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

The Board of Directors ("Board") of Malaysian Reinsurance Berhad ("the Company") 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 Policy Document on Corporate Governance ("PD CG") of Bank Negara Malaysia ("BNM") 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 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 2026.

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 this responsibility by complying with all the relevant Acts and Regulations, including adopting the principles and best practices of the PD CG and Malaysian Code on 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. In addition, the Board plays an active role in addressing sustainability matters and climate-related risks. It approves key sustainability directions and monitors progress, supported by continuous learning via periodic capacity-building programmes on emerging trends and practices.

As part of its governance oversight, the Board's awareness, knowledge, and management of sustainability risks and opportunities, including climate-related risks, are periodically assessed through the Board Effectiveness Evaluation ("BEE"). The BEE provides a structured mechanism to evaluate the Board's engagement and competence in these critical areas, contributing to continuous governance enhancement.

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"), one (1) is Non-Independent Non-Executive Director ("NINED") who is the Chairman of MNRB Group.

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

	Composition	Percentage
NINED	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 and must not served as a Chief Executive Officer ("CEO") of the financial institution since past five (5) years;

(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 the Board currently comprises 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, capital markets, 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 37 to 39.

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.

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 of 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") as well as the Board in accordance with the requirements of BNM, MCCG 2021, Board Charter 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 membership 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 Paragraph 11.7 of 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 two (2) years. In addition, pursuant to Paragraph 11.9 of the PD CG and Clause 4.2 of the Board Charter, the Independent Director must has not served the Company for more than nine (9) years on the Board, 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 shareholders. 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.

MNRB Group Independent Directors Policy

The 9-year policy for the tenure of INEDs, which was approved by the Board on 30 May 2013 and 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 line with Paragraphs 10.11 and 10.13 of the PD CG.

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 appointment of nominees directors are assessed by the GNRC in accordance with the PD CG, MNRB Group Fit & Proper Policy and Procedure ("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.

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.

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

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 them 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 above-mentioned 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 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.

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, Velayudhan Harikes 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.

George Oommen who was appointed as Independent Non-Executive Director on 25 August 2025 will retire pursuant to Clause 22.2 of the Company's Constitution and being eligible, offers himself 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.

The BEE 2025/2026 was conducted by an independent external facilitator. The results indicated that the Board is functioning effectively and has a sound governance foundation, while further enhancements are recommended in board composition, strategic oversight, management alignment, and the efficiency of board processes to better support the Company’s future growth.

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, Individual Directors and President & CEO Evaluations, 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.

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 2026, the Board held nine (9) meetings.

Technology and information technology are effectively used in Board meetings and communications with the Board. The Board meeting materials are shared electronically via online meeting platform as 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 2026 as required under Paragraph 9.3 of the PD CG.

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

Directors	Attendance	Percentage
Dato' Sulaiman Mohd Tahir Chairman/NINED	9/9	100%
Velayudhan Harikes INED	9/9	100%

Board Meetings (cont'd.)

Directors	Attendance	Percentage
Datin Joanne Marie Lopez INED	9/9	100%
Wan Zamri Wan Zain INED	9/9	100%
George Oommen INED (Appointed on 25 August 2025)	5/5*	100%
Khalid Sufat INED (Deceased on 24 June 2025)	1/2*	50%

*Attendance at the meetings were based on the number of meetings held while Director was in office as of 31 March 2026.

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 team but reserves for its consideration significant matters as specified in the Board Charter.

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 Group Shariah Committee ("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 GNRC 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 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 shareholders after deliberating the recommendations by the GNRC. The meeting attendance allowance for all Directors is also determined by the Board.

The Board has taken into consideration prevailing market practices in determining Directors' remuneration and has adopted the revised fee structure. The revised structure has been applied in computing the Directors' fees for the financial year ended 31 March 2026:

		Meeting attendance allowance RM	Annual fees RM
Board	Chairman	RM1,500 for each meeting attended	92,000
	Member		80,500
Audit Committee	Chairman		25,300
	Member		19,550
Risk Management Committee of the Board	Chairman		25,300
	Member		19,550

Directors’ Remuneration (cont'd.)

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

		Meeting attendance allowance RM	Annual fees RM
Group Nomination & Remuneration Committee	Chairman Member/ Permanent invitee	RM1,500 for each meeting attended	19,550 13,800
Group Digital & Information Technology Committee	Chairman Member		19,550 13,800

The details of the total remuneration of each Director of the Company during the financial year ended 31 March 2026 are disclosed in Note 11 of the Company's Audited Financial Statements. Directors' fees amounting to RM565,000 for the financial year ended 31 March 2026 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 are decided by the MNRB Board. The meeting attendance allowance and annual fees of the GSC members are shared equally with fellow subsidiaries of MNRB Group, 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 2026 are disclosed in Note 11 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.

Remuneration Policy in respect of the President & CEO, Board Appointees and the Senior Management team of the Company

The Company’s remuneration policy is designed to attract, motivate, reward and retain high-performing individuals who contribute to the Company’s long-term success. It aims to ensure that compensation practices are aligned with the Company’s strategic objectives and promote sustainable performance.

The remuneration packages for the President & CEO and Board Appointees of the Company are reviewed by the GNRC at the point of contract renewal.

