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 a non-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.

Currently he is the Chairman of CDC Consulting Sdn Bhd and Swift Energy Technology Berhad. He is a director of Furmanite (M) Sdn Bhd, Speciality Industrial Services Sdn Bhd and FIDE Forum.

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Directors' profiles (cont'd.)

Mr. Kokula Krishnan a/l Ganesalingam (a.k.a. Gopi Ganaselingam) is an Independent Non-Executive Board Director at MCIS Life since 19 August 2020, where he serves as the Chairman of the Audit Committee and Transformation and Innovation Committee of the Board, and as a member of the Nominations Remuneration Committee. He is also the Senior Vice President, Industry and Ecosystem at Malaysia Digital Economy Corporation (MDEC), where he leads national initiatives to strengthen Malaysia's digital industry, deepen industry collaboration, and advance an innovation-led digital ecosystem.

In this role, Gopi oversees programme planning and execution across key digital-economy priorities, including the delivery of national initiatives such as GAIN, FOX, and Malaysia's digital exports expansion programmes. These initiatives have enabled international market access and supported the global scaling of Malaysian technology companies. His portfolio further encompasses industry facilitation, digital investments, digital content development, and funding facilitation for Malaysia Digital (MD) companies, working closely with industry leaders, investors, government agencies, and global partners.

A Finance graduate and a Fellow of CPA Australia, Gopi brings over 37 years of leadership experience spanning multinational corporations, government-linked agencies, and entrepreneurial ventures. His career includes senior roles at Matsushita, American Express, Alcatel-Lucent, and Telstra. He later co-founded and led Lava Protocols, serving as a go-to-market partner for Salesforce and Google, before joining MDEC in 2015.

Beyond his executive and board roles, Gopi is an Adjunct Professor at Asia Pacific University of Technology & Innovation (APU) and the Chairman and Trustee of Junior Achievement Malaysia, a non-profit organisation dedicated to empowering young Malaysians through entrepreneurship, work-readiness, and financial-literacy programmes.

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Directors' profiles (cont'd.)

Mr. Gopala Krishnan K. Sundaram was appointed as an Independent Non-Executive Director of the Company on 10 March 2025. He also serves as the Chairman of the Governance Committee and Risk Management Committee of the Board and as a member of Audit Committee.

Mr. Gopala graduated 1982 with a Bachelor of Law (Hons) degree from the University of Malaya under a Bank Negara Malaysia scholarship. He is currently a partner of Abdullah Chan & Co., Kuala Lumpur. Prior to joining Abdullah Chan & Co., he served for 30 years in various capacities at Bank Negara Malaysia from 1982 until his retirement as Assistant Governor of the Bank in 2011. After retirement, he was appointed for over a year as Project Advisor for the drafting of the Financial Services Act 2013 and the Islamic Financial Services Act 2013. He is the only member of the International Monetary Law Committee of the International Law Association (MOCOMILA) from ASEAN. He is also a member of the Panel of Experts of P.R.I.M.E. Finance, based at the Peace Palace in The Hague.

With over 42 years working experience in regulatory, legal, and related fields Mr. Gopala has also undertaken consultancy assignments for the World Bank and served as an International Regulatory Expert with the Asian Development Bank.

He currently sits on the Boards of Tenaga Nasional Berhad and YTL Digital Bank Berhad as an Independent Director, and had previously held a similar role at Kuwait Finance House (Malaysia) Berhad.

Mr. Abdul Rahman Talib was appointed as Independent Non-Executive Director of the Company on 16 April 2025. He serves as the Chairman of Nominations Remuneration Committee and a member of the Board Risk Management Committee. He holds a Masters in Business Administration (MBA) and Bachelor in Business Administration from the University of Miami, Coral Gables, Florida, USA. He is a Fellow of Asian Institute of Insurance and Member of Institute of Corporate Directors Malaysia.

Mr. Rahman retired as the Chief Executive Officer of Pacific & Orient Insurance Company Berhad (P&O) in 2018 after serving as CEO and Director for 20 years. He joined P&O in 1997 as General Manager, Investment.

Mr. Rahman currently serves as an Independent Non Executive Director in Syarikat Takaful Malaysia Am Berhad. He is also a director in a private company, ARTAB Sdn Bhd.

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Directors' profiles (cont'd.)

Ms. Cheryl Khor Hui Peng, a Malaysian aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 3 November 2025.

