

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

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

The Board of Directors ("Board") of Malaysian Reinsurance Berhad remains committed towards maintaining high standards of corporate governance throughout the Company. The Board strives to continuously improve the effective application of the principles and best practices in conformity with BNM's PD CG issued on 3 August 2016.

The Company's policy is to implement these principles and best practices and to uphold high standards of business integrity in all its activities undertaken by the Company. This shall include a commitment to emulate good industry examples and to comply with guidelines and recommendations in the conduct of business activities within the Company.

Set out below is a statement on how the Company had applied the principles and complied with the best practices as prescribed under the PD CG during the financial year ended 31 March 2023.

#### **Board of Directors**

The Board is responsible for the proper stewardship of the Company's resources, the achievement of the Company's objectives and good corporate citizenship. It discharges these responsibilities by complying with all the relevant Acts and Regulations, including adopting the principles and best practices of the PD CG and Malaysian Code of Corporate Governance 2021 ("MCCG 2021"), where relevant.

The Board retains full and effective control over the Company's affairs. This includes the responsibility to determine the Company's development and overall strategic direction. Key matters such as the approval of financial results, major capital expenditures, budgets, business plans and succession planning for top management, are reserved for the Board or its appointed committees to deal with.

The meetings of the Board are chaired by the Non-Executive Chairman, whose role is clearly separated from the role of the President & Chief Executive Officer ("President & CEO"), who ensures that Board policies and decisions are implemented accordingly.

#### **Board Composition**

The Board comprises members with relevant expertise and experience drawn from business, financial and technical fronts which strengthened leadership and management.

As at the date of this report, the Board currently comprises five (5) members. Four (4) of these members are Independent Non-Executive Directors ("INED"), including the Chairman, and one (1) Non-Independent Executive Director ("NIED") who is the President & Group Chief Executive Officer ("President & GCEO") of MNRB.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Composition (cont'd.)**

As at the date of this report, the percentage of the Board composition is as follows:

	<b>Composition</b>	<b>Percentage</b>
NIED	1/5	20%
INED	4/5	80%

By virtue of this composition, the Company is in compliance with the following paragraphs of the PD CG:

- (i) Paragraph 11.3 which requires that the Chairman of the Board must not be an executive director;
- (ii) Paragraph 11.4 which requires that the Board should not have more than one executive director unless otherwise approved by BNM in writing; and
- (iii) Paragraph 11.6 which requires that the Board should have a majority of independent directors at all times.

Under the Company's Constitution, the number of Directors shall not be more than ten (10) and not less than five (5) Directors.

The Directors bring to the Board, a wide range of knowledge and experience in relevant fields such as insurance/takaful and reinsurance/retakaful, accounting and finance, investment, international business and business operations. The Board has the necessary depth of experience and judgement to bear on issues of strategy, performance, resources and ethical standards. The Board is of the opinion that its current composition and size constitute an effective Board for the Company.

Key information on each Director is set out under the section 'Board of Directors' Profile' on pages 36 to 38.

**Board Charter**

The Board had formalised a Board Charter setting out the duties, responsibilities and functions of the Board in accordance with the principles of good corporate governance set by the regulatory authorities. This Board Charter will be reviewed periodically when necessary to incorporate updates and enhancements to the existing rules and regulations.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Directors' Code of Ethics**

The Directors observe a code of ethics in accordance with the code of conduct expected of Directors of financial service providers.

The Chairman is primarily responsible for the effective conduct and workings of the Board. The Chairman leads the Board in the oversight of the Management and in setting strategic business plans, goals and key policies for the Company to ensure the sustainability of long-term returns.

**Directors' Independence and INED**

The Board comprises a majority of INEDs.

The independence of the Directors is assessed by the Group Nomination & Remuneration Committee ("GNRC") and the Board in accordance with the requirements of BNM and the Company's Policy on Independent Directors.

The Independent Directors play a pivotal role in corporate accountability and provide unbiased and independent views and judgement in relation to the Board's deliberation and decision-making process. These are reflected in their memberships in the various Board Committees and attendance at meetings.

The Company determines the independence of its Directors in accordance with the requirements under the PD CG. Under the PD CG, an Independent Director of the Company is one who himself or any person linked to him is independent from Management, the substantial shareholders of the Company and/or any of its affiliates, and has no significant business or other contractual relationship with the Company or its affiliates within the last three (3) years and has not served for more than nine (9) years on the Board of the Company, except under exceptional circumstances and as approved by BNM.

All Independent Directors have demonstrated to the Board that they have exercised impartial and independent judgement while protecting the interests of the Company.

The Non-Executive Directors do not participate in the day-to-day management of the Company and do not engage in any business dealing or other relationships with the Company (other than in situations permitted by the applicable regulations) in order to ensure that they remain truly capable of exercising independent judgement and act in the best interests of the Company and its shareholder. The Board is also satisfied that no individual or group of individuals dominate the decision-making process of the Board in ensuring a balanced and objective consideration of issues, thereby facilitating optimal decision-making.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**MNRB Group Independent Directors Policy**

The 9-year policy for the tenure of INEDs, which was implemented to ensure the continuous effective functioning of the Board remained unchanged. Due to the specialised nature of the Company's businesses, the Board is of the view that the maximum tenure of nine (9) years is reasonable considering there are significant advantages to be gained from long-serving Directors who already possessed tremendous insight and knowledge of the Company's business affairs.

The Board is of the opinion that the tenure of service of INEDs on the Board, does not, in any way, interfere with their exercise of independent judgement and their ability to act in the best interests of the Company.

Before the removal or resignation of an Independent Director can take effect, the prior approval of BNM must be obtained.

In assessing independence, the Board evaluates the following criteria:

- the ability to challenge the assumptions, beliefs or viewpoints of others with intelligent questioning, constructive and rigorous debating, and dispassionate decision-making for the good of the Company;
- a willingness to stand-up and defend their own views, beliefs and opinions for the ultimate good of the Company; and
- an understanding of the Company's business activities in order to appropriately provide responses on the various strategic and technical issues brought before the Board.

**Appointment of Directors and Key Senior Management Officers**

The Board ensures that a formal and transparent nomination process for the appointment of Directors and Key Senior Management Officers is continuously maintained and improved pursuant to the Terms of Reference of the Group Nomination & Remuneration Committee ("TOR of GNRC").

Individuals appointed to the Board and relevant senior positions must have the appropriate fitness and propriety to discharge their prudential responsibilities during the course of their appointment.

The appointment of new Board members are considered and properly evaluated by the GNRC. New nominees for directors are assessed by the GNRC in accordance with the PD CG and the MNRB Group Fit & Proper Policy and Procedure ("MNRB Group Fit & Proper Policy").

These assessments are carried out by an independent party based on information provided by each individual on matters such as criminal record, the record of material academic/professional qualifications, financial obligations and the execution of checks on bankruptcy and regulatory disqualification.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Appointment of Directors and Key Senior Management Officers (cont'd.)**

The GNRC would discuss and deliberate on the above and conduct an interview session with the candidate. Upon completing this process, the GNRC shall recommend the proposed appointment to the Board for its deliberation and approval.

In making these recommendations, the GNRC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, as well as professionalism, integrity including financial integrity, competencies and other qualities, before recommending to the Board for appointment.

The GNRC and Board will devote sufficient time to review, deliberate and finalise the selection of Directors. The Company Secretary will ensure that all the necessary information are obtained and relevant legal and regulatory requirements are complied with. In this regard, the Board is also guided by the MNRB Group Fit & Proper Policy.