These packages consist of both fixed and variable components. The fixed component comprises of monthly basic salary while the variable component is a performance-based bonus awarded annually. This bonus is linked to both corporate and individual performance, assessed using a balanced scorecard approach that encourages sustainable business practices and prudent risk taking.

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

Performance measures are based on the Company's strategic and operational goals that are translated into key performance indicators (KPIs) that cover financial and non-financial areas such as profitability, growth, risk management, compliance, customer satisfaction, and sustainability. The KPIs are tailored to each individual's role and are, reviewed by the GNRC for clarity and alignment with long-terms goals, and approved by the Board.

Employees in control functions including Actuarial, Risk, Compliance and Internal Audit, do not carry business profit targets in their performance goals. Their compensation is determined independently of business profitability and is based on the achievement of key outcomes within their respective areas of responsibility.

The annual budget for salary increments and performance-related bonuses is reviewed by the GNRC and submitted to the Board for approval. This ensures that remuneration decisions are made with appropriate oversight and in alignment with the Company's financial position and strategic priorities.

To maintain competitiveness, the Company reviews its' compensation structure annually by conducting benchmarking exercise against relevant peer group of companies. The benchmarking uses data from independent surveys conducted by external consultants, helping the Company remains an attractive employer in the industry.

The Company's variable compensation varies in line with its financial performance and in meeting BNM PD CG requirements.

The total value of remuneration for the President & CEO, Board Appointees and Senior Management for the financial year are as follows:

	Unrestricted RM '000	Deferred RM '000	Remark
Fixed remuneration:			
- Cash-based	6,704	-	Salaries, allowance and EPF
- Other	25	-	Benefits-in-kind
Variable remuneration:			
- Cash-based	3,143	-	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 Team and the services of the Company Secretary to enable them to discharge their duties effectively.

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 ("COI") 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 on COI and directorships held by the Directors are properly recorded and 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. In view of the challenges and recognising the importance of increased board leadership, the Company provides the Board members with relevant training programmes and seminars in order to continuously strengthen their skill set and knowledge as well as to acquire sound understanding of current issues and developments in the financial and business environment.

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.

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 Group Directors’ Training: "Strategic Opportunities for Asian Reinsurers - An Insider’s View"
- MNRB Group Directors’ Training: “A Global and Regional Overview of Reinsurance - The Past and the Next”
- MNRB Group Directors' Training: “Financial Crime Awareness Program – AML & CFT Updates”
- AML/CFT AND ABC: “Corporate Liability: How to Say No to Corruption”
  MNRB Group Directors’ Training: “Navigating the Anti-Financial Crime Landscape”

Directors' Training

- MNRB Group Directors' Training: "Data Privacy Essentials: Understanding the PDPA Obligation"
- Sharing by China Re "Development of China's National Health Insurance and Medical Insurance"
- Sharing by EY "Harnessing AI in Insurance"
- "Understanding Insurance/Takaful Performance under MFRS 17"
- MNRB Group Directors' Training: "Digital Trust and Maqasid: Reimagining Islamic Finance in the Age of AI & Fintech" & "Understanding the Intersection of Digitalization, Maqasid and Trust"
- MNRB Group Directors' Training: "Cyber Security – The Changing Face of Cyber Threats"
- MNRB Group Directors' Training: "Strategic Sustainability and ESG: Unlocking Long-Term Value Creation, Compliance and Managing Risks"
- MNRB Group Directors' Training: "Aligning Shariah Governance and Board Leadership for Digital Trust and Cyber Resilience"
- FIDE CORE Module A
- FIDE CORE Module B
- "Key Tax Regulatory and Industry Developments"

Board Committees

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

- Audit Committee;
- Risk Management Committee of the Board ("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.

(i) Audit Committee

As at the financial year end, the Audit Committee comprises three (3) INEDs. One (1) member of the Committee is a qualified accountant and a 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, related party transactions and and any conflict-of-interest situations within the Company, as well as making recommendation 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.

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

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

	Attendance	**Percentage**
<u>Chairman</u>		
George Oommen	2/2*	100%
(Appointed on 25 August 2025)		
Khalid Sufat	1/2*	50%
(Deceased on 24 June 2025)		
<u>Members</u>		
Velayudhan Harikes	5/5	100%
Datin Joanne Marie Lopez	5/5	100%

*Attendance at the meetings were based on the no. of meetings held while Director was in office as of 31 March 2026.

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 the Audit Committee Report for inclusion in the Directors' Report;

- 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 BNM's requirements;

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

- Deliberated on, and recommended to the Board, the payment of dividend for the financial year ended 31 March 2025;

- Reviewed and recommended to the Board, the zakat payable amount and the basis of computation for the financial year ended 31 March 2025;

- Deliberated on, and recommended to the Board, the adoption of new Malaysian Financial Reporting Standards ("MFRSs") and Amendments/Annual Improvements to MFRS Accounting Standards that are effective for the financial year ended 31 March 2026;

- Evaluated the performance and recommended to the Board, the re-appointment and remuneration of the External Auditors for the financial year ended 31 March 2026;

- Reviewed and recommended to the Board, the Tax Agent's tax compliance fees for the years of assessment 2025 and 2026;

- Reviewed and recommended to the Board, the appointment and remuneration of the Tax Consultant to assist the Company in negotiating with Lembaga Hasil Dalam Negeri ("LHDN") for the closure of the buyout tax voluntary disclosure exercise;

- Reviewed and recommended to the Board, the MNRB Group Related Party Transactions Policy;

- Reviewed and recommended to the Board, the adoption of the MNRB Group BNM's Insurance and Takaful Statistical Reporting ("ITSR") Framework and Policy to the Company;

- Reviewed the tax matters affecting the Company;

- Reviewed the Related Party Transactions as entered into by the Company on periodic basis, including understanding the relationship of the transacting parties, 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. A meeting without the presence of the Management was also held with the External Auditors on 10 June 2025. Matters discussed during the meeting include key reservations noted by the External Auditors during the course of their annual audit;

Board Committees (cont'd.)