Ms. Cheryl Khor Hui Peng graduated with a Bachelor of Mathematics (Honours). She is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). She is also a Fellow and Faculty Member of the Institute of Corporate Directors Malaysia (ICDM) which was established by the Securities Commission Malaysia and supported by Bank Negara Malaysia, Bursa Malaysia and the Capital Market Development Fund. As a faculty member of ICDM, she conducts training for directors on various board, governance and sustainability topics.

Ms Cheryl Khor has more than twenty-four (25) years of experience covering financial, operational and internal audits as well as governance, controls, sustainability, internal audit and risk assessments for many companies across a broad range of industries.

She began her career in 1998 as a financial auditor and Chartered Accountant at Ernst & Young. Ms Cheryl Khor diversified her skill sets and breadth of experience when she joined Deloitte in 2013 where she led the Risk Advisory practice, complementing her Chartered Accountant experience with sustainability, governance and risk expertise. She was appointed as Managing Director of Deloitte Risk Advisory in 2014 and held the position until 2021. Whilst in Deloitte, she held numerous leadership positions culminating her career as the Asia Pacific Accounting and Internal Control Leader and was also a member of the Deloitte South East Asia Board of Directors.

Currently, she is a Director of Alliance Bank Malaysia Berhad, Kuala Lumpur Kepong Berhad and Hong Leong Industries Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad. She is also a Director of Chubb Insurance Malaysia Berhad, Leader Energy Holdings Berhad and RAM Holdings Berhad, all public companies.

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Directors' profiles (cont'd.)

Mr. Omer Abdullah was appointed as Executive Director of MCIS Insurance Berhad on 24 November 2025. He currently serves as the Head of Sanlam Malaysia, a role he assumed in October 2024.

He brings over four decades of experience in the general and life insurance sectors, supported by a strong international career spanning South Africa, Mexico, Colombia, India, and China. He is recognised for his strategic leadership, results driven approach, and proven ability to develop high performing teams and lead key organisational initiatives across huge cultural diverse environments.

Mr. Omer is an accomplished executive and has held various leadership positions within Financial Services. He began his career with Old Mutual Life Assurance Company (South Africa) Limited ("Old Mutual") in 1982 and progressed through various senior leadership roles. His career culminated in his appointment as Board Director and Chief Executive Officer of Old Mutual China, a joint venture with China Energy Capital Holdings – a subsidiary of China Energy. A position he held from 2016 to 2023.

He completed the Strategic Leadership Programme at the London Business School in 2013, attained a Certification of Directorship in China in 2016, and completed the CEO Programme in China in 2017.

In addition to his role at MCIS Insurance Berhad, Mr. Omer serves as a Non Independent and Non Executive Director on the Board of Pacific & Orient Insurance Co. Berhad, representing Sanlam Emerging Markets Proprietary Limited. He has held this position since 22 April 2025.

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Directors' profiles (cont'd.)

Datuk Sahadivanaidu Baliah was appointed to the Board on 5 March 2026 as a Non-Independent, Non-Executive Director. He brings with him a wealth of experience garnered over more than five decades in the co-operative sector.

He holds a Master of Business Administration from Warnborough University, United Kingdom. Datuk Sahadivanaidu retired as the Chief Executive Officer of National Land Finance Co operative Society Limited ("NLFCS") in 2013 and subsequently assumed the role of Managing Director, a position he continues to hold to date. Throughout his distinguished career, he has been deeply involved in shaping policies, governance, and strategic development within the co operative movement both locally and regionally.

Datuk Sahadivanaidu has served as a member of the Malaysian Co-operative Education Trust Fund from 2004 to 2008 and the Malaysian Co-operative Tribunal from 2004 to 2009. At the international level, he has contributed as a member of the International Asia Pacific Co-operative Agricultural Committee, further underscoring his standing within the global co-operative community.

A respected advocate for sustainable and inclusive economic development, Datuk Sahadivanaidu has participated in numerous national and international conferences, presenting papers on co-operative values, opportunities, and challenges. Among his notable engagements are his presentation at the 7th International Co-operative Alliance Regional Congress (Asia Pacific) in Colombo and his Keynote Address at the ICA-AP Co-operative Trade and Business Conference 2023, titled *"Balancing Sustainability and Profitability in the Agriculture, Forestry and Property Industry"*,

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

Board of Directors

The Board of Directors ("the Board") consists of 4 independent, non-executive directors, 1 executive director and 2 non-independent, non-executive director. The attendance of the Board at the 8 board meetings held during the financial year was as follows:

