

CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUES OF SECURITIES TO THE PUBLIC
 TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015
CIC INSURANCE GROUP LIMITED

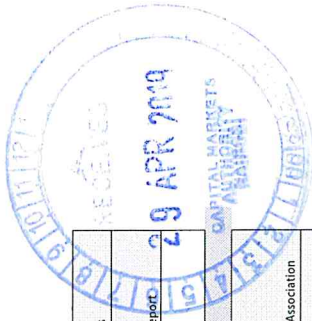
Company Detail to be Provided:

Company market to book ratio at end of financial year: 1.28
 No of outstanding shares at end of financial year: 2,615,538,528
 Closing price of stock at end of financial year: 3.86
 Net sales as per Income Statement at end of financial year: 14,251,286,000
 Net profit as per Income Statement at end of financial year: 625,983,890
 Total debt (short and long term) as per Balance Sheet at end of financial year: 25,093,347,000/- (5,000,000,000/- Corporate Bond+20,093,347,000/- Insurance Liabilities)
 Total equity as per Balance sheet at end of financial year: 7,882,426
 Total no. of Board members at end of financial year: 12
 No. of independent directors at end of financial year: 3
 No. of non-executive directors at end of financial year: 8

Reviewer's Name:
 Stock Code: KE2000002317
 Sector: INSURANCE
 Form: 2028
 Date of Financial Year End: 31st December 2018
Chairman Signature
CEO Signature
Company Secretary Signature

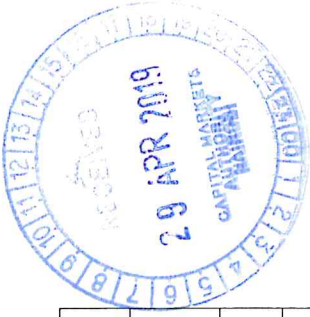
Mandatory or 'apply or explain'	Part No.	Question	Kenya Code Reference	Application - FA or NA - See Notes 1, 2, 3& 4	Application or Explanation - Note 3 & 4	Source of Information
		A INTRODUCTION				
M	A.1	Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibility for internal control?	1.1.2, 2.6.2, 6.3.2	FA	The updated Board Charter is available on the firm's website and sets out the role of the Board pertaining to internal control. The Charter was last updated in 2018.	Board Charter
M	A.2	Do the Board Charter or company documents distinguish the responsibilities of the Board from management in line with Code requirements?	1.1.2, 2.3.1, 2.3.2, 2.6.2	FA	The Charter distinguishes the response of Board and Management.	Board Charter
A or E	A.3	Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	1.1.6	FA	This is clearly set out in the Board Charter	Annual Reports and the Board Charter.
M	A.4	How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	1.1.6	FA	The Board members and management are continuously trained on the Code and this was reinforced in October 2018	Register of attendance
M	A.5	Do company documents indicate the role of the Board in developing and monitoring the company strategy?	Part II - Overview, 2.3	FA	This is contained in the board charter and the annual report.	Annual Report and Board Charter
A or E	A.6	Does the company strategy promote sustainability of the company?	2.3.6	FA	Yes it does - Specifically addressed in our growth plans	Strategy Document (2017-2021)
M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	2.2.2	FA	All the committees and the board have a charter and terms of reference	Various Committee Terms of Reference
		B BOARD OPERATIONS and CONTROL				
M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	2.1.2, 2.2.2	PA	The Board has constituted a nomination Committee which is comprised mainly of non-executive and independent directors.	Annual Report and Terms of Reference
M	B.2	Is the chairperson of the Nomination Committee an independent director?	2.2.3	NA	The Chair is a non-executive director and CIC is looking to appoint an independent non executive director	Annual Report
M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	2.1.1, 2.1.7	FA	The procedures for nomination and appointment of new Board members have been adopted, published and included in the term of reference.	Governance and Human Resource Committee Terms of Reference
M	B.4	Is the Board size adequate for the exercise of the company business?	2.1.4	FA	The Board is made up of 12 directors of whom 8 are non executive, 3 independent directors and 1 executive director.	Contained in the Annual Reports.
A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity (including age, race and gender) in its composition?	2.1.2, 2.1.3, 2.1.5, 2.5.1	FA	The policy is contained in the nomination's committee mandate	Contained in the Annual Reports.
M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	2.2.1	FA	This has been achieved through the current board composition and actual skills as set out in director profiles.	Contained in the Annual Reports.