(i) Audit Committee (cont'd.)

- Deliberated on matters pertaining to the implementation of MFRS 17 *Insurance Contracts*;

- Reviewed the Internal Audit plan for FY 2026/2027 and External Auditors' audit plan for the financial year ended 31 March 2026;

- 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; and

- Evaluated the effectiveness of the overall compliance risk of the Company.

(ii) Risk Management Committee of the Board

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 of three (3) INEDs.

The RMCB is responsible for the following:

- ensuring that the Company's corporate objectives are supported by a sound risk strategy and an effective risk and compliance management framework that is appropriate to the nature, scale and complexity of its activities;

- reviewing and recommending the Company's risk and compliance management strategies, framework, risk appetite and tolerance (including the risk preference for the significant arrangement / activities) for the Board's approval and oversee the implementation thereof;

- reviewing the adequacy of the Risk Management Framework, Compliance Framework, and other risk and compliance related frameworks, policies and systems, and the extent to which there are operating effectively in supporting the Company corporate objectives;

- reviewing and assessing the management's implementation of risk and compliance strategy and obtaining assurance that the organizational units are operating within the parameters of the Company's risk appetite;

Board Committees (cont'd.)

(ii) Risk Management Committee of the Board (cont'd.)

- reviewing and assessing the Company's risk appetite regularly to ensure that it continues to be relevant and reflects any changes in the Company's capacity to take on risk, its inherent risk profile, as well as market and macroeconomic conditions;

- ensuring adequate infrastructure, resources and system are in place for an effective risk and compliance management system i.e., ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's risk-taking activities;

- reviewing the management's periodic reports on BNM supervisory dashboard, Composite Risk Rating (CRR) update, risk exposure, risk portfolio composition, compliance report, and others risk management and compliance related activities;

- reviewing and assessing the risk capital profiles to ensure adequacy of the risk fund, capital available, insurance and shareholders' equity to support the Total Capital Required as specified in the Risk Based Capital Framework for Insurers / Takaful Operators ("Risk Based Capital" / "Risk Based Capital Takaful"), Guidelines on Internal Capital Adequacy Assessment Process ("ICAAP") and, the Group Capital Adequacy Ratio ("GCAR") and Group Capital Sufficiency Indicator ("GCSI") letter issued by Bank Negara Malaysia ("BNM");

- Reviewing the quarterly statutory liabilities report of reinsurance / retakaful / takaful business and focusing on key areas of concern and the Appointed Actuary's observations and recommendations, including any actions required to be taken;

- reviewing the reports on stress testing and ICAAP recommending for Board's approval prior to submission to BNM;

- reviewing and monitoring the outsourcing risk management framework, material outsourcing (which includes significant modifications) and annual outsourcing plan (including all new and renewal of existing arrangements) for the Board's approval;

- reviewing technology-related matters including Information Technology ("IT") and cybersecurity strategic plans covering a period of no less than three (3) years, updates on critical systems and performance, technology projects, significant IT and cyber-incidents, performance of critical technology and material outsourcing activities and utilization of technology budget;

- ensuring that the technology risk assessment undertaken relating to material technology applications which to be submitted to BNM, is robust and comprehensive;

- assisting the Board to provide effective oversight in addressing sustainability risk and opportunities of the Company, including the management of climate-related risk to safeguard the Company against adverse impact of climate change;

Board Committees (cont'd.)

(ii) Risk Management Committee of the Board (cont'd.)

- assisting the Board in the implementation of a sound remuneration system that is symmetrical to risk outcome by examining whether the incentives provided by the Company's remuneration system take into consideration of risks, capital, liquidity and the likelihood and timing of earning, without prejudice to the tasks of the Group Nomination & Remuneration Committee ("GNRC");

- at least one (1) of the members participate in the GNRC meeting and providing feedback on the appointment, of the Chief Risk Officer / Head of Risk Management and Chief Compliance Officer / Head of Compliance to the GNRC for its deliberation and recommendation to the Board.

  In addition, to preserve the aforementioned roles' independence, they shall have direct and unimpeded access to the RMCB and Board;

- performing any other function in relation to risk management and compliance as may be agreed by the Board.

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:

	Attendance	**Percentage**
Chairman		
Velayudhan Harikes	5/5	100%
Members		
Wan Zamri Wan Zain	5/5	100%
Datin Joanne Marie Lopez (Appointed on 1 October 2025)	3/3*	100%
Dato' Sulaiman Mohd Tahir (Resigned on 1 October 2025)	2/2*	100%
Khalid Sufat (Deceased on 24 June 2025)	1/2	50%

*Attendance at the meetings were based on the no. of meetings held while Director was in office as of 31 March 2026.

Board Committees (cont'd.)

(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.