The GNRC conducts a yearly assessment on the suitability of the present Directors under the abovementioned MNRB Group Fit & Proper Policy. The fit and proper assessment for the Directors includes self-declaration and vetting by the Company for the purpose of ensuring that they are suitable to continue serving as Directors of the Company. The following aspects would also be considered by the Board in appointing/reappointing Directors:

- Character, integrity and reputation - the person must have key qualities such as honesty, independence of mind, integrity, diligence, and fairness and are of good repute in the financial and business community;
- Experience, competence and capability – the person must have the necessary skills, experience and ability to carry out the role; and
- Time and commitment – the person must have the ability to discharge role having regard to other commitment.

The Board's expectations on the time commitment and contribution from the Directors will also be clearly communicated to the potential candidates. The GNRC will evaluate the candidates' ability to discharge their duties and responsibilities as well as appropriate time commitment prior to recommending their appointment as Directors for the Board's approval.

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

### **Re-appointment and Re-election of Directors**

All Directors may subject themselves for re-appointment and/or re-election upon the expiry of their BNM Appointment Term or in accordance with Clause 22.3 of the Company's Constitution where one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting ("AGM") and all retiring Directors can offer themselves for re-election.

Pursuant to PD CG, the Company is required to apply to BNM for the re-appointment of its Directors at least three (3) months prior to the expiry of their terms of appointment as approved by BNM, should it wish to extend their appointments. Prior to such application, the relevant Directors will be assessed by the GNRC and the Board and they are required to give consent on their re-appointment prior to the recommendation being made.

In accordance with Clause 22.3 of the Company's Constitution, Zaharudin Daud will be retiring at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Directors who are appointed by the Board during the financial period before the AGM are also required to retire from office and seek re-election by the shareholder at the first opportunity after their appointment.

Datin Joanne Marie Lopez who was appointed as a Director on April 1, 2023 will retire pursuant to Clause 22.5 of the Company's Constitution and being eligible, offers herself for re-election.

### **Board and Individual Directors' Effectiveness**

The Board members undertake a formal and transparent process, upon completion of every financial year, to assess the effectiveness of their fellow Directors, the Board as a whole and the performance of the President & CEO.

The Board and Individual Directors Evaluation is based on answers to a detailed questionnaire. The evaluation form is distributed to all Board members and covers topics which include, among others, the responsibilities of the Board in relation to strategic plan, fiscal oversight, risk management, Board composition and training needs.

Other areas which are assessed include the contribution of each and every member of the Board at meetings.

The GNRC, having deliberated the findings of the Board and Individual Directors Evaluation, will report to the Board the results and highlight those matters that require further discussion and direction by the Board.

The Board members' directorship in companies other than the Company, are well within the restriction of not more than five (5) directorships in public listed companies as stated in the PD CG.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Roles and Responsibilities of the Chairman and President & CEO**

The roles and responsibilities of the Chairman and the President & CEO are separated with a clear division of responsibilities as defined in the Board Charter. This distinction is to provide better understanding and distribution of jurisdictional responsibilities and accountabilities. The Chairman and the President & CEO are not related to each other.

The Chairman leads the Board and is also responsible for its performance. Together with the rest of the Board members, the Chairman sets the policy framework and strategies to align the business activities driven by the Senior Management Team with the Company's vision and mission.

The President & CEO is mainly accountable for the day-to-day management to ensure the smooth and effective running of the Company. He is also responsible for the implementation of policies and Board decisions as well as coordinating the development and implementation of business and corporate strategies.

The President & CEO also ensures that the financial management practice is at the highest level of integrity and transparency for the benefit of the shareholders and the affairs of the Company are performed in an ethical manner.

**Board Meetings**

The Board meeting dates for the ensuing financial year are scheduled in advance before the end of the current financial year so that the Directors are able to plan ahead and schedule these dates into their respective meeting schedules.

The Board has scheduled meetings at least six (6) times a year, in addition to the AGM. For the financial year ended 31 March 2023, the Board held nine (9) meetings.

Technology and information technology are effectively used in Board meetings and communications with the Board. Board meeting materials are shared electronically and where required, Directors may participate in meetings via video conference.

All Directors have complied with the requirement to attend at least seventy five percent (75%) of the Board meetings held during the financial year ended 31 March 2023 as required under Paragraph 9.3 of the PD CG.

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Meetings (cont'd.)**

The details of attendance of the Directors at Board meetings held during the financial year are as follows:

<b>Directors</b>	<b>Attendance</b>	<b>Percentage</b>
George Oommen Chairman/INED	9/9	100%
Khalid Sufat INED	9/9	100%
Zaharudin Daud NIED	9/9	100%
Velayudhan Harikes INED	9/9	100%
Datin Joanne Marie Lopez INED (Appointed with effect from April 1, 2023)	-	-
Datin Zaimah Zakaria INED (Resigned with effect from April 1, 2023)	9/9	100%

At each scheduled Board meeting, the financial performance and business reviews are discussed, including the Company's quarterly operating performance to date, against the annual budget and business plan previously approved by the Board for that year.

The respective Board Committee's reports and recommendations are also presented and discussed at Board meetings. All proceedings of Board meetings are duly recorded in the minutes of each meeting and the signed minutes of each Board meeting are properly retained by the Company Secretary.

The Board delegates the day-to-day management of the Company's business to the Senior Management Officers but reserves for its consideration significant matters as specified in the Board Charter.



**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Directors' Remuneration**

**(a) Remuneration Policy and Procedure**

The GNRC recommends to the Board the appropriate remuneration packages for the Directors as well as the President & CEO and the Key Senior Management Officers in order to attract, motivate and retain the Directors, the President & CEO and the key senior management officers of the necessary calibre and quality as required by the Company. The remuneration packages for the GSC members are decided by the Board of MNRB. The Company's remuneration policy is to reward the Directors, President & CEO and the Key Senior Management Officers competitively, taking into account performance, market comparisons and competitive pressures in the industry. Whilst not seeking to maintain a strict market position, the Committee takes into account comparable roles in similar organisations that may be the same in size, market sector or business complexity.

The President & CEO does not participate in any way in determining his individual remuneration.

All Directors are paid fees which are recommended by the Board and approved annually by the shareholder at the AGM.

The remuneration structure of Directors of the Company are as follows:

- Fees for duties as Director and as member of the various committees of the Board as well as additional fees for undertaking responsibilities as the Chairman of the Board and the various Board Committees.
- Meeting attendance allowance for each meeting attended.

The fees for Directors are recommended by the Board to the shareholder after deliberating the recommendations by the GNRC. The meeting attendance allowance for all Directors is also determined by the Board.

The Board has considered the market practices for Directors' remuneration, and has decided to use the following fee structure for computing the fee for each Director for the financial year ended 31 March 2023:

		Meeting attendance allowance RM	Annual fees RM
Board	Chairman	RM1,500 for each meeting attended	80,000
	Member		70,000
Audit Committee	Chairman		22,000
	Member		17,000

**Malaysian Reinsurance Berhad**  
(Incorporated in Malaysia)

**Directors' Remuneration (cont'd.)**

**(a) Remuneration Policy and Procedure (cont'd.)**

		Meeting attendance allowance RM	Annual fees RM
Risk Management Committee	Chairman Member	RM1,500 for each meeting attended	22,000 17,000
Group Nomination & Remuneration Committee	Member/ Permanent invitee		12,000
Group Investment Committee	Member		12,000

The details of the total remuneration of each Director of the Company during the financial year ended 31 March 2023 are disclosed in Note 12 of the Company's Audited Financial Statements. Directors' fees amounting to RM0.4 million for the financial year ended 31 March 2023 will be proposed for approval at the forthcoming AGM of the Company. The fees were pro-rated based on appointment/resignation date.