M	B.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	2.1.6	FA	This is contained in the TOR for Governance and Human Resource Committee There are no alternative director appointed	https://cic.co.ke/investor-relations/
M	B.8	Have any Alternate Board members been appointed? If so, have the Alternate Director's been appointed according to regulation and Code requirements?	2.1.6, 2.1.7	Not Applicable		Not Applicable
M	B.9	Are independent directors at least one-third of the total number of Board members?	1.1.2, 2.1.3, 2.4.1	PA	Three of the twelve directors appointed are independent non-executive directors and CIC is working on appointing more independent directors. Conducted annually during Board self evaluation and stipulated	The is contained in the Annual Reports 2016 page 10-13.
A or E	B.10	Does the Board have policies and procedures to annually assess the independence of independent Board members?	2.4.1	FA	The tenor of the independent directors is in line with the Insurance Act which sets out a 6 year term	Board Charter and Terms of Reference
M	B.11	Do all independent Board members have a tenure of less than 9 years?	2.4.2	FA	The Board is made up of 12 directors of whom 11 are non executive.	Board Charter The is contained in the Annual Reports 2016 page 10-13.
M	B.12	Is the Board comprised of a majority of non-executive board members?	2.1.1.3	FA	A third of the directors retire by rotation annually.	Memorandum and Articles of Association
M	B.13	How does the Board ensure a smooth transition of Board members?	2.1.8	FA	The company has established an Audit and Risk committee that undertakes all the requirements as set out in the code	Annual Reports and Terms of Reference for the committee
M	B.14	Has the Board established an effective Audit Committee according to Code requirements?	2.2.4, 6.5.1, 2.1.7	FA	The functions are distinct and separate	
M	B.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	2.3.3	FA		Board Charter
M	B.16	Is the Chairman of the Board a non-executive board member?	2.3.4	FA	The Chair of the Board is a non executive director	Contained in the Annual Reports.
A or E	B.17	Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?	2.3.5	FA	The Board has periodic meetings set out in the Boardwork plan at which directors receive an update on date information on the company and on a need be basic professional advice is sought to help the Board of directors discern some technical aspects of the information	
M	B.18	Has the Board adopted a policy on managing conflict of interest?	2.3.8	FA	Conflict of interest policy has been adopted and a register maintained	Board Charter, Minutes board and board management system
M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	2.3.7	FA	Related party transaction policy has been adopted	Board Charter
M	B.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSK?	2.3.9	FA	The company secretary is qualified and competent with good standing with ICPSK	Related Party Transaction Policy
A or E	B.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	2.3.2, 2.3.6	FA	Yes this is contained in the company and subsidiary companies	Annual Reports
A or E	B.22	Has the Board developed an annual work-plan to guide its activities?	2.6.3	FA	An annual plan is approved at the meeting prior to the new financial year.	Annual Reports This can be evidenced in the main board minutes.
M	B.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the company secretary?	2.6.4, 2.8	FA	The Board undertook an annual evaluation in 2018 and the consultants have included their opinion in the annual reports.	Contained in the Annual Reports
A or E	B.24	Has the Board established and applied a formal induction program for incoming members?	2.7.1	FA	There is a formal induction program for all new directors	Induction Policy
A or E	B.25	Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?	2.7.3	FA	The Board receives trainings on corporate governance on a continuous basis and at the annual board retreat	Register of board training and minutes
A or E	B.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	2.9.2	FA	This has been assigned to the Governance and Human Resource committee however, the full board considers and end the remuneration for ratification or application for the shareholders	This is contained in the Governance and Human Resource Committee Terms of Reference.
M	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?	2.9.1	FA	There is a director remuneration policy with clear and formal set provisions on remuneration. The compensation to the directors was included in the annual report.	Directors remuneration policy



