

MCIS Insurance Berhad
Registration No: 199701019821 (435318-U)
(Incorporated in Malaysia)

Corporate governance disclosures (as referred to in the Directors' Report)

Directors' profiles

Mr. Mohammad Nizar bin Idris was appointed as an independent, non-executive director of the Company on 23 March 2016. He was then appointed as Chairman of the Board on 1 April 2020. He obtained his Bachelor in Law (Honours) Degree from the University of Singapore in 1967. He was admitted as an Advocate and Solicitor of the High Court of Malaya and attended the Advance Management Programme by Harvard University, Boston in 1994.

He started his career in the judicial and legal service of the government. He was the Senior Federal Counsel responsible for tax and treasury matters. Thereafter, he left the government service to join the private sector. He joined Royal Dutch Shell (“Shell”) and worked in Malaysia, the Netherlands and in the UK. During his last posting in Shell London, he was the Head of the Legal Division responsible for Shell's investment, joint ventures, mergers and acquisitions worldwide. Before retiring from Shell, he returned to Malaysia to assume the position of Deputy Chairman and Executive Director of the Shell Companies in Malaysia. He was also the Chairman of Shell Chemicals Malaysia and Chairman of holding company Shell Malaysia Ltd.

After his retirement, he was appointed as a director on the boards of several companies including a bank, investment bank and Khazanah Nasional Bhd. He has resigned from the Boards of all these companies.

Datin Seri Sunita Mei-Lin Rajakumar was appointed as an independent, non-executive director of the Company on 24 March 2016. She was the chairperson of the Company's Nominations Committee and Remuneration Committee until September 2024. The committees subsequently combined and renamed as Nominations Remuneration Committee and she remained as a member. She is also a member of the Company's Strategic Capability Committee.

She is the Founder and Chairperson of Climate Governance Malaysia, the country chapter of the World Economic Forum's Climate Governance Initiative; a Fellow of the Institute of Corporate Directors Malaysia; Adjunct Professor in Climate Governance and Sustainability at Uinar International University; sits on the External Advisory Committee for Sunway University's Master in Sustainable Development Management; and supports the CEO Action Network, an industry led initiative to increase sustainability and climate resilience.

Her other board appointments are as Chairman of Bursa-listed Dutch Lady Milk Industries and independent non-executive director at Bursa-listed Petronas Chemicals, HSBC Malaysia and Zurich General Insurance, as well as trustee of 4 charitable foundations.



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Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Mr. Prasheem Seebran was appointed as a non-independent, non-executive director of the Company on 11 May 2016. On 15 March 2019, he assumed the role of Executive Director following his appointment as Chief Executive Officer (CEO) and Managing Director.

A qualified actuary, Mr. Seebran is a Fellow of both the South African and Malaysian Actuarial Societies, with 24 years of experience in the insurance and financial services industries. As a proven leader, he excels in inspiring and developing high-performance teams while fostering a culture of collaboration and excellence. Mr. Seebran has consistently demonstrated his leadership by driving transformative, industry-first initiatives, including pioneering insurance telematics, initiating the development of internal capital models, creating innovative insurance solutions, and designing structured risk solutions that have set new industry benchmarks.

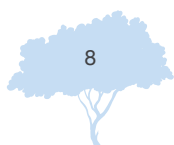
Mr. Seebran has held several key leadership positions, including Regional Head for Sanlam Group in Southeast Asia, where he oversaw the group's investments in the region, and Executive Head of Actuarial and Analytics at Telesure Group, a prominent multi-brand insurer with operations in South Africa, Australia, Turkey, and the UK. Additionally, he has served as a director on various boards, including P&O Insurance in Malaysia as well as Shriram General Insurance and Shriram Life Insurance in India.

In addition to his Fellowships, Mr. Seebran holds a Bachelor of Science Honours degree in Actuarial Science and several executive management and leadership qualifications. He is also an alumnus of INSEAD Business School in France.

Mr. Casparus Jacobus Hendrik Kromhout was appointed as non-independent, non-executive director of the Company on 21 October 2019. He also serves as a member of the Company's Audit, Strategic Capability and Remuneration Committees.

He is currently the Managing Director and CEO of Shriram Life Insurance in Hyderabad, India, a position which he has held since December 2015. Having begun his career in South Africa in 1991, he worked as an Industrial Engineer with Iscor Mining (later Kumba), where he focused on mining and logistics optimization projects and economic feasibility studies for new mine developments. He joined the Life Insurance industry with the opportunity to be part of the large strategic programme to reengineer Sanlam's business processes and policy administration systems. He worked as a Business Consultant and Project Manager with both Sanlam and Old Mutual, delivering multiple strategic projects. He later focused on project portfolio value management in Sanlam, which includes value tree work, concept development, business case governance and benefit realisation.

Early 2010 Sanlam requested Mr. Kromhout to take the COO assignment with Shriram Life Insurance, where he has been supporting and building the operational capabilities of this young company. Shriram Life's key focus is to reach out to the very tough lower middle and mass market segment in rural India, where the loss of a breadwinner can have disastrous financial impacts on the family.



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Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Mr. Kokula Krishnan Ganesalingam (a.k.a Gopi Ganesalingam) was appointed as an independent, non-executive director of the Company on 19 August 2020. He is also the chairperson of the Company's Board Risk Management and Strategic Capability Committees, a member of the Audit Committee and Nominations and Remuneration Committee.