	Attendance
Chairman:	
Mr. Mohammad Nizar bin Idris	8/8
Directors:	
Mr. Kokula Krishnan a/l Ganesalingam	8/8
Mr. Gopala Krishnan K Sundaram (appointed on 10 March 2025)	7/7
Mr. Abdul Rahman Talib (appointed on 16 April 2025)	6/6
Ms. Cheryl Khor Hui Peng (appointed on 3 November 2025)	2/2
Mr. Omer Abdullah (appointed on 24 November 2025)	2/2
Datuk Sahadivanaidu Baliah (appointed on 5 March 2026)	0/0
Mr. Velile Hamilton Memela (appointed on 16 April 2025 and resigned on 24 November 2025)	3/4
Datin Seri Sunita Mei-Lin Rajakumar (resigned on 23 March 2025)	1/1
Mr. Prasheem Sebran (resigned on 15 April 2025)	2/2
Puan Nuraini binti Ismail (resigned on 23 June 2025)	4/4
Mr. Casparus Jacobus Hendrik Kromhout (resigned on 20 October 2025)	5/6

The Board assumes overall responsibility for leading, governing, guiding and monitoring the performance of the Company, including but not limited to:

(a) reviewing and adopting strategic plans for the Company;

(b) overseeing the conduct of the Company's business to determine whether the business is being properly managed;

(c) approving risk appetites and overseeing the implementation of governance framework and internal control framework;

(d) overseeing succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programs are in place to provide for the orderly succession of senior management;

(e) overseeing the development and implementation of shareholder communications policy for the Company; and

(f) reviewing the adequacy and the integrity of the Company's management information and internal control systems.

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Corporate governance disclosures (as referred to in the Directors' Report) (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 RM'000	Variable RM'000	Total RM'000
Mr. Mohammad Nizar bin Idris	176	185	361
Mr. Kokula Krishnan a/l Ganesalingam	120	173	293
Mr. Gopala Krishnan K. Sundaram	97	110	207
Mr. Abdul Rahman Talib	85	112	197
Ms. Cheryl Khor Hui Peng	19	37	56
Mr. Omer Abdullah	12	19	31
Mr. Velile Hamilton Memela	73	29	102
Datin Seri Sunita Mei-Lin Rajakumar	27	20	47
Puan Nuraini binti Ismail	58	78	136
Mr. Casparus Jacobus Hendrik Kromhout	96	87	183
	763	850	1,613

The Company maintained a directors' and officers' liability insurance during the financial year with premium paid amounting to RM50,230.

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.

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Board of Directors (cont'd.)

Directors' training (cont'd.)

Some of the directors attended the programme as listed below:

FIDE Forum

- Special Lecture: China's Business Models and Innovations and Their Global Implications
- Resolution Simulation Masterclass: Decision Making Under Pressure
- The Influence of Board Culture on Corporate Performance
- Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024
- Special Lecture: How Global Events Will Affect the Outlook for the Financial Industry in 2025
- Strategic Approach to Cyber Resilience and Compliance for Board of Directors
- Nominating Committees

PIAM

- Safeguarding the Board of Directors: Navigating Anti & Money Laundering

Others

- InsurTechs Connect Asia 2025
- Cyber Security Awareness Training

INTERNATIONAL CENTRE FOR LEADERSHIP IN FINANCE

- FIDE Core Programme, Module A and Module B (Insurance)

In-House Training

- Board Induction 2025
- Sustainability
- Cybersecurity
- Personal Data Protection in Practice
- Anti-Bribery and Corruption (ABC)
- MACC Act Section 17A Adequate Procedures

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 Remuneration Committee ("NRC") and Transformation and Innovation Committee ("TIC"). The memberships, roles and terms of reference of the committees are as follows:

(i) Board Audit Committee ("BAC")

The BAC comprises 3 independent, non-executive directors. The attendance of the members of the committee at the 4 Audit Committee meetings and 2 adjourned meeting held during the financial year was as follows:

	Attendance
Chairperson:	
Mr. Kokula Krishnan a/l Ganesalingam (appointed on 23 June 2025)	4/4
Puan Nuraini binti Ismail (resigned on 23 June 2025)	2/2
Members:	
Mr. Gopala Krishnan K. Sundaram (appointed on 10 March 2025)	3/3
Ms. Cheryl Khor Hui Peng (appointed as member on 3 November 2025, appointed as chairperson on 24 November 2025)	1/1
Mr. Casparus Jacobus Hendrik Kromhout (resigned on 20 October 2025)	3/3

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

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Board of Directors (cont'd.)