The remuneration of the GSC members is decided by the MNRB Board. The meeting attendance allowance and annual fees of the GSC members were shared equally with fellow subsidiaries of MNRB, namely Takaful Ikhlas Family Berhad ("Takaful IKHLAS Family") and Takaful Ikhlas General Berhad ("Takaful IKHLAS General"). The remuneration of the GSC members during the financial year ended 31 March 2023 are disclosed in Note 12 of the financial statements.

**(b) Indemnification of Directors and Officers**

Directors and Officers are indemnified under a Directors' and Officers' Liability Takaful Policy against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers of the Company. The Directors and Officers shall not be indemnified where there is any negligence, fraud, breach of duty or breach of trust proven against them.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Remuneration Policy in respect of the President & CEO, Board Appointees and Senior Management Officers**

The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality personnel.

The remuneration of the President & CEO, the Board Appointees and the Senior Management Officers of the Company are reviewed and approved annually by the GNRC and the Board respectively.

The basic component of the remuneration package comprises a monthly basic salary. The variable component has been designed to link rewards to corporate and individual performance, based on appropriate and meaningful performance measures set up by the Company, and approved by the GNRC and the Board. Such components comprise a performance-based variable bonus, which is awarded once a year. In awarding this variable component, the President & CEO, Board Appointees and Senior Management Officer's corporate and individual performance are measured using a balanced measurement approach that encourages business sustainability and ensures prudent risk-taking.

The Company's variable compensation varies in line with its financial performance and the meeting of corporate governance requirements.

Staff engaged in all control functions including Actuarial and others do not carry business profit targets in their goal sheets and hence are compensated independent of the business profit achievements. Their compensation is dependent on the achievement of key results in their respective domains.

In such annual remuneration reviews, the GNRC takes into consideration factors such as market competitiveness and internal equity, and that the remuneration is commensurate with individual performance and contributions.

The annual budget for salary increment and performance-related variable bonus are submitted to the Board for approval. The competitiveness of the Company's compensation structure is reviewed when necessary, subject to relevance and affordability, relative to a peer group of companies that is considered to be relevant for compensation purposes to ensure continued appropriateness. The review is done through a benchmarking exercise from a remuneration survey conducted independently by consultants.

The Company is currently working on Retention Bonus Policy and talent retention risks assessment to help address talent issues but also complement talent retention together with other areas such as talent and people management, career development and progression as well as salary and benefits reviews in a more holistic and integrated manner.

200401025686 (664194-V)

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Remuneration Policy in respect of the President & CEO, Board Appointees and Senior Management Officers (cont'd.)**

The Company's variable compensation varies according to its financial performance and the PD CG requirements.

The total value of remuneration for the financial year is as follows:

	Unrestricted RM '000	Deferred RM '000	Remark
Fixed remuneration:			
- Cash-based	7,058	-	Salaries, allowance and EPF
- Other	25	-	Benefits-in-kind
Variable remuneration:			
- Cash-based	889	-	Bonus and EPF on bonus

**Supply of information**

All Directors have full and unrestricted access to all information pertaining to the Company's business affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties.

Prior to Board meetings, every Director receives a notice of meeting, the agenda and Board papers. Sufficient time is given to the Directors to enable them to obtain further explanations, where necessary, so that there will be full participation by the Directors at the meeting. The Board papers include the following:

- Reports by the various Board Committees on issues deliberated at the respective Board Committee meetings;
- Financial Statements on the Company's performance; and
- Compliance reports.

Proper guidelines have been established by the Board pertaining to the content, presentation style and delivery of papers to the Board for each Board meeting to ensure adequate information is disseminated to the Directors.

All Directors have direct access to the members of the Senior Management Officers and the services of the Company Secretary to enable them to discharge their duties effectively.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Supply of information (cont'd.)**

The Company Secretary attends and ensures that all Board meetings are properly convened, and that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory register at the registered office of the Company. The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees, and between the Non-Executive Directors and Management.

The Directors may, if necessary, obtain independent professional advice from external consultants, at the Company's expense.

Throughout their period in office, Directors are updated on the Company's business, the competitive and regulatory environments in which it operates and other changes by way of written briefings and meetings with the Senior Management.

**Conflict of Interest**

As per the Conflict of Interest Policy, Directors are required to declare their respective shareholdings in the Company and related companies and their interests in any contracts with the Company or any of its related companies. Directors are also required to declare their directorships and interest in other companies and shall abstain from any discussions and decision-making in relation to these companies if the interest are deemed to be material pursuant to Companies Act, 2016.

All disclosures by the Directors are properly retained by the Company Secretary.

**Directors' Training**

The Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and market developments in order to enhance the Directors' skills and knowledge in order to effectively discharge their responsibilities.

To enable them to contribute effectively from the outset of their appointment, all new Directors are required to undergo an induction programme where they are briefed on the Company, the formal statement of the Board's role, powers that have been delegated to the Company's Senior Management and Management committees as well as the Company's latest financial information.

Being a Director of a financial institution, it is mandatory for a newly appointed Director to attend the Financial Institution Directors' Education ("FIDE") Core programme within one (1) year from the date of appointment. In the event that the new Director has completed the same in another financial institution previously, the Director should provide a copy of his/her FIDE certificate to the Company Secretary.

The Company Secretary facilitates the organising of internal training programmes and the Directors' participation in external programmes, in addition to keeping a complete record of the training programmes attended by the Directors.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Directors' Training (cont'd.)**

During the financial year, all Directors, collectively or on their own, attended various seminars and programmes organised by professional bodies and regulatory authorities as well as those conducted in-house. These include the following:

- MNRB Knowledge Sharing Session – “MFRS 9 Financial Instruments”
- Institute of Corporate Directors Malaysia (“ICDM”) - “Digital Awareness and Upskilling for Board”
- MNRB Knowledge Sharing Session – “Treaty Business, Underwriting Consideration and Action Taken to Address Recent Flood”
- Group Shariah Committee Engagement Session with the BOD – “Transcend MNRB Group to the Next Level of Takaful Innovation & Value Creation”
- MNRB Group Directors’ Training – “Sustainability Awareness: Sustainability at Work”
- The International Centre for Leadership in Finance (“ICLIF”) Webinar - "Enhancing Effectiveness of Nominating Committees"
- MNRB Group Directors' Briefing - “Risk Management in Technology (RMiT)”
- EY Insurance Global Webinar
- ICDM - "Digital Awareness and Upskilling for Board"
- Permodalan Nasional Berhad (“PNB”) Knowledge Forum 2022
- Asia School of Business (“ASB”) - "Climate Change: Impact on Insurance Companies & Role of the Board"
- Securities Commission Malaysia - "Audit Oversight Board's Conversation with Audit Committees"
- ASB - "Sustainability and Its Impact on Organizations: What Directors Need to Know"
- ICLIF - "Digital Transformation"
- ASB - "Values as a Source of Competitive Advantage"
- The Joint Committee on Climate Change (“JC3”) Flagship Conference 2021 – “Finance For Change”
- The Securities Industry Development Corporation (“SIDC”) – “Rethinking Cybersecurity in the New Norm”
- Islamic Banking and Finance Institute Malaysia (“IBFIM”)-Fintech Webinar Series – “Soft Skills for Data & AI – Driven Transformation In Banking & Finance Sector”
- Malaysian Institute of Accountants (“MIA”) International Accountants Conference 2021 – “Navigating A Sustainable Future with Agility and Resilience”

**Board Committees**

The Board has delegated specific responsibilities to three (3) Board Committees, as follows:

- Audit Committee;
- Risk Management Committee (“RMCB”); and
- Group Nomination and Remuneration Committee (“GNRC”).