Gopi Ganesalingam, a Fellow at Certified Practising Accountant Australia (CPA Australia), is an accomplished corporate leader with a career spanning over three decades in the private and public sectors. Known for his dynamic leadership and innovative thinking, Gopi brings a wealth of experience in business strategy, technology, and talent development to the MCIS Life Board.

Graduating with a degree in finance, Gopi worked with some of the world's most renowned brands like Matsushita, American Express, Alcatel- Lucent, Telstra of Australia, and moving on to be an entrepreneur by founding Lava Protocols Sdn Bhd to represent Salesforce.com & Google, Gopi honed his skills early in his career through rigorous training and coaching, which led him to helm regional leadership roles. His journey also includes a successful decade at Malaysia Digital Economy Corporation (MDEC) as Senior Vice President, where he played a pivotal role in driving the Malaysia's digital economy agenda.

As a strong advocate for continuous learning and reinvention, Gopi emphasizes the importance of upskilling and reskilling to remain relevant in a rapidly evolving world. His passion for empowering the next generation extends to his role as Chairman and Trustee of Junior Achievement (JA) Malaysia, where he actively mentors and inspires young talent to unlock their potential. Gopi is also an Adjunct Professor at Asia Pacific University, Malaysia.

Gopi's achievements have earned him recognition as a transformational leader. Most recently, he was honored with the prestigious "Dare to Do" Award by GovInsider, highlighting his exceptional contributions to innovation and leadership.

Deeply committed to fostering diversity and unity, Gopi believes in leveraging Malaysia's unique cultural tapestry as a cornerstone for growth. His rich insights and strategic mindset are invaluable assets to MCIS Life as it continues its mission to deliver meaningful and inclusive insurance solutions to Malaysians.



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Corporate governance disclosures (cont'd.)

Directors' profiles (cont'd.)

Puan Nuraini binti Ismail was appointed to the Board on 19 August 2022. She is currently the Chairperson of the Audit Committee, Chairperson of the Nominations Remuneration Committee and a member of the Board Risk Management Committee. She is also an Independent, Non-Executive Director of Bank Islam Malaysia Berhad, IIUM Holdings Berhad, GDEX Berhad, IIUM Edu Care Sdn Bhd, Daya Bersih Sdn Bhd, LBS Bina Group Berhad and on a Board of Trustee of Yayasan Universiti Teknologi Petronas.

Puan Nuraini is a Fellow member of the Association of Chartered Certified Accountants (FCCA) with more than 35 years of working experience. Her working experience includes in the areas of finance, treasury, corporate finance, debt capital markets, trade finance, banking, financial, credit and trading risks, audit & governance, corporate planning, logistics and operations. Being a Jabatan Perkhidmatan Awam (JPA) scholar, she started her career at the Accountant General Office in 1985 and there after joined an audit firm to secure her professional working experience.

Prior to her appointment to the Board of MCIS Insurance Berhad, Puan Nuraini was with PETRONAS for 29 years since 1992 and the last position held prior to her retirement in 2021 was the Vice-President of Treasury. Prior to assuming this role, she had held various senior positions in PETRONAS Group including Senior General Manager, Group Treasury of PETRONAS, General Manager, Finance & Accounts Services and General Manager, Commercial Services of Malaysian International Trading Corporation Sdn Bhd. She was also appointed as a Non-Independent Non-Executive Director of Petronas Dagangan Berhad from 11 November 2011 till 31 May 2021 and was a member of the Audit Committee from 1 December 2013 till 31 May 2021.

Prior to joining PETRONAS, she had served in various organizations including Bank Bumiputra Malaysia Berhad, Bumiputra Merchant Bankers and Maybank Finance Berhad.

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Corporate governance disclosures (cont'd.)

Board of Directors (cont'd.)

Directors' remuneration

The remuneration of each of the directors during the financial year was as follows:

	<----- Non-deferred ----->		
	<----- Cash-based remuneration ----->		
	Fixed	Variable	Total
	RM'000	RM'000	RM'000
Mr. Mohammad Nizar bin Idris	176	230	406
Datin Seri Sunita Mei-Lin Rajakumar	120	167	287
Mr. Casparus Jacobus Hendrik Kromhout	120	148	268
Mr. Kokula Krishnan Ganesalingam	120	213	333
Puan Nuraini binti Ismail	120	160	280
Mr. Prasheem Seebran	2,338	1,632	3,970
	2,994	2,550	5,544

The Company maintained a directors' and officers' liability insurance during the financial year with premium paid amounting to RM50,210.

There was no deferred remuneration awarded to the directors during the financial year. There was no other type of remuneration awarded to the directors (in their capacity as directors) apart from cash-based remuneration as stated above.

The details of the directors' remuneration are disclosed in Directors' benefits.

Directors' training

The Board understands the importance of continuous training, and is encouraged to keep abreast with the latest developments, trends and insights and regulatory requirements related to insurance industry.

All the directors attended the Financial Institutions Directors' Education ("FIDE") programme organised by the International Centre for Leadership in Finance.