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

(d) Establishing a mechanism to assess the performance and effectiveness of the Internal Audit function.

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 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
Chairman:	
Mr. Gopala Krishnan K.Sundaram (appointed on 23 June 2025)	2/2
Mr. Kokula Krishnan a/l Ganesalingam (resigned on 23 June 2025)	4/4
Members:	
Mr. Mohammad Nizar bin Idris	4/4
Mr. Abdul Rahman Talib (appointed on 16 April 2025)	3/3
Puan Nuraini binti Ismail (resigned on 23 June 2025)	1/1

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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:

(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;

(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 NRC comprises 2 independent, non-executive directors and 1 non-independent, non-executive director. The attendance of the members of the committee at the 6 committee meetings and 1 adjourned meeting held during the financial year was as follows:

	Attendance
Chairman:	
Mr. Abdul Rahman Talib (appointed on 23 June 2025)	4/4
Puan Nuraini binti Ismail (resigned on 23 June 2025)	2/2
Members:	
Mr. Mohammad Nizar bin Idris	6/6
Mr. Kokula Krishnan a/l Ganesalingam	6/6
Datin Seri Sunita Mei-Lin Rajakumar (resigned on 23 March 2025)	1/1
Mr. Casparus Jacobus Hendrik Kromhout (resigned on 16 April 2025)	2/2

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Board of Directors (cont'd.)

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

The primary objective of the 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;

- 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) Transformation & Innovation Committee ("TIC")

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

	Attendance
Chairman:	
Mr. Kokula Krishnan a/l Ganesalingam	1/1
Members:	
Ms. Cheryl Khor Hui Peng (appointed on 3 November 2025)	-
Mr. Casparus Jacobus Hendrik Kromhout (resigned on 20 October 2025)	1/1
Datin Seri Sunita Mei-Lin Rajakumar (resigned on 23 March 2025)	1/1

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Board of Directors (cont'd.)

(iv) Transformation & Innovation Committee ("TIC") (cont'd.)

The role of the TIC 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. TIC 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.)

(iv) Transformation & Innovation Committee ("TIC") (cont'd.)

The role of the TIC 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. TIC assist the Board including and not limited to: (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.

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.

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Remuneration policies and practices (cont'd.)

Performance metrics

Performance management is implemented to ensure the Company, departments, and individuals remain aligned to the organisation's short-, medium- and long-term strategic goals, while reinforcing ethical, prudent and professional behaviour. The performance metrics used are reviewed periodically to ensure clear line-of-sight to long-term aspirations and to motivate desired outcomes consistent with the Company's core values. The performance appraisal of Senior Management and Key Responsible Persons is carried out by the Chief Executive Officer based on actual Company and individual performance. Thereafter, the performance ratings of Senior Management and Key Responsible Persons are submitted to the Nomination and Remuneration Committee for independent review and final approval, in accordance with the governance and oversight expectations under BNM's Corporate Governance framework.

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.

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			✓

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Remuneration policies and practices (cont'd.)

Performance metrics (cont'd.)

There were no changes to the Company's remuneration elements or structure during the financial year. The Company has implemented a Long-Term Variable Pay Plan ("LTV") designed to support the achievement of its long-term goals and aspirations. Under the LTV, a portion of variable remuneration is deferred, with higher deferral ratios applied to individuals holding greater levels of accountability, and payout is contingent upon the achievement of the Company's annual target embedded value as well as the performance of senior management and other material risk takers. The deferred LTV portion ensures that rewards reflect risks which may materialise over an extended period, and both vested and unvested amounts may be reduced or reversed through malus, clawback, or other downward adjustments in cases of poor individual-attributable performance or serious legal, regulatory, or internal policy breaches, thereby reinforcing strong alignment with long-term risk and performance outcomes.

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 15 key personnel who undertook the following roles:

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

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Corporate governance disclosures (as referred to in the Directors' Report) (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 15 key personnel who undertook the following roles: (cont'd.)

11. Chief Corporate Development Officer
12. Chief Customer Experience & Marketing Officer
13. Chief Product Officer
14. Appointed Actuary*
15 Chief Operations Officer

* 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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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		Deferred	Unrestricted
	Amount RM'000	Number of officers	Amount RM'000	Amount RM'000
Non-deferred				
Fixed remuneration				
Cash based	10,873	17	-	2,436
Others	900	17	-	120
Variable remuneration				
Cash based	3,521	17	-	936
Others	2,432	17	-	590
	17,726		-	4,082

Senior management and other material risk takers are entitled for the deferred remuneration and total amount paid in 2025 was RM661,633.60 and there are 2 senior management and material risk takers entitled to sign-on award with total amount paid in 2025 was RM192,305.56.

