECEMBER 31, 2016

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Regulation 5.19 of Pakistan Stock Exchange Limited Regulations, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

Askari Bank Limited (the Bank) has applied the principles contained in the CCG in the following manner:

1. The Bank encourages representation of independent, non-executive directors and directors representing minority interests on its board of directors. At present the Board includes:

CATEGORY	NAME
INDEPENDENT DIRECTORS	Mr. Asif Reza Sana
	Mr. Zaffar Ahmad Khan
	Mr. Tariq Hafeez Malik
	Mr. Muhammad Ghous
EXECUTIVE DIRECTOR	Syed M. Husaini, President & CE
NON-EXECUTIVE DIRECTORS	Lt Gen Khalid Nawaz Khan, HI (M) (Retd) - Chairman
	Lt Gen Muhammad Haroon Aslam, HI (M) (Retd)
	Lt Gen Shafqaat Ahmed, HI (M) (Retd)
	Mr. Qaiser Javed
	Dr. Nadeem Inayat
	Mr. Manzoor Ahmed - Nominee NIT

The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Askari Bank Limited.
3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year; however, the President & CE of the Bank was re-appointed for another term of three (3) years i.e. from June 03, 2016 to June 02, 2019.
5. The Bank has prepared a statement of "Code of Conduct", and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and has approved significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. 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 President & Chief Executive, and non-executive directors, have been taken by the Board / shareholders.
8. 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.
9. The Board arranged appropriate training programs for its directors during the year. More than half of the directors have certification under Directors' Training Program offered by institutions that meet the criteria specified by the SECP.
10. The Board has approved the appointments of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

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12. The financial statements of the Bank were duly endorsed by the President & Chief Executive and the Chief Financial Officer before approval of the Board.
13. The directors, President & Chief Executive and executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.
14. The Bank has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed a Board Audit & Compliance Committee (BACC). It comprises of 5 members, of whom 3 members are non-executive directors and 2 members are independent directors, including the Chairman of the Committee.
16. The meetings of the Board Audit & Compliance Committee (BACC) were held at least once in every quarter prior to approval of interim and final results of the Bank as required by the CCG. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Board Human Resource & Remuneration Committee (BHR&RC). It comprises of 3 members, of whom 1 member is non-executive director, 2 members are independent directors including the Chairman of the Committee.
18. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Bank.
19. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank 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 the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the PSX Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Bank's shares, was determined and intimated to directors, employees and the stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through the stock exchange.
23. The Bank has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board



Lt Gen Khalid Nawaz Khan
HI(M), Sitara-i-Esar (Retd)
Chairman

Rawalpindi
February 14, 2017