Some of the directors attended the programme as listed below:

FIDE Forum

- Fireside Chat with Former Central Bank Governors
- BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institutions
- Data Innovation to Drive Financial Inclusion - Pushing New Frontiers
- Distinguished Board Leadership Series 2024: Digital Transformation in the World's Best Bank
- Launch of the Directors' Remuneration Report 2024
- Director's Liabilities within Their Respective Institution's AML Frameworks

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Board of Directors (cont'd.)

Directors' training (cont'd.)

Some of the directors attended the programme as listed below: (cont'd.)

- Leading the Way: Developing Credible Transition Plans for Financial Institutions
- Economic Outlook & Post-Budget 2025 Forum, organised by the British Malaysian Chamber of Commerce (BMCC)
- Preventing Fraud; Board's Roles & Responsibilities

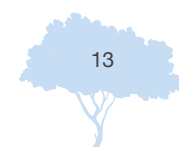
Others

- BNM engagement on AR2023, Economic and monetary review and financial stability review
- Sanlam Group Anti Money Laundering course
- InsureTech Connect Asia 2024 (Singapore)
- Cracking the code of embedded insurance, the most promising insurance growth opportunity (Singapore)
- Enhanced Conflict of Interest and Disclosure Obligations- Unpacking the Implications & Disclosure Obligations of Listed Issuers , their Directors and Key Officers
- Building a Future -Proof Strategy;- Navigating Technological Disruptions
- Leadership and Governance in Digitalisation
- Digitalisation; Opportunities & Risks
- Rising to the Challenges; Board Dynamics in Digital Transformation.
- Cybercrime and Fraud in Today 's Digital Age
- Climate Risk Management-What Insurance Company Directors Need to Know
- An update on Technology and Cybersecurity Risks
- CXO Roundtable on Artificial Intelligence by AT Kearny
- How Big Corporate Scandals Happen And What Boards Can to Prevent It
- Asset Liability Management
- AML/CFT/CFS ; Key Challenges and Trends
- Anti Bribery and Anti-Corruption in relation to Section 17 A MACC Act 2009 - Corporate Liability Provision
- Securities Commission; AOB conversations with Audit Committees AMLATFPUAA

In-House Training

- Cyber Resilience into Business DNA ; Safeguarding our Digital Assets in new age of threats (MCIS)- Cyber Resilience Awareness
- Board AML/CFT Knowledge Sharing Session
- Anti Bribery and Corruption Talk
- AML/CFT/CPF and TFS (e-learning)
- Anti Bribery and Corruption (ABC) (e-learning)
- MCIS Whistleblowing (e-learning)
- Personal Data Protection Act (PDPA) (e-learning)
- Personal Data Protection Act 2010
- Cognisant on Use Cases for Artificial Intelligence

Directors with professional memberships met their Continuing Professional Development ("CPD") hours requirement.



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Board of Directors (cont'd.)

Directors' training (cont'd.)

The BNM's policy document, *Corporate Governance* focuses on clarifying the role of the Board and senior management, enhancing the Board effectiveness through strengthening its composition, sets out broad principles and structures in which the Company should adopt in making good corporate governance an integral part of the Company's business dealings and culture. The Company has complied with all the prescriptive requirements, and adopts management practices that are consistent with the principles prescribed under the guideline.

The Board is supported by the Board Audit Committee ("BAC"), the Board Risk Management Committee ("BRMC"), the Nominations Committee ("NC"), the Remuneration Committee ("RC"), (which was combined to the Nominations Remuneration Committee ("NRC")) and Strategic Capability Committee ("SCC"). The memberships, roles and terms of reference of the committees are as follows:

(i) Board Audit Committee ("BAC")

The BAC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 4 Audit Committee meetings held during the financial year was as follows:

	Attendance
<u>Chairperson:</u>	
Puan Nuraini binti Ismail	4/4
<u>Members:</u>	
Mr. Kokula Krishnan Ganesalingam	4/4
Mr. Casparus Jacobus Hendrik Kromhout	4/4

The BAC supports the Board in ensuring that there is a reliable and transparent financial reporting process within the Company. They also oversee the effectiveness of the internal audit function by:

- (a) Reviewing and approving the Annual Audit Plan and its revision;
- (b) Reviewing key audit reports and ensuring that Senior Management takes necessary corrective actions on a timely manner to address control weaknesses, non-compliance with laws and regulatory requirements, policies and other issues identified by the Internal Audit Division and other control functions;
- (c) Reviewing the independence and reporting relationships of Internal Audit Division as well as the adequacy and relevance of the scope, functions, competency and resources and the necessary authority to carry out its work; and
- (d) Establishing a mechanism to assess the performance and effectiveness of the Internal Audit function.

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Board of Directors (cont'd.)

(i) Board Audit Committee ("BAC") (cont'd.)

In addition, the BAC fosters a quality audit of the Company by exercising oversight over the external auditor in accordance with the expectations set out in the BNM guidelines. The main duties and responsibilities of the AC on the external auditor are:

- (a) Making recommendations to the Board on the appointment, removal and remuneration of the external auditor;
- (b) Monitoring and assessing the independence of the external auditor including approval of the provision of non-audit services by the external auditor;
- (c) Monitoring and assessing the effectiveness of the external audit, including by meeting with the external auditor without the presence of senior management at least annually;
- (d) Maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to BAC on significant matters; and
- (e) Ensuring that senior management takes necessary corrective actions in a timely manner to address external audit findings and recommendations.