M	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	2.10, 2.10.1, 2.10.2	FA	The Compliance Governance and Legal Functions compliance to the Board who provide reports to the Board on a quarterly basis. The law firm of Nycholoti and Partners Advocates conducted a legal and compliance audit.	Board and Committee minutes	
M	B.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	2.10.3	FA	An annual governance audit was undertaken by Umstil LLP.	Legal and Compliance Audit Report	
A or E	B.30	Has the Board subjected the company to an annual governance audit?	2.11.1	FA		Annual Reports	
C. RIGHTS OF SHAREHOLDERS							
M	C.1	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	3.0 Overview, 3.2.1	FA	All shareholders are treated equally and are able to access company information through the website, newspaper and financial accounts	Memorandum and Articles of Association	
M	C.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	3.1.1	FA	The company's performance on half year and annually are distributed widely through the website and newspaper. Further public notices to all shareholders in instances where there are changes that are material.	https://elc.co.ke/investor-relations	
M	C.3	How does the Board facilitate shareholders' participation at the AGM?	3.1.1	FA	The location chosen for the AGM is usually a convenient one and the annual reports are usually uploaded way before the AGM is held	Annual Reports	
A or E	C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	3.2.1	FA	All shareholders have similar rights as contained in the Articles of Association.	Memorandum and Articles of Association	
A or E	C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	3.1.1, 3.4.1	FA	This is achieved through publication of information and posting the relevant information on the website	https://elc.co.ke/investor-relations	
D. STAKEHOLDER RELATIONS							
A or E	D.1	Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	4.1.1	FA	The company has mapped out its stakeholders and formulated a policy of stakeholder engagement.	Stakeholder Policy and Annual Reports	
A or E	D.2	Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?	4.1.2, 4.1.3, 4.1.5, 4.2.1	FA	Stakeholder plan policy are in place. This has been implemented through policies and procedures under its subsidiaries.	Appropriate policies developed and implemented.	
A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	4.1.4	FA	The company's key stakeholder interest are taken care of in the company's strategic plan which forms the basis of all key decisions on the board	Annual Reports and Strategic Plan 2017-2021	
M	D.4	How does the Board ensure effective communications with stakeholders?	4.2, 4.2.1	FA	Having regular engagements with the key stakeholders and briefing them on business activities through various mediums.	Annual Report and website	
M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	4.3.1	FA	There are formal internal and external dispute resolution processes	Various Policies	
E. ETHICS AND SOCIAL RESPONSIBILITY							
A or E	E.1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values (responsibility, accountability, fairness and transparency) underpinning good governance and sustainability?	5.1.1	FA	The Board decisions have been founded on the core values underpinning good governance. The Board fully takes the responsibility of all disclosures in the annual report. Further the Board Charter speaks out in this role and responsibilities of the board	Board Charter	
M	E.2	Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?	2.6.1, 5.2.2, 5.2.3, 5.2.4	FA	Yes the directors sign off annual and this been embedded in the Human Resource Manual and Procedures. All employees are required to adhere to the code of ethics and are regularly updated on it	Code of Professional Conduct and Ethics.	
A or E	E.3	How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	5.2.3	FA	This is embedded in the risk framework	Employee Code of Ethics	
A or E	E.4	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	5.2.1	FA		Contained in Annual Reports	
A or E	E.5	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	5.2.4, 5.2.5	FA	The company's performance of ethics is disclosed in the company's annual report and is assessed through a formal Governance audit conducted in 2018 by an independent audit firm	Contained in Annual Reports.	

A or E	E.6	Has the company established and implemented a whistle blowing policy?	FA	5.2.5	Whistleblowing policy has been adopted. This is incorporated into the strategic plan	Whistleblowing Policy
A or E	E.7	Has the Board/or management developed policies on corporate citizenship and sustainability and strategies for company use?	FA	5.3.1, 5.4		Contained in Annual Reports.
M	E.8	Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?	FA	5.3.2, 5.3.3	The Board has developed policies which include the formation of CIC foundation. The foundation has been mandated to carry out corporate social responsibility activities on behalf of the company	Contained in Annual Reports
A or E	E.9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	FA	5.4.1	This is managed by CIC foundation which also reports to the Board and Foundation	Contained in Annual Reports
	F	ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL				
M	F.1	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	FA	6.1, 6.1.1a	Yes, the Audit and Risk committee of the Board reviews the company's financial position on a quarterly basis.	Terms of Reference of Audit and Risk Committee
M	F.2	Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	FA	6.1.2	Yes it is in the directors responsibilities report	Contained in Annual Reports
A or E	F.3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	FA	6.1.1b	The audit committee assess annually the qualifications, expertise and resources, and independence of the group's external auditors. The effectiveness of the audit process, taking due consideration on IFRS guidance for Audit committees on the evaluation of external audit quality including culture, skills character, knowledge, quality, control and judgement	Contained in Annual Reports
M	F.4	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	FA	6.1.3	Appointment of Auditors is always included in the AGM as a standing agenda item.	Contained in Annual Reports
A or E	F.5	Is the Company working towards the introduction of integrated reporting (incorporating financial and non-financial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accounting Standards board standards?	FA	6.1.5	The company is working towards integrated financial reporting by 2020	Minutes of the AGM
A or E	F.6	Has the Board established an effective risk management framework which is inclusive of key risks as well as foreseeable risks, environmental and social risks and issues?	FA	6.2.1	The company has a risk management framework and reports are presented to the audit and risk committee on a quarterly basis. Further a report is included in the Annual Reports	Contained in Annual Reports
M	F.7	Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	FA	6.3.1, 6.3.2, 6.3.3	The Board has established a formal and transparent arrangement for reviewing internal control systems through the Audit and Risk committee	Enterprise Risk Management Framework Internal Audit Report Risk and Compliance Report
M	F.8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	FA	6.4.1	This has been included in the annual risk report in the annual report	Contained in Annual Reports
M	F.9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	FA	6.5.2	An internal audit function is in place headed by the Group Chief Internal Auditor	Contained in Annual Reports
A or E	F.10	Does the Board disclose details of Audit Committee activities?	FA	6.5.2	The constitution of the committee and its function are highlighted in the Annual Reports	Contained in Annual Reports
	G	TRANSPARENCY and DISCLOSURE				
M	G.1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.	FA	7.0 Overview, 7.1.1	There is a communication policy with provision on timely and balanced disclosures in compliance with all relevant laws.	Contained in Annual Reports
A or E	G.2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's governance, the Board and the Audit Committee?	FA	7.1.1	The information is contained in the Annual Reports on the Corporate Governance statement.	Contained in Annual Reports