These Board Committees have their respective Terms of Reference, which clearly define their duties and obligations in assisting and supporting the Board. The ultimate responsibility for the final decision on all matters lies with the entire Board.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Committees (cont'd.)**

**(i) Audit Committee**

As at the financial year end, the Audit Committee comprises three (3) Independent Non-Executive Directors ("INEDs"). One (1) member of the Committee is a qualified accountant and member of the Malaysian Institute of Accountants.

The Audit Committee terms of reference include the review and deliberation of the Company's financial statements, the findings of the External and Internal Auditors, compliance-related matters, any related party transactions and any conflict of interest situations within the Company, as well as making recommendations to the Board on the appointment/re-appointment of the External Auditors.

The composition including the tenure of the Audit Committee members had been reviewed during the financial year.

The Audit Committee is authorised by the Board to undertake any activity within its terms of reference and has unlimited access to all information and documents relevant to its activities and to both the Internal and External Auditors as well as to all employees of the Company.

It is able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

It also has the authority to obtain independent legal or other professional advice as it considers necessary.

During the financial year, six (6) Audit Committee meetings were held. Details of the Audit Committee members' attendance at the meetings held during the financial year are as follows:

	<b>Attendance</b>	<b>Percentage</b>
<u>Chairman</u>		
Khalid Sufat	6/6	100%
<u>Members</u>		
Velayudhan Harikes	6/6	100%
Datin Joanne Marie Lopez (Appointed with effect from 1 April 2023)	-	-
Datin Zaimah Zakaria (Resigned with effect from 1 April 2023)	6/6	100%

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Committees (cont'd.)**

**(i) Audit Committee (cont'd.)**

The main activities that took place during the meetings were:

- Reviewed the quarterly results, unaudited interim financial statements and year-end financial statements prior to approval by the Board;
- Reviewed the disclosures in the audited financial statements to be in compliance with regulatory requirements;
- Reviewed and recommended to the Board, the actuarial valuation of liabilities and the regulatory capital requirements of the Company for quarterly and year-end financial results to be in compliance with Bank Negara Malaysia's requirements;
- Reviewed and recommended to the Board, the repayment and the provision of Qard for the General Retakaful Fund and the Family Retakaful Fund for the financial year ended 31 March 2022;
- Deliberated on, and recommended to the Board, the payment of dividend for the financial year ended 31 March 2022;
- Reviewed and recommended to the Board, the zakat payable amount and the basis of computation for the financial year ended 31 March 2022;
- Deliberated on, and recommended to the Board, the adoption of new Malaysian Financial Reporting Standards ("MFRSs") and Amendments/Annual Improvements to MFRSs that are effective for the financial year ended 31 March 2023;
- Evaluated the performance and recommended to the Board, the appointment and remuneration of the external auditors for the financial year ended 31 March 2023;
- Reviewed the Related Party Transactions as entered into by the Company on a periodic basis, including understanding the relationship of the transacting parties, the nature of these parties' business, the nature and timing of transactions and comparing the terms of the transactions with other third party transactions;
- Deliberated on significant matters raised by the external auditors including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions and received progress updates from Management on actions taken for improvements;
- Reviewed the External Auditors' management letter and Management's response thereto;



**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Committees (cont'd.)**

**(i) Audit Committee (cont'd.)**

- Meetings without the presence of the Management were also held with the external auditors on 13 June 2022 and 21 November 2022. Matters discussed during these meetings include key observations noted by the external auditors during the course of their annual audit;
- Deliberated on matters pertaining to the implementation of MFRS 17 *Insurance Contracts*;
- Reviewed the Internal Auditors' audit plan for FY23/24 and External Auditors' audit plan for the financial year ended 31 March 2023;
- Reviewed the results of the internal audit reports of the Company on the adequacy and effectiveness of governance, risk management and compliance process;
- Reviewed the adequacy and effectiveness of corrective actions taken by Management on all significant matters raised by both the internal and external auditors including status of completion achieved;
- Reviewed the compliance with the Policy Document on Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions for Financial Institutions as well as evaluated the effectiveness of the overall compliance risk of the Company; and
- Deliberated the progress of action plans to address Bank Negara Malaysia's concerns highlighted in Composite Risk Rating Letter for the year 2021.

**(ii) Risk Management Committee**

The Board has established a dedicated RMCB which oversees the management of the key risk and compliance areas of the Company and to ensure that the risk management and compliance management processes are in place and functioning effectively.

As at the financial year end, the RMCB comprises three (3) INEDs.

The RMCB is responsible for the following:

- Review and recommend risk management strategies, policies, risk appetite and tolerance limits to the Board;
- Review and recommend compliance management strategies and policies to the Board;
- Review the adequacy of the Group Risk Management Framework and Policy ("RM Framework"), Group Compliance Management Framework, and other risk and compliance-related frameworks, policies and systems, and the extent to which these are operating effectively in supporting the Company's corporate objectives;

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Committees (cont'd.)**

**(ii) Risk Management Committee (cont'd.)**

- Ensure sound internal governance and adequate infrastructure, resources and systems are in place for an effective risk management and compliance management, and the staff responsible for implementing risk management and compliance management systems perform those duties independently;
- Provide oversight and stewardship by reviewing, deliberating on, challenging and acknowledging the key risks and compliance matters identified and reported by the Group Management Risk & Compliance Committee ("GMRCC");
- Ensure the Company has the appropriate mechanisms in place to manage, communicate and report potential significant risks to the Board;
- Ensure alignment of risk and compliance activities with the relevant strategies and policies approved by the Board;
- Ensure risk management and compliance management are well-integrated and embedded into the culture and business operations of the Company; and
- Examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings.

During the financial year, five (5) RMCB meetings were held. Details of the RMCB members' attendance at the meetings held during the financial year are as follows:

	<b>Attendance</b>	<b>Percentage</b>
<u>Chairman</u>		
Velayudhan Harikes	5/5	100%
<u>Members</u>		
George Oommen	5/5	100%
Khalid Sufat	5/5	100%

**(iii) Group Nomination & Remuneration Committee**

The GNRC was established to support and advise the Board of Directors in fulfilling its responsibilities to ensure inter alia that the Board and the key management personnel of the Company comprise individuals with the appropriate mix of qualifications, skills and experience. Proposals by the Company to the GNRC shall be deliberated upon and its recommendations be escalated to the Board of the Company for its decision.

The GNRC comprises three (3) INEDs and two (2) Permanent Invitees representing Takaful IKHLAS Family and Takaful IKHLAS General.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board Committees (cont'd.)**

**(iii) Group Nomination & Remuneration Committee (cont'd.)**

During the financial year, ten (10) Group Nomination & Remuneration Committee meetings were held. Details of the GNRC members' attendance at the meetings held during the financial year are as follows:

	<b>Attendance</b>	<b>Percentage</b>
<u>Chairman</u>		
Zaida Khalida Shaari INED, MNRB	10/10	100%
<u>Members</u>		
Junaidah Mohd Said INED, MNRB	10/10	100%
Khalid Sufat INED, MNRB	10/10	100%
Shareen Ooi Bee Hong Permanent invitee representing Takaful IKHLAS Family	10/10	100%
Dr Wan Zamri Wan Ismail Permanent invitee representing Takaful IKHLAS General	10/10	100%

The President & CEO was invited to attend the meetings to furnish the GNRC with the necessary information and clarification to the relevant items on the agenda.

The Board also maintained another one (1) non-mandated oversight committee to support the Board in carrying out its functions as follows:

**Group Investment Committee ("GIC")**

The GIC oversees, guides and monitors the investment operations of the MNRB Group as well as approves recommended investment-related transactions. The Committee is also responsible to note and approve specific transactions of a nature that, by regulation, requires awareness of and sanctioning by the Board.