During the financial year, seven (7) GNRC meetings were held. Details of the GNRC members' attendance at the meetings held during the financial year are as follows:

	Attendance	Percentage
Chairman		
Zaida Khalida Shaari	7/7	100%
Members		
Junaidah Mohd Said	7/7	100%
George Oommen Representing Malaysian Reinsurance Berhad and MNRB (Appointed on 25 August 2025)	2/2^	100%
Khalid Sufat (Deceased on 24 June 2025)	2/3^	67%
Azizul Mohd Said Permanent invitee representing Takaful IKHLAS Family	6/6*^	100%
Datuk Adillah Ahmad Nordin Permanent invitee representing Takaful IKHLAS General (Appointed on 1 July 2025)	3/3*^	100%
Dr Wan Zamri Wan Ismail Permanent invitee representing Takaful IKHLAS General (Ceased on 1 July 2025)	3/3^	100%

*The GNRC meeting held on 17 July 2025 were attended by the GNRC members only without the presence of the Permanent Invitees.

^Attendance at the meetings were based on the no. of meetings held while Director was in office as of 31 March 2026.

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.

Board Committees (cont'd.)

Group Investment Committee ("GIC")

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

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 members of the GIC shall be a minimum of five (5) members and a maximum of seven (7) members comprising at least one (1) representative from each Company. Selected members of the Board are as follows:

- MNRB Group - two (2) Non Executive Directors of whom one (1) shall be the Chairman;
- MRE Investment Committee ("IC")'s representative - one (1) Non Executive Director;
- Takaful IKHLAS Family IC's representative - one (1) Non Executive Director; and
- Takaful IKHLAS General IC's representative - one (1) Non Executive Director.

The GIC comprises five (5) INEDs, and one (1) NINED during the financial year. The GIC is chaired by an INED.

During the financial year, Zaida Khalida Shaari (“Zaida Khalida”), an INED of MNRB, was appointed as a member of the GIC on 14 January 2026.

On 11 February 2026, Dato’ Wan Roshdi Wan Musa, Chairman of the GIC, resigned from the MNRB Board and concurrently stepped down as Chairman of the GIC on the same date. Following his resignation, Zaida Khalida was appointed as Chairman of the GIC in place of Dato’ Wan Roshdi, with effect from 11 February 2026.

Group Shariah Committee

The Company is advised by the GSC of MNRB Group 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 Islamic Financial Services Act (“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").

Group Shariah Committee (cont'd.)

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 seven (7) members with the majority of members who are Shariah qualified person fulfilling the requirements 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.

A total of ten (10) 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:

	Attendance	Percentage
Chairman		
Prof. Dr. Younes Soualhi	10/10	100%
Members		
Dr. Shamsiah Mohamad	9/10	90%
Shahrir Sofian	10/10	100%
Assoc. Prof. Datuk Dr. Luqman Haji Abdullah	10/10	100%
Dr. Khairul Anuar Ahmad	8/10	80%
Wan Rumaizi Wan Husin	10/10	100%
Dr. Safinar Salleh (Appointed on 1 April 2025)	10/10	100%

Key information on each of the GSC member is set out under the section 'Group Shariah Committee Members Profile' on pages 40 to 44.

Whistleblowing

The Company is committed to fostering a culture of integrity, transparency and accountability, in line with the Malaysian Code on Corporate Governance ("MCCG"). As part of this commitment, the Company adopts the Group Whistleblowing Policy which provides a structured framework for the reporting and management of misconduct.

The Policy provides a safe and confidential avenue for employees, external parties and stakeholders to report concerns relating to fraud, misconduct, bribery, corruption and other forms of improper conduct. It also ensures that whistleblowers who report in good faith are protected against retaliation, in accordance with the Whistleblower Protection Act 2010.

To enhance accessibility, the Group has implemented MNRB Speak Up, a secure and independent whistleblowing platform that serves as an additional reporting channel, reinforcing accessibility and the Group's speak-up culture.

The Company has established a Whistleblowing Committee ("WB Committee") to ensure that all disclosures are assessed independently, confidentially and with due diligence. The WB Committee provides oversight in evaluating disclosures, overseeing investigations and ensuring appropriate actions are taken in response to substantiated improper conduct. The Group Integrity & Governance Unit supports the WB Committee by facilitating the management and investigation of reported concerns in a timely, objective and independent manner, with reporting to the WB Committee and the Board where appropriate.

Anti-Bribery And Corruption Policy

The Company is committed to upholding high standards of integrity, ethical conduct and professionalism in all its business activities, in line with the Malaysian Code on Corporate Governance ("MCCG"). The prevention of bribery and corruption is a shared responsibility across the Group and forms an integral part of the governance and oversight roles of the Board, Senior Management and employees.

The Company adopts the Group Anti-Bribery and Corruption ("ABC") Policy, which establishes a zero-tolerance approach towards bribery and corruption. The Policy outlines the principles and requirements governing the Group's conduct, supported by key controls including the No Gift Policy, whistleblowing mechanisms and periodic corruption risk assessments to promote a culture of integrity and accountability.

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group's ABC framework is guided by the T.R.U.S.T. principles under the Guidelines on Adequate Procedures. Non-compliance may expose the Group and its Directors, officers and employees to legal and reputational risks.

Oversight of ABC matters is undertaken by the Group Integrity & Governance Unit, which leads the implementation of the Group's integrity programme and provides independent reporting to Management and the Board.