A or E	G.3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to the company's mission, vision and strategic objectives?	7.1.1	PA	Yes included in the annual reports	Contained in Annual Reports
A or E	G.4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.1.1 relating to remuneration and whistleblowing?	7.1.1	PA	Yes included in the annual reports	Contained in Annual Reports
A or E	G.5	As a minimum, does the company website disclose current information on all areas prescribed in 7.1.1 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation of directors)?	7.1.1	PA	Yes included in the annual reports	Contained in Annual Reports
A or E	G.6	Does the Board disclose the management discussion and analysis as required in 7.1.1?	7.1.1	FA	This is included in the Annual Reports through the business review, GCEO and CEO statements.	Contained in Annual Reports
A or E	G.7	Has the Board provided disclosures as required in 7.1.1 on compliance with laws, regulations and standards; ethical leadership, conflict of interest, corporate social responsibility and citizenship?	7.1.1	FA	Yes included in the annual reports	Contained in Annual Reports
A or E	G.8	Has the Board made all required disclosures, including confirming requirements of 7.1.1, which include that a governance audit was carried out and that there are no known insider dealings?	7.1.1	FA	Yes included in the annual reports	Contained in Annual Reports
A or E	G.9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.1.1?	7.1.1	FA	Yes included in the annual reports	Contained in Annual Reports
M	G.10	Has the Board disclosed information on shareholders, including the key shareholders, including shareholding by directors and senior management and the extent of their shareholdings as required in 7.1.1 and on stakeholder value?	7.1.1	FA	Information on shareholders has been disclosed in the annual report	Contained in Annual Reports
M	G.11	Has the Board disclosed all related-party transactions?	7.1.1	FA	Yes included in the annual reports	Contained in Annual Reports
M	G.12	Does the Board include in its Annual Report a statement of policy on good governance and the status of the application of this Code?	1.1.3, 7.1.1r	FA	Yes included in the annual reports	Contained in Annual Reports

Note 1 The Reporting Templates shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital Markets Authority (CMA) will fulfill the reporting requirements of the Code at 1.1.5 paragraph 2. All elements marked in green are mandatory and MUST be complied with. Failure to fully apply will result in regulatory sanctions. When completing column 'F' for MANDATORY ITEMS, 'PA' will mean 'Fully Complied With', 'FA' will mean 'Partially Complied With' and 'NA' will mean 'Not Complied With'.

Note 2 Column 'F' should be marked as follows: 'FA' - Full Application, 'PA' - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'full application' is considered 'non-compliance or non-application' of the Code. A response of 'PA' or 'NA' is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.

Note 3 An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column 'G'. For each question, column 'G' must be completed.

Note 4 If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:
a: reasons for non-application
b: time frame required to meet each application requirement
c: the strategies to be put in place to progress to full application.

Dated on 25th Day of April 2019

Japheth Magimere - Group Chairman

Tom Gilgago - Group Chief Executive Officer

Gail Odongo - Group Chief Financial Officer