Datin Joanne Marie Lopez was appointed to represent the Company as members in the GIC.

The GIC comprises four (4) INEDs, one (1) NINED and one (1) NIED during the financial year end. The GIC is chaired by an INED.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Group Shariah Committee**

The Company is advised by the Group Shariah Committee ("GSC") of MNRB for its Retakaful Division. The GSC, as an integral function of Shariah governance, is responsible to provide Shariah advisory oversights and to ensure compliance of the Group's Takaful and Retakaful business activities with Shariah principles during the reporting period.

The establishment of the GSC is in compliance with the IFSA 2013 and BNM's policy document BNM/RH/PD 028-100 Shariah Governance ("PD SG") which outlines BNM's strengthened expectations for effective Shariah governance arrangements that are well-integrated with business and risk strategies of the Islamic financial institutions ("IFI").

Any Shariah non-compliance risk is reported to the GSC and the Board. The effective management of the Shariah non-compliance risk is ensured through the Shariah Control functions i.e. Shariah Review, Shariah Audit and Shariah Risk Management and presentation of a periodic report on Shariah non-compliance and highlights of action plans undertaken to address any Shariah non-compliance risk.

The GSC of MNRB consists of five (5) members with the majority of members being Shariah qualified person that fulfilled the requirement of BNM's PD SG under paragraph 12.2.

The GSC plays a significant role in providing objective and sound advice to the Company's retakaful business to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah. This includes:

- Providing a decision or advice to the Company's retakaful business on the application of any rulings of the Shariah Advisory Council ("SAC") of BNM or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Retakaful Division;
- Providing a decision or advice on matters that require a reference to be made to the SAC of BNM;
- Providing a decision or advice on the operations, business, affairs and activities of the Company's retakaful business which may trigger a Shariah non-compliance event;
- Deliberating and affirming a Shariah non-compliance finding by any relevant functions; and
- Endorsing a rectification measure to address a Shariah non-compliance event.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Group Shariah Committee (cont'd.)**

A total of six (6) GSC meetings were held during the financial year. Details of the GSC members' attendance at the meetings held during the financial year are as follows:

	<b>Attendance</b>	<b>Percentage</b>
<u>Chairman</u>		
Prof. Dr. Younes Soualhi (Appointed as Chairman with effect from November 3, 2022)	3/3	100%
Assoc. Prof. Dr. Said Bouheraoua (Resigned with effect from November 2, 2022)	3/3	100%
<u>Members</u>		
Dr. Shamsiah Mohamad	6/6	100%
Shahrir Sofian	6/6	100%
Sahibus Samahah Assoc. Prof. Datuk Dr. Luqman Haji Abdullah	4/6	67%
Dr. Khairul Anuar Ahmad (Appointed as Member with effect from July 1, 2022)	5/5	100%
Yang Amat Arif Dato' Setia Dr. Haji Mohd Naim Haji Mokhtar (Resigned with effect from December 3, 2022)	4/4	100%

Key information on each of the GSC member is set out under the section 'Group Shariah Committee Members Profile' on pages 39 to 41.

**Whistleblowing**

The Company is committed to carry out its business in accordance with the highest standards of professionalism, honesty, integrity and ethics. Accordingly, the Company adopts the MNRB Group's Whistleblowing Policy which was established with the following objectives:

- To help develop a culture of accountability and integrity within the Company;
- To provide a safe and confidential avenue for all employees, external parties and other stakeholders to raise concerns about any misconduct;
- To reassure whistleblowers that they will be protected from detrimental action or unfair treatment for disclosing concerns in good faith; and
- To deter wrongdoing and promote standards of good corporate practices.

This Policy governs the disclosures, reporting and investigation of misconduct within the Company as well as the protection offered to the persons making those disclosures ("whistleblowers") from detrimental action in accordance with Whistleblower Protection Act, 2010.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Whistleblowing (cont'd.)**

It is the Company's policy to encourage its employees and external parties to disclose any misconduct, and to fully investigate reports and disclosures of such misconduct, as well as to provide the whistleblower protection in terms of confidentiality of information, and to safeguard the whistleblower from any act of interference that may be detrimental to the whistleblower. The Company assures whistleblowers that all reports will be treated with strict confidentiality and upon verification of genuine cases, prompt investigation will be carried out.

The official avenues for disclosure by the whistleblower are via any of the following recipients:

- The Chairman of the Board of Directors of MNRB;
- The Chairman of the Audit Committee of MNRB; or
- The President & GCEO of MNRB.

The disclosure of misconduct or wrongdoing shall be made in writing via email to disclosure@mnr.com.my.

**Anti-bribery and corruption policy**

The Company has zero tolerance for bribery and corruption and strictly follows the MNRB Group's Anti-Bribery and Corruption Policy ("ABC Policy") where the Company's associated persons shall not, directly or indirectly, offer, promise, give, solicit, accept, or agree to accept, or attempt to obtain bribes in order to achieve business or personal advantages for themselves or others, or engage in any transactions that can be construed as having contravened the anti-corruption laws of Malaysia.

Pursuant to the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACCA 2018"), specifically with the implementation of the corporate liability provisions which has taken effect from 1 June 2020, the Company had and will continue to carry out measures to ensure that the Company has adequate procedures put in place as per the MNRB Group's Organisational Anti-Corruption Plan ("GACP").

The above mentioned GACP follows the principle of **T.R.U.S.T** (**T**-Top level commitment; **R**-Risk assessment; **U**-Undertake control measures; **S**-Systematic review, monitoring and enforcement; and **T**-Training and communication) as promulgated by the Guidelines of Adequate Measures issued by the Prime Minister's Department.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit**

**(i) Financial Reporting**

The Board takes responsibility for presenting a balanced and comprehensive assessment of the Company's operations and prospects each time it releases its annual financial statements. The Audit Committee of the Board assists by scrutinising the information to be disclosed to ensure accuracy, adequacy and completeness. The Directors are responsible for ensuring that the accounting records are kept properly and that the Company's financial statements are prepared in accordance with applicable approved accounting standards in Malaysia.

The Statement by Directors pursuant to Section 251(2) of the Companies Act, 2016 is set out on page 42.

**(ii) Internal Control and Risk Management**

**Responsibility**

The Board acknowledges its overall responsibility for the establishment and oversight of the Company's risk management and internal control system, as well as the review of its adequacy and effectiveness. The Board also recognises that risk management is a continuous process, designed to manage risks impacting the Company's business strategies and objectives, within the risk appetite and tolerance established by the Board. In pursuing these objectives, internal control systems can only provide reasonable, but not absolute, assurance against any material financial misstatement, fraud or losses.

The Board has established a group-wide risk management framework, i.e. the Group Risk Management Framework and Policy ("RM Framework") that describes the structure, approach and process for identifying, evaluating, responding to, monitoring and managing the significant risks faced by the Company. The RM Framework has been in place for the whole of the financial year ended 31 March 2023 and has continued up to the date on which this report was approved.

The RM Framework serves as a central risk management framework, supported by related sub-frameworks, policies and underlying procedures. It is consistent with the risk appetite defined by the Board, GMRCC and based on principles of risk governance stipulated in Bank Negara Malaysia ("BNM") Risk Governance Guidelines.