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 45.

(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 2026 and the latest review was completed in August 2024.

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 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.

Accountability and Audit (cont'd.)

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

Risk Management Governance

- A dedicated Board Committee known as the RMCB is 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 on Company-wide basis. There are clearly defined responsibilities and reporting to the RMCB from the management to provide oversight and governance over the Company's activities, which aims 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 2026.

- The GSC is established to provide objective and sound advice to the Company to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.

- 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 within the Company.

  i. First LOD: Risk Ownership and Steering is carried out by the business and support functions, which have primary responsibility for risk management and control activities embedded in day-to-day business operations.

  ii. Second LOD: Risk oversight and monitoring is carried out by the risk management, (including Shariah risk management and review functions), actuarial and compliance functions, which have the primary responsibility for setting up risk and risk-related policies, frameworks, guidelines, and procedures, as well as providing support and direction to the business with regards to risk.

  iii. Third LOD: Independent assurance is carried out by Group Internal Audit function who provides independent and objective assurance on the overall effectiveness of risk management and internal controls within the Company.

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, RMCB and periodically reviewed by the Board.

The Company's key risks are described in the relevant sections of the Financial Statements.

(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 in performing its role.

- The internal audit function of the Company is undertaken by the Internal Audit Department established at MNRB Holdings Berhad. The department reports directly to the Audit Committee of the Company.

Accountability and Audit (cont'd.)

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

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

(ii) Internal Audit (cont'd.)

- The Internal Audit Department performs regular reviews of the business processes of the Company to assess the adequacy and effectiveness of governance, risk management and internal controls.

- The Internal Audit Department provides recommendations to improve on the effectiveness of risk management, controls and governance processes. Control lapses are escalated to Management and Board for deliberation. Status of rectification is tracked and monitored by Management and Audit Committee, 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 the inputs of Senior Management as well as inputs from the Audit Committee.

- The Audit Committee meets at least once every quarter to review matters identified in reports prepared by the Internal Auditors, External Auditors, Regulatory Authorities and Management. 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.

- 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 Management within internally stipulated timelines. These performance reports are tabled to the Audit Committee and approved by the Board.

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 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.

- The Company has adopted the Group’s Leadership Competency Framework implemented to support the development of a strong, consistent, and future-ready leadership pipeline. The framework establishes a structured and objective approach for identifying, developing, and assessing leadership capabilities across the organisation. It is embedded within key human capital processes, including recruitment, performance management, succession planning, and talent development, to ensure alignment between leadership behaviours, organisational values, and strategic priorities. The framework also promotes consistency in talent-related decisions, strengthens leadership accountability, and supports the Company’s efforts in developing and retaining high-potential talent to sustain long-term organisational resilience and growth.

- The Company implements an annual Mandatory Block Leave ("MBL") policy as part of its operational risk management and internal control framework. The MBL serves as a prudent risk mitigation measure to reduce overreliance on any individual employee and to strengthen governance, transparency, and accountability within critical functions. This practice is particularly relevant for employees holding sensitive positions or operating in higher-risk areas such as underwriting, treasury, procurement, and investment management, where continuous oversight and segregation of duties are essential to maintaining effective risk and compliance controls.

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 conducts an annual employee engagement survey to assess employee engagement levels and obtain feedback on the effectiveness of various employee touchpoints and workplace initiatives. The survey findings provide valuable insights to support the development and implementation of targeted action plans aimed at enhancing employee experience, strengthening organisational culture, and driving continuous improvement across the Company.

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

- 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 Whistleblower Protection Act 2010.

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 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 Communication & Technology Department ("ICTD") is responsible for continuously monitoring and responding to IT security threats, conducting awareness programmes, as well as performing assessments and network penetration test programmes.

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 19 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.

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 30 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.

Board of Directors' Profile

Dato' Sulaiman Mohd Tahir, Non-Independent Non-Executive Chairman

Male, Malaysian, Non-Independent Non-Executive Chairman ("NINEC") of the Company on 14 February 2025. He is a Fellow Member of Asian Institute of Chartered Banker. He has thirty-five (35) years of experience in Malaysia's financial sector. He began his banking career in 1987 at Bank of Commerce Berhad. There he took on several front-line roles, including in branch banking, corporate banking and as an area business manager covering SMEs and Corporates. In 2000, he joined Bank Bumiputra Commerce Berhad, overseeing the bank's retail sales and distribution channels. In 2006, Bank Bumiputra Commerce Group merged with CIMB creating CIMB Group where he was appointed as Regional Head of Consumer Sales and Distribution. His journey with CIMB Group concluded with his appointment as the Chief Executive Officer (CEO)/Executive Director of CIMB Bank.

Dato' Sulaiman then joined AmBank Group in 2015 as the Group CEO until his retirement in November 2023. While in AmBank Group, he held several directorships in its group of companies. On 25 September 2019, he was appointed as NINED of Financial Industry Collective Outreach until 22 November 2023. He was formerly a NINED of Payment Network Malaysia Sdn Bhd (PayNet) from 1 June 2020 until 22 November 2023. He was then reappointed as INED on 24 October 2024 in PayNet. Along with his current directorship in PayNet, he is also the Chairman and INED of Bank Pembangunan Malaysia and a NINEC of MNRB Holdings Berhad, Takaful IKHLAS Family and Takaful IKHLAS General. Dato' Sulaiman resigned as Member of the RMCB on 1 October 2025. He had attended all the nine (9) Board meetings held during the financial year.