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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.

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

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

Risk Governance (cont'd.)

The Compliance function is responsible for regulatory change management process and coordinates with the business units and support functions to ensure timely and effective compliance. Throughout the year compliance training and awareness activities are conducted to promote a strong governance culture. Compliance monitoring and reviews are carried out on a risk-based approach in order to assess the adequacy of internal controls. Compliance reports to the Board at least on a quarterly basis on all compliance-related matters including compliance risk assessments, regulatory non-compliances, and compliance observations, in order to support the Board's oversight of the management of the Company's compliance risk.

Set out below are the key policies and procedures for Risk and Compliance:

(i) The 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.

(ii) The Data Privacy Protection Policy provides an understanding of the requirements of the Personal Data Protection Act 2010 and other regulatory requirements relating to personal data and customer information. It also sets out processes and procedures for the Company to follow to ensure compliance with regulatory requirements. Amendments were made in 2025 to take into account the changes pursuant to the Personal Data Protection (Amendment) Act 2024, including assessment of Significant Harm and Significant Scale, Data Portability Request and notification to regulators on incidents of personal data breaches.

(iii) The Anti-Money Launering, Countering Financing of Terrorism, Countering Proliferation Financing (AML/CFT/CPF) Policy sets out the principles and direction to manage the Company's exposure money laundering, terrorism financing and proliferation financing risks. It sets out minimum standards, roles and responsibilities of the business units and support functions in AML/CFT/CPF compliance.

(iv) The Anti-Bribery and Corruption Policy sets out the Company's standards in managing and mitigating bribery and corruption, by clarifying the roles and responsibilities of directors, employees, business associates and other third parties in observing and upholding the Company's zero tolerance approach to bribery and corruption. This together with the Gifts and Hospitality Policy provides procedures and guidance to prevent and detect bribery and corruption.

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

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

Risk Governance (cont'd.)

Set out below are the key policies and procedures for Risk and Compliance: (cont'd.)

(v) The Whistleblowing Policy demonstrates the Company's commitment to the highest standards of ethics, integrity and professionalism. Procedures are in place that enable directors, employees and any other person coming into contact with the Company to report suspected wrongdoing with the knowledge that their concerns will be taken seriously, investigated appropriately and treated confidentially.

(vi) The Enterprise Risk Management ("ERM") Framework to act as an overarching document for the Company's governance and risk management policies and procedures. The document aims to define governance and risk management roles, ensure all significant risks are properly addressed, and establish common risk management principles and methodologies across the Company.

(vii) The Business Continuity Policy sets out MCIS Life's approach to ensuring continuity of critical operations during disruptions by defining roles, establishing a comprehensive BCM framework aligned with the Company's risk appetite, and ensuring compliance with Bank Negara Malaysia's Business Continuity Management requirements.

(viii) The ICAAP Framework outlines key elements and processes of MCIS Life's Internal Capital Adequacy Assessment Process ("ICAAP") in response to the minimum requirements in the "Guidelines On ICAAP For Insurers" issued by Bank Negara Malaysia ("BNM"). The guidelines stipulate that Company is expected to actively manage its capital adequacy by taking into account the potential impact of business strategies on the Company's risk profile and overall financial resilience, and that ICAAP is a process that should be integrated with the Company's business planning, risk management processes and day-to-day operations to ensure adequate capital to meet the Company's capital requirements on an on-going basis.

(ix) The Financial Risk Management Policy set forth the means by which the Company shall manage its financial risks as a way to improve performance. The document defines financial risk, outlines the scope and objectives, documents the roles and responsibilities of all parties, provides guiding principles and minimum standards, and sets out the process governing Financial Risk Management.

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

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

Risk Governance (cont'd.)

Set out below are the key policies and procedures for Risk and Compliance: (cont'd.)

(x) The Technology Risk Management Framework outlines MCIS's approach to managing technology related risks as part of its ERM Framework by defining key risk domains, governance roles, and principles to ensure technology risks are controlled within approved thresholds and support business continuity.

(xi) Cyber Resilience Framework acts as an overarching document for the governance for managing cyber risk and achieving its cyber resilience objectives. The document defines the Company's cyber risk governance roles, cyber resilience objectives and tolerances, core resilience principles, and required capabilities to ensure strong cyber preparedness, proactive threat detection, operational resilience, and effective incident and crisis response.