The Board is confident that the RM Framework provides reasonable assurance on the effectiveness and efficiency of the strategic, financial and operational aspects of the Company. The RM Framework is regularly reviewed by the Board.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management Governance**

- A dedicated Board Committee known as RMCB has been established at the Company to support the Board in meeting the expectations and responsibilities on the risk and compliance management, provides assurance to the Board that the processes have been carried out effectively and inculcates a strong risk management culture. As part of the risk governance process, the Chairman of RMCB has provided his confirmation to the Chairman of the Company that the necessary risk management framework had been put in place and operating adequately, in all material aspects, to safeguard shareholder's interests and the Company's assets, as well as to manage the risks of the Company for the entirety of the financial year ended 31 March 2023.
- The GSC was established to provide objective and sound advice to the Group to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.
- The Senior Management Committee ("SMC") will oversee the implementation of risk and compliance management processes, establish and implement appropriate organizational structures and systems for managing financial and non-financial risks.
- A dedicated Management Committee known as the GMRCC has been established to support the SMC to implement the risk and compliance management processes, establish clear guidance in managing the Company's risk to ensure its alignment to the Company's risk appetite for all business strategies and activities.
- The risk governance structure is aligned across the Group through the adoption of the RM Framework in order to embed a streamlined and coherent risk management culture. The day-to-day responsibility for the risk management function lies primarily with those entrusted with risk management responsibilities in the business and support units. The Group Chief Risk Officer ("GCRO") oversees risk governance at the Company and assists the GMRCC and RMCB in ensuring effective implementation and maintenance of the RM Framework and its sub-framework. The GCRO is supported by the Risk Management Department which was formed to provide the necessary infrastructure to carry out the risk management function and acts as the central contact and guide for risk management issues.
- The Company adopts the 'Three Lines of Defence' ("LOD") governance model which provides a formal, transparent and effective risk governance structure to promote active involvement from the Board, Senior Management and all staff in the risk management process at the Company.



**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management and Internal Control Structure**

The key features that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system include the following:

(i) RM Framework

The Board believes that an effective RM Framework and strong internal control system are essential to the Company in its pursuit to achieve its business objectives, especially on the continued profitability and enhancement of shareholders' value in today's rapidly changing market environment.

Risk Appetite

Defining risk appetite is an essential element of the Company's risk management. When deciding on its risk appetite, the Company considers its risk capacity, i.e. the amount and type of risk the Company is able to support in pursuit of its business objectives, taking into account its capital structure and access to financial markets.

The Risk Appetite Statement ("RAS") is established by the Board and reviewed on a yearly basis, according to the desired level of risk exposures. Management operationalises the RAS into risk tolerance levels for specific risks.

Highlights on Key Risks

The Company, through its normal day-to-day business, is exposed to different types of risks that could adversely affect the Company's operating results and financial position. Key risks are constantly monitored by the Management and escalated to the GMRCC and RMCB, and periodically reviewed by the Board.

The Company's key risks are described in the relevant sections of the financial statements.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management and Internal Control Structure (cont'd.)**

**(ii) Internal Audit**

- The Audit Committee complements the oversight role of the Board by providing an independent assessment of the adequacy and effectiveness of governance, risk management and internal controls. The Audit Committee is assisted by an independent Internal Audit Department ("IAD") in performing its role.
- The internal audit function of the Company is undertaken by the IAD established at MNRB. The department reports directly to the Audit Committee of the Company.
- The IAD performs regular reviews of the business processes of the Company to assess the adequacy and effectiveness of governance, risk management and internal controls.
- IAD provides recommendations to improve on the effectiveness of risk management, controls and governance processes. Control lapses are escalated to Management and Board for deliberation, where necessary. Status of rectification is tracked and monitored by Management and the AC, within the committed timeline. Management will accordingly follow through to ensure the resolution of recommendations agreed upon. Audit reviews are carried out on functions that are identified on a risk-based approach, in the context of the Company's evolving business and its regulatory environment, while also taking into consideration inputs of Senior Management as well as inputs from the AC.
- The Audit Committee meets at least once every quarter to review matters identified in reports prepared by the Internal Auditors, External Auditors and Regulatory Authorities. It further evaluates the effectiveness and adequacy of the Company's internal control system. The Audit Committee has active oversight on the Internal Auditors' independence, scope of work and resources. The activities undertaken by the Audit Committee during the year are highlighted in the Audit Committee Reports of the Company.

**(iii) Other Key Elements of Internal Control**

- The Board ensures that all decisions are communicated promptly to staff of all levels within the Company and vice versa where feedback and suggestions on improvements could be communicated to the Management and the Board.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management and Internal Control Structure (cont'd.)**

**(iii) Other Key Elements of Internal Control (cont'd.)**

- The Company has a well-defined organisational structure with clear lines of responsibility and accountability. Further, to minimise errors and reduce the possibilities of fraud, segregation of duties is practised by ensuring critical tasks are assigned to different employees.
- Annual business plans and budgets are developed in line with the Company's strategies and risk appetite, and submitted to the Board for approval. Financial performance and major variances against targets are reviewed by the Management on a regular basis and reported to the Board on a quarterly basis.
- The Company's financial systems record all transactions to produce performance reports that are submitted to the respective Management within internally stipulated timelines. These performance reports is tabled to the Audit Committee and approved by the Board.
- The Underwriting Guidelines for reinsurance and retakaful businesses have been put in place to manage risks being underwritten.
- Retrocession/retrotakaful programmes are in place as risk mitigation initiatives, supported by a spread of reinsurers and retakaful operators with acceptable ratings from accredited agencies. The credit ratings of these companies are reviewed on a regular basis.
- Departmental policies and procedures are available and act as guidance to employees on the necessary steps to be taken in a given set of circumstances. It also specifies relevant authority limits to be complied with by each level of Management.
- Every employee of the Company is contractually bound to observe the adopted MNRB Group Code of Ethics, which promotes a culture of compliance, professionalism, ethical standards and responsible conduct. The Company expects each employee to perform and work with honesty and integrity at all times and uphold the Company's values without fail.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management and Internal Control Structure (cont'd.)**

**(iii) Other Key Elements of Internal Control (cont'd.)**

- The Company utilises the Skills Competency Matrix that provides a comprehensive view of the types and levels of skills and competencies needed for any particular job role. The competence of personnel is maintained through a structured recruitment process, a performance measurement and rewards system and a wide variety of training and development programmes.
- The Company implements the annual Mandatory Block Leave ("MBL") to create a positive talent management culture where the Company does not have an over-reliance on any particular employee, and as a prudent operational risk management measure particularly with regard to employees posted in sensitive positions or areas of operations such as underwriting, treasury, procurement or investment.
- An annual employee engagement survey is conducted with the objective to gauge the engagement level of employees, to gather their feedback on the effectiveness/ineffectiveness of the various employee touch points and to develop the necessary action plans for improvement of those areas.
- The Group Anti-Fraud Policy has been established to provide a consistent approach to prevent, detect and manage fraud, and to make a clear statement to all employees that the Company does not tolerate fraud of any form.
- The Group Anti-Bribery and Corruption ("Group ABC") Policy has also been established to state the Board's and Management's commitment and stance on bribery and corruption risks, which include disciplinary actions for non-compliance, misconduct or breach of the policy.

The Group ABC Policy addresses general guidelines on both internal and external concerns on bribery and corruption risk, such as Conflict of Interest, Illegal Gratification and Corrupt Practices, Gift & Entertainment, Corporate Social Responsibility activities, sponsorship and donations, as well as dealing with public officials and third parties.