George Oommen, Senior Independent Non-Executive Director

Male, Malaysian, an INED since 25 August 2025. Previously he was appointed as Independent Non-Executive Chairman of Malaysian Reinsurance Berhad on 7 January 2019, the position he held until 31 July 2023. He continued as its Director until 28 February 2025. He is the Chairman of AC, a Member of GNRC and a member of the GIC of 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 thirty-nine (39) years of experience in the insurance industry. He began his insurance career in 1981 when he joined American International Assurance Company Ltd as an Accountant. In 1999, he was transferred to AIG Lippo Life Insurance Company, Indonesia as Vice President-Director. Subsequently, in 2020 he joined TATA AIG Life Insurance Company, India, as Managing Director. George Oommen later joined ACE INA Holdings Inc, India as Country Head/CEO in 2002. In 2003, he was appointed Chairman/Managing Director of ACE Life, Egypt concurrently. In 2007, he joined Dubai International Financial Centre, UAE in 2007 as the Executive Director, Business Development. In 2010, he was appointed as the CEO & General Representative, Assicurazioni Generali S.p.A. for the Middle East and North African Region based in Dubai. He was formerly a Director of Takaful IKHLAS General from 30 November 2018 until 1 October 2021. He was a Director of Malaysian Re (Dubai) Ltd. until 12 July 2024. Currently, he is an INED of MNRB, Takaful IKHLAS Family, Chairman of Labuan Reinsurance (L) Ltd. and Director of Labuan Re Underwriting Ltd. He resigned as an INED of the Company on 28 February 2025 but was subsequently reappointed to the same position on 25 August 2025. He had attended all five (5) Board meetings held during the financial year since his appointment.

Board of Directors' Profile (cont'd.)

Velayudhan Harikes, Independent Non-Executive Director

Male, Singaporean, an INED since 1 April 2021. Chairman of the RMCB and member of the AC. 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.

He 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. He had attended all the nine (9) Board meetings held during the financial year.

Datin Joanne Marie Lopez, Independent Non-Executive Director

Female, Malaysian, an INED since 1 April 2023. She is a member of the AC, RMCB and the GIC of MNRB Group. She graduated with a Bachelor of Economics majoring in Applied Economics from Universiti of 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 Ancom Logistics Berhad, V.S. Industry Berhad and Abrdn Islamic Malaysia Sdn Bhd. She was formerly a Director of Nylex (Malaysia) Berhad. She is also a member of FIDE Forum and the Institute of Corporate Directors (ICDM). She had attended all the nine (9) Board meetings held during the financial year.

Board of Directors' Profile (cont'd.)

Wan Zamri Wan Zain, Independent Non-Executive Director

Male, Malaysian, an INED effective 1 August 2023. Member of the RMCB. He holds a Bachelor degree in Finance and Business Economics from the Southern Illinois University, United States of America ("USA") and also graduated with Master of Business Administration (Financial Management and Management Information System) from West Coast University, Los Angeles, USA. He began his career with HSBC Bank Malaysia Berhad ("HSBC Malaysia") in year 1985 as the Operation Officer at Sungai Petani Branch and subsequently, he held various executive management roles in HSBC Malaysia, HSBC Hong Kong and HSBC Amanah Takaful Malaysia Sdn Bhd. In May 2008, he joined AIA Takaful International Bhd as the Chief Executive Officer ("CEO") until April 2011 and subsequently joined AmMetLife Takaful Bhd as CEO from May 2011 until May 2015.

He has also served as an Independent Director of Bank Kerjasama Rakyat Malaysia Berhad from 2017 until 2019, Zurich General Insurance Malaysia Berhad from 2018 until 2019 and Agrobank from 2023 until 2025. Presently, he is a Chairman of Agro Captive Takaful Limited, a wholly owned subsidiary of Agrobank and an Independent Director of DynaFront Holdings Berhad. He was formerly a Managing Director of Sprint Milestone Sdn. Bhd. He had attended all the nine (9) Board meetings held during the financial year.

Group Shariah Committee Members Profile

Prof. Dr. Younes Soualhi

Male, Algerian. Appointed as a 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. Holding the esteemed designation of Registered Financial Planner (RFP) under the Malaysian Financial Planning Council (MFPC), he brings a wealth of expertise in financial planning and advisory services to the table. As a distinguished member of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shariah sub-committee, he contributes to shaping global standards and best practices in Islamic finance. Currently, he serves as a Senior Researcher and Head of PhD Program (Applied Shariah in Islamic Economics and Finance at the International Shari'ah Research Academy for Islamic Finance (ISRA), where his insights drive pioneering research initiatives in the field.