(ii) Board Risk Management Committee ("BRMC")

The BRMC comprises 3 independent, non-executive directors. The attendance of the members of the committee at the 4 committee meetings held during the financial year was as follows:

	Attendance
<u>Chairman:</u>	
Mr. Kokula Krishnan Ganesalingam	4/4
<u>Members:</u>	
Mr. Mohammad Nizar bin Idris	4/4
Puan Nuraini binti Ismail	4/4

The role of the BRMC is to advise and assist the Board in fulfilling its responsibility with regard to overseeing the design and implementation of Company's risk assurance framework and responsibilities in accordance with BNM guidelines and SEM group policies. The BRMC assists the Board, including but not limited to:

- (a) determining the risk appetite and level of risk tolerance for the Company;
- (b) setting and implementing the Company risk assurance framework and supporting policies;
- (c) setting and implementing compliance related policies;
- (d) evaluating the adequacy and efficiency of the risk management system;

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Board of Directors (cont'd.)

(ii) Board Risk Management Committee ("BRMC") (cont'd.)

The role of the BRMC is to advise and assist the Board in fulfilling its responsibility with regard to overseeing the design and implementation of Company's risk assurance framework and responsibilities in accordance with BNM guidelines and SEM group policies. The BRMC assists the Board, including but not limited to: (cont'd.)

- (e) identifying the build-up and concentration of the various risks to which the Company is exposed;
- (f) establishing an independent risk management function;
- (g) establishing a process for appropriate risk disclosures to stakeholders;
- (h) ensuring that a formal assessment of the risk management processes is undertaken; and
- (i) overseeing the state of IT governance and information management and security across the Company.

(iii) Nominations Remuneration Committee ("NRC")

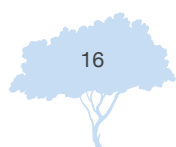
The Nominations Committee and Remuneration Committee were combined to Nominations Remuneration Committee on 19 September 2024.

The NRC comprises 4 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 1 committee meeting held during the financial year was as follows:

	Attendance
<u>Chairman:</u>	
Puan Nuraini binti Ismail (appointed 19 September 2024)	1/1
<u>Members:</u>	
Mr. Mohammad Nizar bin Idris	1/1
Mr. Casparus Jacobus Hendrik Kromhout	1/1
Datin Seri Sunita Mei-Lin Rajakumar	1/1
Mr. Kokula Krishnan Ganesalingam	1/1

The primary objective of the Nominations Remuneration Committee ("NRC") is to:

- Support the Board in carrying out its functions in the following matters concerning the Board, Senior Management and Company Secretary:
 - (a) appointments and removals;
 - (b) composition;
 - (c) performance evaluation and development; and
 - (d) fit and proper assessments;



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Board of Directors (cont'd.)

(iii) Nominations Remuneration Committee ("NRC") (cont'd.)

- Support the Board in actively overseeing the design and operation of the Company's remuneration system and periodically review the remuneration of directors on the Board, particularly on whether remuneration remains appropriate to each director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

(iv) Nominations Committee ("NC")

The NC comprises 4 independent, non-executive directors, 1 non-independent, non-executive director and 1 executive director. The attendance of the members of the committee at the 5 committee meetings held during the financial year was as follows:

	Attendance
<u>Chairman:</u>	
Datin Seri Sunita Mei-Lin Rajakumar	5/5
<u>Members:</u>	
Mr. Mohammad Nizar bin Idris	5/5
Mr. Casparus Jacobus Hendrik Kromhout (appointed on 24 July 2024)	2/2
Mr. Kokula Krishnan Ganesalingam (appointed 24 July 2024)	2/2
Puan Nuraini binti Ismail (appointed 24 July 2024)	2/2
Mr. Prasheem Seebran (resigned on 24 July 2024)	3/3

NC is responsible for making recommendations to the Board on all new appointments to the Board and its committees. It undertakes a formal process of reviewing the balance and effectiveness of the Board and its committees to ensure the Board and its committees remain effective and focused. This includes a regular review of the composition of the Board committees and identifying the skills needed and the individuals to provide such skills in a fair and efficient manner. It also includes assisting the Chairman with the annual evaluation of Board and Board Committee performance. It is responsible for identifying appropriate Board candidates and evaluating them against the specific disciplines and areas of expertise required.

Succession planning is a key focus area within the Company. The NC considers the composition of the Board and its committees on an on-going basis. The NC assist the management in managing the Company's top talent.

NC is responsible in overseeing the appointments and removals, succession planning and performance evaluation of senior management and company secretary of the Company. The NC will ensure the proper execution of the management succession planning framework that seeks to provide a pool of competent candidates to fill key positions in the Company in the medium to long term.

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Board of Directors (cont'd.)