- The Company adopts the Group Anti-Money Laundering and Countering Financing of Terrorism and Targeted Financial Sanctions ("AML/CFT & TFS") Policy Statement to that reflects the Group's commitment in combating money laundering and financing of terrorism. It also sets out the Group's expectations on its relevant entities to be vigilant in ensuring proper controls and monitoring mechanisms to safeguard the entities against being abused for money laundering or terrorism financing ("ML/TF") purposes.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(ii) Internal Control and Risk Management (cont'd.)**

**Risk Management and Internal Control Structure (cont'd.)**

**(iii) Other Key Elements of Internal Control (cont'd.)**

- A Group Whistleblowing Policy is in place for employees, external parties and other stakeholders to raise concerns about illegal, unethical or unacceptable practices. This policy governs the disclosures, reporting, investigation of misconduct and protection offered to the person(s) making those disclosures in accordance with the Whistleblowing Protection Act 2010.
- A structured Business Continuity Management ("BCM") programme is in place to ensure resumption of critical business operations within the pre-defined Maximum Tolerable Downtime ("MTD"). The Company has also established a Disaster Recovery Plan ("DRP") which outlines the processes and set of procedures to recover the Company's IT infrastructure within a set Recovery Time Objective ("RTO").

The BCM Programme and the DRP are validated by conducting regular tests and updated as and when necessary.

- Sufficient insurance and takaful coverage, including covers for properties, employee-related, cyber security breaches, and Directors' and Officers' liabilities, are in place to ensure the Company is adequately protected against these risks and/or claims that could result in financial or reputational loss.
- The Information Technology Steering Committee ("ITSC") is established to oversee the implementation of IT strategic plans and provide direction in support of IT related initiatives and activities.
- The Information Communication & Technology Department is responsible for continuously monitoring and responding to IT security threats, conducting awareness programmes, as well as performing assessments and network penetration test programmes.

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Accountability and Audit (cont'd.)**

**(iii) Relationship with Auditors**

Information on the role of the Audit Committee in relation to the External Auditors is set out under the section 'Audit Committee' on pages 20 to 22.

The Company has always maintained a professional and transparent relationship with its Auditors in seeking professional advice and ensuring compliance with the approved financial reporting standards.

During the previous financial year ended 2021, the MNRB Group Audit Committee deliberated and recommended to the Board of MNRB on the appointment of External Auditors and Tax Agents for the MNRB Group for a period of five (5) years from the financial year ending 31 March 2022 to the financial year ending 31 March 2026.

**(iv) Management Accountability**

The Company has an organisational structure showing all reporting lines as well as clearly documented job descriptions for all its Management and Executive employees and formal performance appraisals are done on a periodic basis.

Authority limits, as approved by the Board, are clearly established and made available to all employees.

Whilst the Board is responsible for creating the framework and policies within which the Company should be operating, the management is accountable for the execution of the enabling policies and attainment of the Company's corporate objectives.

**(v) Corporate Independence**

Significant related party transactions and balances are disclosed in Note 34 to the financial statements.

**(vi) Public Accountability**

As a custodian of public funds, the Company's dealings with the public are always conducted fairly, honestly and professionally.

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

### **Board of Directors' Profile**

#### **George Oommen, Independent Non-Executive Chairman**

Male, Malaysian, Independent Non-Executive Chairman/Director since 7 January 2019. Member of the Risk Management Committee and Group Investment Committee of MNRB Holdings Berhad ("MNRB"). He is a Fellow Member of Association of Chartered Certified Accountants (ACCA), Member of Malaysian Institute of Certified Public Accountants (MICPA) and Member of Malaysian Institute of Accountants (MIA). He has forty (40) years of experience in the insurance industry. He began his career in 1981 when he joined American International Assurance Company Ltd as an Accountant. In 1999, he joined AIG Lippo Life Insurance Company, Indonesia as Vice President-Director. He then joined TATA AIG Life Insurance Company, India, in 2001, as Managing Director. George Oommen later joined ACE INA Holdings Inc, India as Country Head/CEO in 2001. In 2003, he joined ACE Life, Cairo, Egypt as Chairman/Managing Director. In 2005, he joined ACE India Representative Office, India as Country Head/CEO. In 2006, he joined Signtech International Sdn Bhd as Chief Executive Officer. He later joined Dubai International Financial Centre (DIFC), UAE in 2007 where he was appointed as the Executive Director, Business Development. In 2010, he joined MENA Dubai, UAE as CEO & General Representative, Assicurazioni Generali S.p.A. Chairman of Labuan Reinsurance (L) Ltd. Also a Director of MNRB, Takaful IKHLAS Family, Malaysian Re (Dubai) Ltd ("MRDL") and Labuan Re Underwriting Ltd ("Labuan Re"). Not related to any Director and/or major shareholder of the Company. Does not have any conflict of interest with the Company and has never been convicted for any offences, public sanction or penalty imposed by the relevant regulatory bodies within the past five (5) years. Attended all the nine (9) Board Meetings held during the financial year.

#### **Zaharudin Daud, Non-Independent Executive Director**

Male, Malaysian, a Non-Independent Executive Director since 23 November 2020. He is also the President and Group Chief Executive Officer of MNRB Holdings Berhad ("MNRB"). He obtained Advanced Diploma in Business Studies from Institut Teknologi Mara and is an Associate of The Chartered Insurance Institute (ACII) since 1992. He started his career in an insurance Broking house and has exposures in Sales and Marketing, Operations, Retail Underwriting and Product Design in his thirty (30) years' experience in the general insurance business. He was also the Management Committee member of the Persatuan Insuran Am Malaysia (PIAM) and Life Insurance Association of Malaysia (LIAM) until 2018, and was also a Board member of Insurance Services Malaysia Berhad (ISM) until August 2020. In early 2010, he was redeployed to Singapore to be the Principal Officer of Etiqa Singapore before returning to Malaysia to assume the position of the Chief Executive Officer of Etiqa Insurance Berhad in September 2014. Prior to joining MNRB Group, he was the Chief Executive Officer of Etiqa General Takaful Berhad from January 2018 to August 2020. He was also appointed as a Director of Takaful IKHLAS General and Takaful IKHLAS Family effective 23 November 2020. Also a Director of Motordata Research Consortium Sdn. Bhd. and Malaysian Re (Dubai) Ltd. Attended all the nine (9) Board Meetings held during the financial year.

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board of Directors' Profile (cont'd.)**

**Khalid Sufat, Independent Non-Executive Director**

Male, Malaysian, Independent Non-Executive Director since 1 October 2019. Chairman of the Audit Committee, members of the Risk Management Committee and Group Nomination and Remuneration Committee of MNRB. He is a fellow Member of Association of Chartered Certified Accountants (UK), Member of Malaysian Institute of Certified Public Accountants and Member of Malaysian Institute of Accountants. He has considerable experience in the banking industry having held several senior positions, namely, Managing Director of Bank Kerjasama Rakyat Malaysia Berhad, General Manager of Consumer Banking Department of Malayan Banking Berhad and Executive Director of United Merchant Finance Berhad. He had previously managed three (3) listed companies as Executive Director of Tronoh Mines Malaysia Berhad, as Deputy Executive Chairman of Furqan Business Organisation Berhad and as Group Managing Director of Seacera Tiles Berhad. Also a Director of Employees Provident Fund, Kuwait Finance House (Malaysia) Berhad and MNRB. Not related to any Director and/or major shareholder of the Company. Does not have any conflict of interest with the Company and has never been convicted for any offences, public sanction or penalty imposed by the relevant regulatory bodies within the past five (5) years. Attended all the nine (9) Board Meetings held during the financial year.