(xii) The Information Security Policy demonstrates the Management's commitment to protect the security and privacy of information from a wide range of threats to minimize business risks and to ensure business continuity.

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.

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

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

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 plays a vital role in supporting the Company's strategic objectives by applying an independent and systematic approach to assess and improve the effectiveness of risk management, internal controls, and governance processes. Serving as a key advisory partner to the BAC, Internal Audit provides critical insights into control gaps and process deficiencies. These insights enable timely and effective remedial actions, thereby reinforcing the Company's operational resilience and governance framework.

The function remains under the purview of the Internal Audit Division ("IAD"), operating autonomously within the Company to conduct independent assessments, consulting activities, and provide impartial assurance on the effectiveness of internal controls, risk management, and governance processes.

The Division continues to play a critical role in enhancing and safeguarding the Company's value by delivering advice and insights on the efficiency, effectiveness, and business relevance of internal processes, supporting the achievement of the Company's vision and strategic objectives.

This foundation of the Internal Audit function is anchored in the Internal Audit Charter, which defines the Division's objectives, mission, purpose, authority, responsibilities, independence, objectivity, standards and the Quality Assurance and Improvement Program.

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

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

To reinforce and uphold its mandate, the IAD operates within an integrated structure of governing and control frameworks that collectively guide its approach to assurance and advisory services. These include the Global Internal Audit Standards™ issued by the Institute of Internal Auditors, effective January 2025 and the Bank Negara Malaysia Guidelines on the Effective Internal Audit Function for Licensed Institutions. Complementing these governing frameworks are internationally recognized control frameworks such as the COSO Internal Control Framework, the COSO Enterprise Risk Management Framework, the Criteria of Control Framework, the Sarbanes-Oxley Act, the IIA Three Lines Model, the IIA Global Technology Audit Guides, and the Control Objectives for Information and Related Technology (COBIT).

In addition to these external standards, the IAD is guided by comprehensive internal governing documents, including the Internal Audit Charter, the Board Audit Committee Charter, the Internal Audit Grading Framework, the Internal Audit Manual, the Investigation Manual, and the Sanlam Group Internal Audit Methodology. Furthermore, the Division adheres to relevant regulatory policies such as the Bank Negara Malaysia Corporate Governance Policy, the Bank Negara Malaysia Risk Governance Policy, and the Malaysia Code of Corporate Governance.

By embedding these frameworks and policies as the foundation of its operating principles, the IAD ensures a disciplined, robust, and value-driven approach to evaluating and reporting on the adequacy and effectiveness of the Company's internal control environment, risk management practices, and governance structures. This integrated methodology strengthens organizational resilience, enhances stakeholder confidence, and supports the achievement of the Company's strategic objectives.

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 autonomy from the activities being audited, including managerial decisions related to operations, business matters, and internal control processes.

The CIA's direct reporting line to the BAC ensures unrestricted access to sensitive issues, enhancing the organizational standing of the function. Administrative reporting to the CEO grants authority to execute duties without hindrance and address challenging issues with Senior Management effectively.

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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, integrating Company-wide governance, risk, and compliance factors alongside insights from other lines of defense. The plan prioritizes critical factors such as financial performance, risk exposure, control issues, prior audit opinions, regulatory requirements, and management requests.

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

Investigation & Ad Hoc Reviews

The IAD proactively addresses investigations concerning whistleblowing reports and incidents that may contravene internal policies or regulatory requirements. These investigations typically focus on areas such as confidentiality breaches and financial misconduct, particularly those with significant potential impact on the Company. Beyond whistleblowing cases, the Division also undertakes ad hoc reviews requested by key stakeholders, especially in areas identified as high-risk or of strategic importance. These mandated reviews provide independent assurance and actionable insights on critical issues, enabling timely interventions and strengthening governance, risk management, and internal control frameworks. By responding to emerging risks and stakeholder concerns with agility and rigor, the Internal Audit Division reinforces its role as a trusted assurance provider and a key contributor to organizational resilience.

Communicating Results and Monitoring Action Plans

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 remediation efforts are appropriate, effective, and completed within agreed timelines. When extensions to deadlines for rectification or remediation are necessary, the matter is escalated to the Executive Management Committee ("EMC"). This structured approach ensures a rigorous and accountable process for addressing and resolving internal audit observations.