(v) Remuneration Committee ("RC")

The RC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 1 committee meetings held during the financial year was as follows:

	Attendance
<u>Chairman:</u>	
Datin Seri Sunita Mei-Lin Rajakumar	1/1
<u>Members:</u>	
Mr. Mohammad Nizar bin Idris	1/1
Mr. Casparus Jacobus Hendrik Kromhout	1/1

The RC is responsible for developing the remuneration strategy of the Company and presenting it to the Board for approval. Its activities include approving the guidelines and philosophy to be applied in formulating mandates for all bonus and setting remuneration packages of the directors, CEO, senior management and company secretary, relative to industry benchmarks. The RC has the prerogative to make all remuneration decisions it deems appropriate within an approved framework and may propose amendments to any part of the Company's remuneration policy as necessitated by changing circumstances. To fulfil the role described above, the RC undertakes the following:

- (a) develops and recommends to the Board for approval bonus incentive schemes for the Company. It includes the setting of guidelines for annual allocations and a regular review of the appropriateness and structure of the schemes to ensure alignment with the Company strategy and shareholder and other stakeholder interests;
- (b) develops and recommends to the Board for approval the remuneration strategy as far as the remuneration of Company's directors, CEO, senior management and company secretary;
- (c) review the management of the employment contracts of Company's directors, CEO and senior management to ensure that their terms are aligned with good practice principles; and
- (d) develops and recommends to the Board for approval incentive schemes for the directors, CEO and senior management. It includes the setting of annual targets, monitoring those targets and reviewing the incentive schemes on a regular basis to ensure that there is a clear link between the schemes and performance in support of the Company strategy.

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Board of Directors (cont'd.)

(vi) Strategic Capability Committee ("SCC")

The SCC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 4 committee meetings held during the financial year was as follows:

	Attendance
<u>Chairman:</u>	
Mr. Kokula Krishnan Ganesalingam	4/4
<u>Members:</u>	
Mr. Casparus Jacobus Hendrik Kromhout	3/4
Datin Seri Sunita Mei-Lin Rajakumar	3/4

The role of the SCC is to advise and assist the Board in fulfilling its oversight responsibilities with respect to other sustainability activities of the Company, over and above technology, including but not limited to the monitoring and measurement of the Company's impact and its sustainability activities. SCC assist the Board including and not limited to:

(a) Strategy

- (i) Ensure effective implementation of the Digital Framework to drive the company's business strategy;
- (ii) Review and assess the effectiveness of Data Strategy and Practices in the Company, and how the Company is utilizing data in business decisions in order to optimize the use of Company resources;
- (iii) Review and assess the Customer Experience Strategy and Practices of the company, and how it finds application in the business practices and technology of the Company; and
- (iv) Review and assess how the data, customer experience and efficiency strategies of the Company shape the Enterprise Architecture of the Company.

(b) Technology Governance

- (i) Review and ensure that the company is operated within the technology risk appetite which is aligned with the Company's risk appetite statement including the corresponding risk tolerances for technology-related events and ensure key performance indicators and forward-looking risk indicators are in place;
- (ii) Review and recommend the Company's IT strategies, frameworks, and policies for the approval by the Board;
- (iii) Review and assess the Company's adequacy of IT policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively and supports implementation; and
- (iv) Ensure that the Technology functions (include but not limited to IT and Security) is set up to be commensurate with the Company's size, nature of operations and complexity of its business as well as having adequate resources and staffed by an appropriate number of experienced and qualified employees to achieve the company's strategic objectives.

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Board of Directors (cont'd.)

(vi) Strategic Capability Committee ("SCC") (cont'd.)

(c) Cybersecurity

Oversee the adequacy of the Company's IT and cybersecurity strategic plans that addresses the Company's requirements on infrastructure, control measures to mitigate IT, cyber risk and financial and non-financial resources performance indicators and forward-looking risk, indicators are in place.

(d) Performance Measurement and Monitoring

- (i) Review and assess the impact of new and emerging technology projects on the Key Value drivers and business matrix of the company, performance indicators and forward-looking risk indicators are in place;
- (ii) Review and assess the benefit realization of implemented projects against the forecasted value drivers and business matrix; and
- (iii) Review and access the company's sustainability key matrix.

SCC was renamed Transformation and Innovation Committee ("TIC") on 27 November 2024.

Its primary objective to assist the Board of Directors in fulfilling its oversight responsibilities with respect to the Company strategic initiatives in the areas of Technology, Data and Management Information Systems (MIS), Sustainability and Climate Change, and Outsourcing to the extent that any matter under the oversight of the Committee is outsourced.

The TIC will ensure that the Company's innovation and transformation activities align with the overall business strategy, comply with regulatory requirements, support sustainability objectives, and will position the Company for long-term growth and financial and operational resilience, and will monitor the outcomes of these.

The Committee shall monitor the actions which safeguard the Company's resilience against the adverse impacts of climate change. In fulfilling this role, the Committee shall evaluate the risks and opportunities arising from climate change on a periodic basis and consider these risks and opportunities in assessing and approving the strategies and business plan.

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Remuneration policies and practices

Remuneration philosophy

The Company's remuneration philosophy is to attract and retain qualified employees and achieve high performance through its people by paying fair and competitive remuneration packages consistent with the economic capacity of the Company, and commensurate with those of the industry in which the Company operates. The Company remuneration philosophy aims to:

- (i) Pay for performance taking into consideration:
 - (a) the interest of the Company's stakeholders;
 - (b) the performance of the Company as a whole;
 - (c) the performance of the respective business and support divisions; and
 - (d) the performance of the individual staff.

- (ii) Fair and equitable

The salaries paid to the employees are internally equitable, relative to similar jobs in the Company.

- (iii) Competitive

Consideration is also given to remain market competitive with the insurance and financial services group.