**Velayudhan Harikes, Independent Non-Executive Director**

Male, Singaporean, Independent Non-Executive Director since 1 April 2021. Chairman of the Risk Management Committee and member of the Audit Committee. He is a Fellow of the Insurance Institute of India and has considerable experience in the insurance industry having held leadership roles in South East Asia and the Middle East. He began his career in 1979 when he joined the New India Assurance Company where he served in a variety of roles including as Assistant Manager for Reinsurance / Aviation and Country Manager (Bahrain). In 1992, he joined Dubai National Insurance as Technical and Reinsurance Manager. He was then appointed as the Assistant General Manager of Bahrain Kuwait Insurance Company in 1993. Velayudhan Harikes later joined Swire Blanch Asia (Pte) Ltd, Singapore in 1998 as General Manager and subsequently Director and Principal Officer. In 2000, he became the President Director / CEO of PT Asuransi Aegis, Indonesia and thereafter was appointed as the President Director / CEO of PT Asuransi Indrapura (now known as FPG Indonesia) in 2007. He was the Regional CEO and Managing Director, Asia of Howden Broking Group from 2013 to 2016 before he commenced his own insurance consultancy practice upon retirement. Does not have any conflict of interest with the Company and has never been convicted for any offences, public sanction or penalty imposed by the relevant regulatory bodies within the past five (5) years. Attended all the nine (9) Board Meetings held during the financial year.



**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

**Board of Directors' Profile (cont'd.)**

**Datin Joanne Marie Lopez, Independent Non-Executive Director**

Female, Malaysian, an Independent Non-Executive Director since 1 April 2023. She is a member of the Audit Committee and the Group Investment Committee of MNRB. She graduated with a Bachelor of Economics majoring in Applied Economics from Universiti Malaya. She has extensive experience in the capital markets with over thirty (30) years in asset management, managing funds mainly for financial institutions. She started her career in Utama Merchant Bank Berhad as an Investment Analyst in 1991 until her appointment as Head, Portfolio Management in 1997 before joining BBMB Securities Sdn Bhd as Vice President of Institutional Sales. Thereafter, she joined Manulife Insurance Malaysia Berhad as an Assistant Vice President from 2000 to 2006. She retired after sixteen (16) years as the Chief Investment Officer of Hong Leong Assurance Berhad (“HLA”) where she managed money for both the conventional and takaful portfolios for HLA and the Hong Leong Group. She is currently a Director of Nylex (Malaysia) Berhad and one other private limited company. She is also member of FIDE Forum and the Institute of Corporate Directors (ICDM). Does not have any conflict of interest with the Company and has never been convicted for any offences, public sanction or penalty imposed by the relevant regulatory bodies within the past five (5) years.

**200401025686 (664194-V)**

**Malaysian Reinsurance Berhad  
(Incorporated in Malaysia)**

### **Group Shariah Committee Members Profile**

#### **Prof. Dr. Younes Soualhi**

Male, Algerian. Appointed as a new Chairman of Group Shariah Committee with effect from November 3, 2022. He obtained his Bachelor in Usul al Fiqh from Emir University of Islamic Sciences Algeria, Masters in Usul al-Fiqh from International Islamic University Malaysia and complete his Ph.D in Usul al-Fiqh from University of Malaya. He is a Registered Financial Planner (RFP) under Malaysian Financial Planning Council (MFPC) and a member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shariah sub-committee. He serves as a Senior Researcher and Deputy Director of Research Development and Innovation at International Shari'ah Research Academy for Islamic Finance (ISRA). He is also a Professor at INCEIF University, Malaysia. He is currently a Deputy Chairman of Shariah Committee of Al-Rajhi Bank, Malaysia, the sole Shariah advisor for Kuwait Retakaful (Labuan), the Chairman of Shariah council of experts for Salam Takaful, Nigeria and the Deputy Chairman of Aljazair Mutaahidah Takaful company in Algeria. He was previously the Chairman of the Shari'ah Board of Munich Re Retakaful and a member of Shari'ah Committee of HSBC Amanah Malaysia. He has extensive experience for almost 23 years and taught Islamic finance subjects such as Takaful and Retakaful courses for Masters and Ph.D levels. He had also published articles and books in Islamic Banking and Finance particularly on Takaful and Retakaful.

#### **Dr. Shamsiah Mohamad**

Female, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. Obtained her Ph.D specialising in Fiqh & Usul Fiqh from University of Jordan. She was an Associate Professor at the Academy of Islamic Studies in University of Malaya and a Senior Researcher at International Shari'ah Research Academy for Islamic Finance (ISRA). She sits on several Shariah Committee of prestigious financial institutions and has vast experience handling Shariah issues. She is also appointed as a Member of Shariah Advisory Council of Securities Commission Malaysia, Shariah Committee of Bursa Malaysia Securities Berhad, Shariah Supervisory Council of Bank Islam Malaysia Berhad, Shariah Committee of SME Bank and Shariah Committee of Association of Islamic Banking Institutions Malaysia (AIBIM). She was also a Shariah Advisory Council of Bank Negara Malaysia (BNM) from 2013 to 2019, specialising in Islamic Transaction.

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**Group Shariah Committee Members Profile (cont'd.)**

**Shahrir Sofian**

Male, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. Obtained his Master in Actuarial Science (with distinction) at City University, London. He also holds a double degree in Economics and Islamic Studies (majoring in Shariah) from local universities. He had served in various departments with Bank Negara Malaysia (BNM) since 1987. He served as Manager in the Financial Sector Development Department and Manager of Insurance Development Department of BNM. He also managed and led the compliance review processes. He was involved in the formulation of Balance Score Card for Life Insurance/Family Takaful Agents under the LIFE framework, Development of Business Plan of the Insurance Development Department to be part of the Bank's Business Plan, formulation of the policy document on direct channel, and the establishment of dedicated department (that is Islamic Banking and Takaful Department) to steer the progress and development of Islamic Financial System by providing justification for the establishment. He also has extensive experience in insurance regulations and operations.

**Sahibus Samahah Assoc. Prof. Datuk Dr. Luqman Haji Abdullah**

Male, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. Obtained his Ph.D in Islamic Law of Property from University of Edinburgh, Scotland. He was the Head of Fiqh and Usul / Islamic Jurisprudence Department at University of Malaya. He currently serves as the Mufti of Wilayah Persekutuan. Sahibus Samahah Dr. Luqman is also appointed as Shariah Committee Member of MBSB Bank, Shariah Panel Expert of Jabatan Kemajuan Islam Malaysia (JAKIM), Member of Association of Shariah Advisor in Islamic Finance (ASAS), Committee Member of Shariah Advisory Council of Amanah Raya Berhad (ARB) and Member of Administrative Committee for Wakaf MAIK – Muamalat. He is the Chairman of Madrasah Rahmaniah Pondok Lubuk Tapah, Pasir Mas, Kelantan and was a visiting Scholar at University of Edinburgh, Scotland in 2013. His areas of specialisation are Islamic Law of Property, Islamic Jurisprudence/Legal Theories and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah).

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**Group Shariah Committee Members Profile (cont'd.)**

**Dr. Khairul Anuar Ahmad**

Male, Malaysian. Appointed as a member of the Group Shariah Committee with effect from July 1, 2022. He holds a Ph.D in Islamic Banking and Finance from International Islamic University of Malaysia (IIUM). Currently, he serves as Senior lecturer at International Islamic University College Selangor (KUIS) and specialised in Fiqh Muamalat (Islamic Law of Transaction) and Islamic Economics & Banking. Currently, he is the Chairman of Shariah Committee, OCBC Al-Amin Bank Berhad, a member of the Shariah Committee at KOPSYA and Afshaa Shariah Advisory Sdn Bhd. He was previously served as a Member of Shariah Committee, HSBC Amanah Berhad and FWD Takaful Bhd. He is also an ordinary member of Association of Shariah Advisors in Islamic Finance (ASAS). He has published several articles and research in Islamic Finance throughout his career as Lecturer.