Additionally, he holds the esteemed position of Professor at INCEIF University, Malaysia, where he imparts invaluable knowledge and expertise to the next generation of Islamic finance professionals. In his capacity as Chairman of the Shariah Committee of Al-Rajhi Bank, Malaysia, he plays a pivotal role in ensuring compliance with Shariah principles within the banking sector. He has been awarded a Certificate of Takaful and Retakaful by the International Council for Islamic Finance Educators (INCEIF) in 2026. He also serves as the sole Shariah advisor for Kuwait Retakaful (Labuan), showcasing his expertise in the realm of Islamic insurance. Furthermore, he serves as the Chairman of the Shariah Council of experts for Salam Takaful, Nigeria, and as the Deputy Chairman of Aljazair Mutahidah Takaful company in Algeria, underscoring his global influence and leadership in Islamic finance. Previously, he held esteemed positions such as Chairman of the Shari'ah board of Munich Re Retakaful and a member of the Shariah Committee of HSBC Amanah Malaysia, further highlighting his extensive experience and trusted reputation in the industry. With over 30 years of experience, he has taught Islamic finance subjects such as Takaful and Retakaful courses at the master's and Ph.D. levels. His scholarly contributions extend to the publication of articles and books in Islamic Banking and Finance, particularly focusing on Takaful and Retakaful, enriching the academic discourse in the field.

Group Shariah Committee Members Profile (cont'd.)

Dr. Shamsiah Mohamad

Female, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. Obtained her PhD 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). Her distinguished presence extends to multiple Shariah Committees of prestigious financial institutions, where she is entrusted with navigating complex Shariah issues with assurance. Currently, she holds esteemed positions as a Member of the Group Shariah Supervisory Council of Bank Islam Malaysia Berhad, and as a Resident Shariah Adviser at Amanie Advisors Sdn. Bhd. Additionally, she is also a member of the Shariah Committee of Lembaga Zakat Selangor, the Shariah Committee of Dana Peladang Kebangsaan and Pertubuhan Peladang Kebangsaan, as well as the Jawatankuasa Penasihat Ibadat Haji TH-JAKIM.

Her previous appointments include serving as a member of the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Committee of Bursa Malaysia Securities Berhad, Subject Matter Expert at IBFIM, the Shariah Committee of SME Bank, and the Shariah Committee of the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM). She has also provided Shariah advisory expertise to various institutions, including Standard Chartered Bank, Bank Muamalat Malaysia Berhad, Standard Chartered Saadiq Berhad, JAKIM, Medic IG Holdings, BIMB Investment and BIMB Securities Sdn Bhd. Notably, she served on the esteemed Shariah Advisory Council of Bank Negara Malaysia (BNM) from 2013 to 2019. Throughout her career, she has focused extensively on Islamic finance and Shariah matters relating to Islamic commercial transactions, contributing significantly to the development of the Islamic finance industry.

Shahrir Sofian

Male, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. Obtained his master's 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. Currently, he serves as a respected Shariah Committee member for the Islamic Banking window at Citibank Berhad. With an illustrious career spanning over three decades, he has held various pivotal roles within Bank Negara Malaysia (BNM) since 1987. Notably, he served as Manager in the Financial Sector Development Department and Manager of the Insurance Development Department, where he played a key role in steering compliance review processes.

His contributions to BNM were multifaceted, including involvement in strategic initiatives such as the formulation of the Balance Score Card for Life Insurance/Family Takaful Agents under the LIFE framework and the Development of Business Plan of the Insurance Development Department, which became an integral part of the Bank's overarching business strategy. He played a pivotal role in shaping policy frameworks, including the formulation of the policy document on direct channels and the establishment of a dedicated department, namely, the Islamic Banking and Takaful Department, which propelled the progress and development of the Islamic Financial System. Furthermore, his extensive expertise extends to insurance regulations and operations, where demonstrated a keen understanding and proficiency in navigating the intricacies of this sector.

Group Shariah Committee Members Profile (cont'd.)

Assoc. Prof. Datuk Dr. Luqman Haji Abdullah

Male, Malaysian. Appointed as a Group Shariah Committee member on November 3, 2020. He obtained his PhD in Islamic Law of Property from the University of Edinburgh, Scotland. He formerly served as the Mufti of Wilayah Persekutuan from May 2020 to May 2025, a role that placed him at the forefront of Islamic legal and ethical guidance at the national level. Currently, he serves as a distinguished Shariah Committee Member of MBSB Bank, offering expert insights to ensure compliance with Shariah principles in the banking sector. He is also appointed as a Shariah Panel Expert of Jabatan Kemajuan Islam Malaysia (JAKIM), further showcasing his expertise and influence in matters of Islamic governance. As a dedicated member of the Association of Shariah Advisors in Islamic Finance (ASAS), he contributes to shaping industry standards and best practices. Moreover, he holds significant roles as a Committee Member of the Shariah Advisory Council of Amanah Raya Berhad (ARB), demonstrating his commitment to advancing Islamic finance and philanthropy. Beyond his professional engagements, he serves as the Chairman of Madrasah Rahmaniah Pondok Lubuk Tapah, Pasir Mas, Kelantan, where he plays a pivotal role in nurturing Islamic education and values in the community. His dedication to academic pursuits is further evidenced by his tenure as a Visiting Scholar at the University of Edinburgh, Scotland in 2013.

Previously, he held the esteemed position of Head of the Fiqh and Usul / Islamic Jurisprudence Department at the University of Malaya, where he contributed significantly to academic discourse and scholarship. His areas of specialization encompass Islamic Law of Property, Islamic Jurisprudence/Legal Theories, and Shariah/Fiqh Textual Studies (Dirasah Nassiyyah), reflecting his profound expertise in these domains.