Remuneration governance

Policies related to remuneration for individual contributors and management employees are subject to the Talent Management & Remuneration Committee and Board's approval. This includes remuneration budgets, revision of salary ranges, collective agreements with executive union and national union of commercial workers as well as determining the overall performance bonus pool.

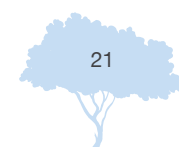
The individual appointments, performance appraisal and remuneration packages of the senior management and company secretary are also subject to the Board's approval.

Performance metrics

Performance management is used to focus and align the Company, department and individual's performance and behaviour towards the achievement of its short, medium and long term goals and aspirations. The metrics used in performance management are reviewed periodically and seek to provide optimal direct line of sight to longer term aspirations and motivate employees towards the desired outcomes and observed core values.

Key performance metrics are applied as below:

Employees' performance and remuneration distributions are subject to robust moderation review by the Chief Executive Officer and Executive Management Committee members to ensure fairness and alignment to Company's performance in terms of financials, growth and risk. The moderation review allows for multiple level input and therefore minimises excesses or biasness in performance and remuneration practices. Particular focus on compliance and risk management is in place and set up to 20% of the total performance requirement for employees.



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Corporate governance disclosures (cont'd.)

Remuneration policies and practices (cont'd.)

Performance metrics (cont'd.)

Key performance areas	Revenue generating employees	Support employees	Control employees
Corporate Scorecard	✓	✓	
Governance (Risk, Compliance & Audit)	✓	✓	✓
Shared KPI - Achievement of ROGEV	✓	✓	
Value Creation & Portfolio Management - Achievement of ROGEV	✓	✓	
Divisional & Individual Finance	✓	✓	✓
Effectiveness & Efficiency			✓
Sustainability	✓	✓	✓

There has been no changes to the remuneration elements or structure during the financial year. The Company has implemented a long-term variable pay plan ("LTV") aimed at achievement of its long-term goals and aspirations. The LTV deferred reward payment differentiated by levels of accountability is subject to achievement of company annual target embedded value and the performance of members of senior management and other material risk takers.

Types of remuneration	Fixed	Variable
Basic salary and allowances	✓	-
Cash-based performance bonus	-	✓
LTV	-	✓
Benefits	✓	-

Senior management and other material risk takers

(i) Senior management

Senior management of the Company is the highest level of management who direct and oversee the day-to-day operations of the Company. They typically are heads of the Company's functional divisions and departments. They possess significant influence over their departments in aligning the direction of the departments to the Company.

During the financial year, senior management comprises 14 key personnel who undertook the following roles:

1. Chief Executive Officer
2. Chief Agency Officer
3. Chief Technology Officer



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Corporate governance disclosures (cont'd.)

Remuneration policies and practices (cont'd.)

Senior management and other material risk takers (cont'd.)

(i) Senior management (cont'd.)

During the financial year, senior management comprises 14 key personnel who undertook the following roles: (cont'd.)

4. Chief Financial Officer
5. Chief Investment Officer
6. Chief People Officer
7. Chief Compliance Officer*
8. Chief Risk Officer*
9. Chief Strategy Officer
10. Chief Internal Auditor*
11. Chief Corporate Development Officer
12. Chief Customer Experience & Marketing Officer
13. Chief Product Officer
14. Appointed Actuary*

* Senior management at control function

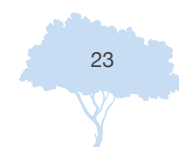
(ii) Other material risk takers

Other material risk takers as defined in the BNM guidelines on Corporate Governance are employees who may or may not be a member of the senior management and:

- (a) can materially commit or control significant amounts of the Company's resources or whose actions are likely to have a significant impact on its risk profile; or
- (b) is among the most highly remunerated officers in the Company.

During the financial year, other material risk takers comprise 2 key personnel who undertook the following roles:

1. Head, Legal
2. Company Secretary



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Corporate governance disclosures (cont'd.)

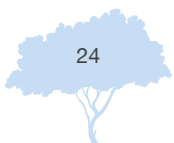
Remuneration policies and practices (cont'd.)

Senior management and other material risk takers (cont'd.)

Total remuneration and number of senior management and other material risk takers received the remuneration during the financial year are as follows:

	Senior management and other material risk takers			CEO
	Unrestricted Amount RM'000	Number of officers	Deferred Amount RM'000	Unrestricted Amount RM'000
<u>Non-deferred</u>				
Fixed remuneration				
Cash based	9,792	16	-	2,218
Others	796	16	-	120
Variable remuneration				
Cash based	3,953	16	-	1,093
Others	2,189	16	-	539
	<u>16,730</u>		<u>-</u>	<u>3,970</u>

13 senior management and other material risk takers are entitled for the deferred remuneration. There was no deferred remuneration paid during the financial year.



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Corporate governance disclosures (cont'd.)

Key internal control and risk management processes

(i) Governance and risk management framework

The Company has established a governance and risk management framework ("the framework") to serve as an overarching document that guides the Company's governance and risk management policies and procedures. The framework outlines the roles and responsibilities of the oversight functions within the Company in relation to governance and risk management matters. The framework also provides standard and common risk management philosophies and methodologies across all risk types and risk environments within the Company. The Company's Compliance Policy outlines the roles and responsibilities of the Board, senior management, heads of departments, oversight functions and all staff in overseeing and ensuring effective management of compliance risks within the Company. In addition, the Compliance Policy provides guiding principles and minimum standards in relation to compliance risk. The Compliance Policy was enhanced in 2024 to include clarifications on roles and responsibilities of Board and senior management, and updating communication protocols with regulators.

Corporate independence

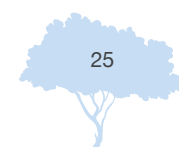
The Company has complied with the requirements of BNM's Guidelines on Related Party Transactions (BNM/RH/GL 018-6) in respect of all its related party undertakings. Necessary disclosures were made to the Board and where required, the Board's prior approval for the transaction has also been obtained. All material related party transactions have been disclosed in the financial statements.

Enterprise Risk Management (ERM) Framework

The Company has established a structured approach to enterprise-wide risk management within its risk management framework. This approach is supported by comprehensive risk frameworks, policies, and procedures that facilitate consistent risk identification, assessment, and management across the organization. The ERM framework is developed and continuously updated to align with prevailing regulatory requirements and best practices. It also draws from globally recognized risk management standards, such as ISO 31000 and the COSO ERM Framework, ensuring the Company's risk management practices remain robust, dynamic, and effective in a changing risk environment.

Risk Appetite Statements and Risk Tolerance Level

The Company's Risk Appetite Statement (RAS) aims to articulate the types and quantum of risk it is prepared to take in pursuit of its strategic objectives. It sets out quantitative and qualitative boundaries on risk-taking activities which apply across the organization supplemented with the breakdown of these high-level statements into more detailed limits under the Risk Tolerance Levels. The risk appetite criteria have been specified for each of the risk categories affecting the Company as specified in the ERM framework and Risk Taxonomy.



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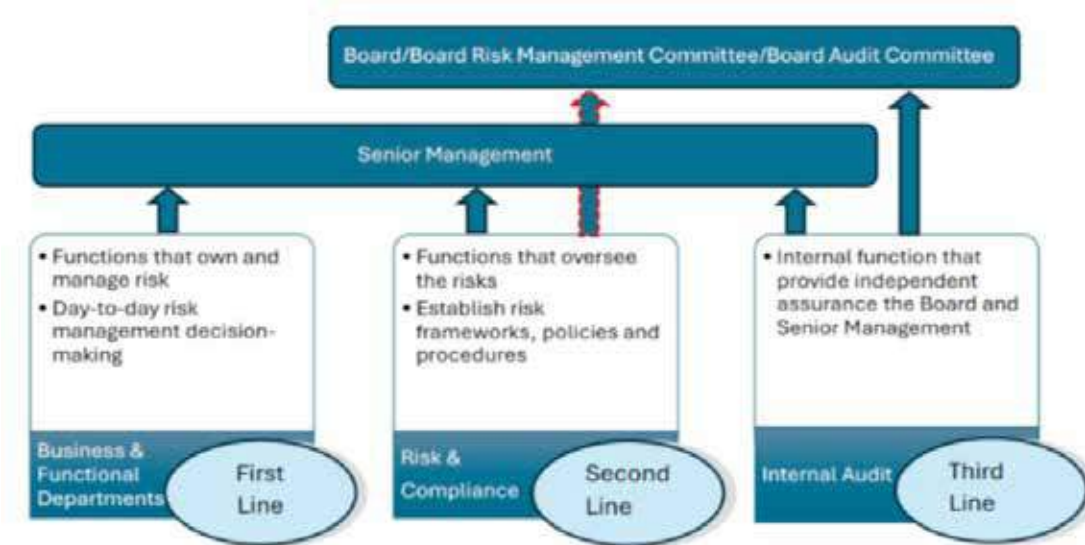
Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(i) Governance and risk management framework (cont'd.)

Risk Governance

The Company’s risk governance framework adopts the "Three-Lines-of-Defence" model in managing the risks. It provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, senior management and all employees in the risk management process across the Company.



The first line of defence rests upon the business units and support functions involved in risk taking who are responsible for ensuring that effective and appropriate processes are in place at all times in accordance with the framework. The amount of risk taken at each level of the organisation must be within the Company’s risk appetite.

The second line of defence comprised of oversight functions namely Risk Management and Compliance that report directly to BRMC and BoD respectively, who are responsible for driving the overall risk management and compliance framework of the Company.

The third line of defence is assumed by the Internal Audit Division which is responsible for providing independent assurance and advisory insights over the design, effectiveness and implementation of the overall system of internal controls put in place by business units as well as the risk management and compliance functions.

The BRMC meets regularly, at least every quarter in a financial year, to review risk management reports of the Company.

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Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(i) Governance and risk management framework (cont'd.)

Risk Processes, Monitoring and Reporting

The Company has implemented comprehensive self-assessment processes across all business units and support functions to continuously evaluate the effectiveness of systems, internal controls, and compliance with regulatory requirements. The risk management process involves key activities, including the identification, analysis, and evaluation of risks, the implementation of mitigation measures, regular monitoring and review, and effective communication and consultation among stakeholders. Risk owners, such as Heads of Departments, are responsible for identifying risks within their areas, assessing the adequacy of existing controls, evaluating the likelihood and impact of these risks, and regularly monitoring and addressing them. The results of these evaluations are reviewed by the Risk Management team and reported to senior management and the Board to ensure robust oversight and informed decision-making.