Dr. Khairul Anuar Ahmad

Male, Malaysian. Appointed as a member of the Group Shariah Committee effective July 1, 2022. He holds a PhD in Islamic Banking and Finance from International Islamic University of Malaysia (IIUM). Currently, he holds the esteemed position of Senior Lecturer at Universiti Islam Selangor (UIS), where he specializes in Fiqh Muamalat (Islamic Law of Transactions) and Islamic Economics & Banking. He serves as the Chairman of the Shariah Committee at OCBC Al-Amin Bank Berhad, demonstrating his leadership and proficiency in ensuring compliance with Shariah principles within the banking sector. Additionally, he is a respected member of the Shariah Committees at YAPEIM, KOPSYA, Afsha Shariah Advisory Sdn Bhd and Sedania As-Salam Capital Sdn Bhd, where his insights contribute to informed decision-making processes.

His extensive experience includes serving as a Member of the Shariah Committee at HSBC Amanah Berhad and FWD Takaful Bhd, underscoring his trusted reputation within the Islamic finance industry. He is also an ordinary member of the Association of Shariah Advisors in Islamic Finance (ASAS), further cementing his standing as a respected authority in the field. Throughout his career as a lecturer, he has contributed significantly to the advancement of Islamic finance through the publication of several articles and research papers. His scholarly contributions enrich the discourse surrounding Islamic finance and serve as a testament to his dedication to the field.

Group Shariah Committee Members Profile (cont'd.)

Wan Rumaizi Wan Husin

Male, Malaysian. Appointed as a Group Shariah Committee member on August 1, 2023. Obtained his first degree in Fiqh and Usul al-Fiqh from al Al-Bayt University Jordan and Master's degree in Fiqh and Usul al-Fiqh from International Islamic University Malaysia. Formerly, he served as a lecturer at the esteemed Department of Fiqh and Usul al-Fiqh at the Kulliyah of Islamic Revealed Knowledge and Human Sciences of the International Islamic University Malaysia, where he contributed significantly to the academic landscape in Islamic jurisprudence. Known for his dynamic presence and expertise, he is highly active in delivering speeches and specialized training on Shariah principles, particularly in the areas of Fiqh Muamalat, Islamic Economics, and Fiqhi-Medico, garnering admiration for his insightful contributions. With a wealth of experience in Shariah consultation, he has played pivotal roles such as module developer and member of the Working Group for MS 1900:2014 Standard (Shariah-based Quality Management Systems – Requirement with Guidance) secretariat by SIRIM. Additionally, he has served as a Shariah Advisor for Yayasan Muamalat Belia, Tissue Bank HUSM Kubang Kerian, and as a Shariah Committee Representative to BKRM's BOD Meeting and JAKIM's Muamalat Panel of Experts.

Currently, he holds esteemed positions including Board member and Chairman of the Shariah Committee at AEON Bank (M) Berhad, Chairman of the Shariah Committee of Agrobank Berhad, and member of the Shariah Committee of Lembaga Tabung Haji. He also serves as a member of the Baitulmal Committee of Majlis Agama Islam dan Adat Istiadat Melayu Kelantan (MAIK), a Panel Consultant Member of the International Research Centre in Islamic Economy and Finance (IRCIEF) at UIS, and Member of the International Union for Muslim Scholars (Ittihad al-'Alami li 'Ulama' al-Muslimin), Qatar. Previously, he held several prominent positions within the Islamic finance industry, including Chairman of the Shariah Board of Al-Rajhi Bank Malaysia Berhad, member of the Shariah Committee of Bank Kerjasama Rakyat Malaysia Berhad, and member of the Shariah Committee of PruBSN Takaful Berhad. These appointments reflect his extensive experience and significant contributions to Shariah governance and the advancement of the Islamic finance industry.

Group Shariah Committee Members Profile (cont'd.)

Dr. Safinar Salleh

Female, Malaysian. Appointed as a Group Shariah Committee member on April 1, 2025. She is currently serving as a lecturer at the Department of Islamic Law, Ahmad Ibrahim Kulliyyah of Laws (AIKOL), International Islamic University Malaysia (IIUM). She holds a PhD in Islamic Studies (Shariah) from Glasgow Caledonian University, United Kingdom, a Master’s Degree in Shariah from the University of Malaya, and a Bachelor’s Degree in Shariah from Al-Azhar University, Egypt. In addition to her academic role, Dr. Safinar is currently a Shariah Committee member of Export-Import Bank of Malaysia Berhad (EXIM Bank) and Hong Leong Islamic Bank Berhad. Previously, she has also served on the Shariah Committees of Swiss Re Retakaful, MUFG Bank (Malaysia) Berhad, MUA Life Ltd (Mauritius) and Bank Simpanan Nasional (BSN).

She brings with her extensive experience in Islamic banking and finance, with particular expertise in Shariah advisory for the corporate sector, as well as Takaful and Retakaful. Her interests also cover the Islamic capital market, Islamic law of contracts, and Waqf. Dr. Safinar has co-authored several publications with fellow academicians, including Prof. Dr. Rusni Hassan, Chairperson of the Shariah Committee at HLISB, focusing primarily on Islamic banking and Takaful. Moreover, Dr. Safinar has contributed to the development of the industry through her role as a module reviewer for the Takaful module under the Certified Shariah Advisor (CSA) and Certified Shariah Practitioner (CSP) certifications, developed by the Association of Shariah Advisors in Islamic Finance (ASAS).