The Company's Enterprise Risk Management (ERM) Policy also outlines processes for the monitoring, escalation, and reporting of Top Key Risks, Key Risk Indicators (KRIs), and metrics related to Operational, Financial, and Technology risks. These reports are presented monthly and quarterly to Management and the BRMC, ensuring effective governance and a proactive approach to managing risks.

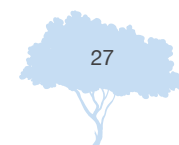
Risk Culture

As part of "Tone from the Top", the Board and Senior Management emphasise in communications to employees on the need for good governance and strong risk and compliance, e.g. townhalls. The Company promotes risk management and compliance culture among all employees through regular departmental and divisional risk and compliance meetings and targeted risk and compliance awareness programmes such as road shows, workshops and knowledge sharing sessions.

(ii) Internal audit function

The Internal Audit function operates in compliance with the Bank Negara Malaysia Guidelines on the Effective Internal Audit Function for Licensed Institutions and the International Professional Practices Framework (IPPF) established by the Institute of Internal Auditors (IIA). The IPPF serves as a foundation for stakeholders including the Board Audit Committee (BAC), Senior Management, and Regulators to evaluate how effectively the Internal Audit function achieves its mission and objectives. It also provides clear criteria for assessing the function's effectiveness, performance, and quality. Commencing January 2025, a new Global Internal Audit Standard issued by the IIA will be replacing IPPF to align with modern governance and risk practices.

The Internal Audit function is pivotal in advancing the Company's objectives by employing an objective and disciplined approach to evaluate and enhance the effectiveness of risk management, internal control systems, and governance processes. This function acts as a crucial advisory resource for the BAC, providing valuable insights into weaknesses or deficiencies within internal processes. These insights enable the Company to implement appropriate remedial measures, thereby strengthening its operational frameworks.



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Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(ii) Internal audit function (cont'd.)

The internal audit function is under the purview of the Internal Audit Division (IAD) which operate autonomously within the Company, conducting independent assessments, consulting activities, and providing impartial assurance on the effectiveness of internal controls, risk management, and governance processes. The IAD personnel maintain independence from the Company's daily operations, ensuring they have unrestricted access to all activities.

The IAD plays a crucial role in enhancing and safeguarding the Company's value. It achieves this by providing advice and insights into the efficiency, effectiveness, and business relevance of internal processes, all aimed at realizing the Company's vision and strategic objectives.

To reinforce and uphold their roles within the company, the IAD operates in accordance with the Internal Audit Charter. This comprehensive document defines the Objectives, Mission, Purpose, Authority, Responsibilities, Independence, Objectivity, Standards, and the Quality Assurance & Improvement Program that guide the Internal Audit function.

In addition, the IAD is guided by the Internal Audit Standard Operating Procedures, the Internal Audit Grading Framework, relevant guidelines from the Sanlam Group, and established frameworks such as the COSO Internal Control Framework and the COSO Enterprise Risk Management Framework. These resources enable the IAD to effectively evaluate and report on the adequacy and effectiveness of the Company's internal control, risk management, and governance design and implementation.

Independence

The independence of the Internal Audit function is firmly established through the Chief Internal Auditor's (CIA) direct functional reporting to the BAC. This structure safeguards the CIA's autonomy from the activities being audited, including managerial decisions related to operations, business matters, and internal control processes across the Company. The direct reporting line to the BAC ensures the CIA has unrestricted access to sensitive issues, enhancing the organizational standing of the function. Additionally, administrative reporting to the CEO grants the CIA the authority to execute duties without hindrance and to address challenging issues with Senior Management effectively.

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Corporate governance disclosures (cont'd.)

Key internal control and risk management processes (cont'd.)

(ii) Internal audit function (cont'd.)

Annual Audit Plan

The IAD employs a risk-based and agile methodology to develop its Annual Audit Plan. This approach integrates Company-wide governance, risk, and compliance factors alongside insights from initiatives undertaken by other lines of defense. The plan prioritizes a range of critical factors, including financial performance, risk exposure, control issues, prior audit opinions, regulatory requirements, and management requests or concerns. The audit scope covers a comprehensive range of auditable areas across the Company.

The proposed Annual Audit Plan undergoes review and approval by the BAC, with regular progress updates provided during the year. In line with the agile methodology, the IAD continually assesses the plan to ensure that high-risk areas are prioritized, and resources are allocated efficiently. Any revisions or deviations to the plan are presented to the BAC for their review and approval, maintaining alignment with the Company's evolving risk landscape.

Investigation

The Internal Audit Division proactively addresses investigations concerning whistleblowing reports and specific incidents that may contravene internal policies or regulatory requirements. These investigations focus on areas such as confidentiality breaches and financial misconduct, especially those with significant potential impact on the Company.

Communicating Results and Monitoring Action Plans

The findings from internal audit reviews, including observations, identified risks, root causes, recommendations, Management's responses, and action plans, are presented to the BAC for thorough evaluation and discussion. The IAD closely monitors the implementation of action plans to ensure that remediation efforts are appropriate, effective, and completed within agreed-upon timelines.

When extensions to deadlines for rectification or remediation are necessary, the matter is escalated to the Executive Management Committee (EMC) and ultimately approved by the BAC. This structured approach ensures a rigorous and accountable process for addressing and resolving internal audit observations.