

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6139
COMPANY NAME : SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Takaful Malaysia Keluarga is responsible to promote and protect the interest of the Company which includes shareholders and other stakeholders of the Group. The Board shoulders the ultimate responsibility of determining the direction of the Group thereby ensuring long-term success and delivery of sustainable value to the shareholders. The Board provides thought leadership and advice in fine-tuning corporate strategies, championing corporate governance/ethical practices and ensures effective execution of these strategies.</p> <p>The Board is mindful of the need to protect the interests of shareholders and other stakeholders. In discharging their duties effectively, the Board is guided by Terms of Reference/Board Charter ("Board Charter") which sets out the roles and responsibilities of the Board as well as issues and decisions reserved for the Board. The Board Charter is reviewed regularly to keep up to date with changes in regulations/best practices and ensure its effectiveness/relevance to the Board's objectives. The last review was carried out on 25 February 2025. The Board Charter is accessible on our website at www.takaful-malaysia.com.my</p> <p>The Board has the overall responsibility of ensuring that Takaful Malaysia Keluarga operates as intended in the affirmed objectives of the Company. Consequently, it has the power to decide on all matters pertaining to the Company's business as empowered and guided by the Company's Constitution, Companies Act 2016, Islamic Financial Services Act 2013 ("IFSA 2013") and all relevant guidelines of Bank Negara Malaysia ("BNM"), Securities Commission Malaysia and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and if required, to delegate these powers accordingly. Some of the specific powers of the Board include the following:</p> <ul style="list-style-type: none">• To establish and approve policies on future direction of the Company within the general objective of attaining progress in its overall

corporate vision and missions which cover all aspects of operations, including strategic planning, credit administration and control, asset and liability management encompassing the management of liquidity risk, return on investment risk and market risk, accounting system and control, service quality, automation plan, prevention of money laundering, risk management, profit planning and budgeting, adequacy of capital and human resource development;

- To approve new product and business developments, investments, divestments and acquisitions, including the setting up of new subsidiaries/associated companies and participation in new business activities locally or overseas;
- To review and approve annual business plan and budget, and monitoring quantitative and qualitative performance of Takaful Malaysia Keluarga, both at the Company and Group levels, against targets and objectives;
- To ensure that business operations of the Company are conducted in accordance with Shariah principles;
- To review and approve succession planning, including appointing, training, structuring compensation of and where appropriate, replacement of Senior Management; and
- Reviewing adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

To enable the Board to discharge their duties effectively whilst enhancing business and operational efficacy, the Board delegates certain responsibilities to six (6) Board Committees, namely Audit Committee ("AC"), Nomination and Remuneration Committee ("NRC"), Board Risk Committee ("BRC"), Investment Committee ("IC"), Group Digital Committee ("GDC") and Long Term Incentive Plan Committee.

All Board Committees have clear written Terms of Reference and the Board receives reports of their proceedings and deliberations periodically during the financial year under review. The Chairpersons of the respective Board Committees will report to the Board the outcome of their meetings and such reports are incorporated in minutes of the Board meeting.

To operate effectively in a dynamic and challenging environment, the Board's responsibilities are delegated to and executed by Management of the Company headed by the Group Chief Executive Officer ("GCEO"). GCEO is responsible for broad aspects of day-to-day operations of the Company including financial stewardship and compliance with laws, regulations, policies and procedures. In this regard, Management is

	accountable to the Board for the overall functions and activities of the Company. This includes among others, implementation of policies and strategies as approved by the Board which are always in line with Shariah principles and guided by regulatory requirements as well as industry best practices.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	<p>The roles and responsibilities of the Chairman of the Board have been clearly specified in Paragraph 3.2 of the Board Charter, which is available in the Company's website at www.takaful-malaysia.com.my</p> <p>The Chairman primarily presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of Chairman and GCEO are held by different individuals since the inception of the Company. This is also provided in Paragraph 3.1 of the Board Charter.</p> <p>There is a clear division of responsibilities between the Chairman and GCEO to ensure that there is a balance of power and authority. The roles and responsibilities of the Chairman and GCEO are distinct and separate. The Chairman primarily presides over meetings of Directors and is responsible for instilling good corporate governance practices, leadership and the effectiveness of the Board. GCEO is responsible for execution of the Group's strategies in line with the Board's direction, oversees the operations of the Company and drives the Group's business and performance towards achieving the Group's vision and goals.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	The Chairman of the Board, Dato' Charon Wardini Mokhzani, an Independent Non-Executive Director is not a Chairman or member of AC, NRC nor other Board Committees namely BRC, IC, LTIP Committee and GDC.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>The Company Secretary of the Company is qualified to act pursuant to Section 235(2) of Companies Act, 2016.</p> <p>The Company Secretary ensures that all regulatory requirements are met. The Company Secretary provides sound governance advice, ensures adherence to rules and procedures, and advocates adoption of corporate governance best practices.</p> <p>All Directors have unrestricted access to timely and accurate information and access to the advice and services of the Company Secretary, who is responsible for ensuring that Board meetings' procedures are followed and that all applicable rules and regulations are complied with.</p> <p>The Company Secretary is responsible for ensuring that Board meetings' procedures are followed and that all applicable rules and regulations are complied with. She ensures the deliberations at Board and Board Committees' meetings are properly documented and facilitates proper communications and ensures effective flow of information between the Board, Board Committees and Senior Management by ensuring that relevant matters raised by meetings are subsequently communicated to relevant members of Management for their further actions. The Company Secretary further ensures that outstanding action items are properly tracked and monitored until such items are addressed and reported to the Board, where applicable.</p> <p>She is also responsible for advising Directors of their obligations and duties, disclosure of their interest in securities, disclosure of any conflict of interest in a transaction involving the Company, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. Directors may seek independent professional advice in furtherance of their duties at Takaful Malaysia Keluarga's expense.</p> <p>The Board is also regularly updated from time to time by the Company Secretary and/or Management on updates to regulations and guidelines, as well as any amendments thereto issued by BNM, Bursa Securities, Securities Commission Malaysia, Companies Commission of Malaysia and other relevant regulatory authorities</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	: Applied
Explanation on application of the practice	<p>The Board has full and timely access to information with Board papers distributed in advance of meetings, normally five (5) days prior to the meeting, to enable Directors to obtain further explanation, where necessary, in order to be properly briefed before meeting. The Board papers include minutes of the previous Board meeting, minutes of meetings of all Board Committees, minutes of Shariah Advisory Body ("SAB") meetings and reports relevant to issues of the meetings covering areas such as strategy, financial, actuarial, risk management, investment, information technology, operational, human resource and regulatory compliance matters. GCEO keeps the Board informed, on timely basis, of all material matters affecting the Group's performance and major developments within the Group.</p> <p>Senior Management are invited to attend Board meetings to present and brief the Board on matters/reports relating to their areas of responsibility as and when required.</p> <p>A notification email on meeting dates including deadline for meeting materials to be submitted is sent out to Management a few weeks prior to the meeting date.</p> <p>In order for Board meetings to be more effective, the Board meeting agenda is sequenced in a manner that prioritises approval papers. Time allocation is also determined for each agenda item in order for Board meetings to be conducted efficiently.</p> <p>Deliberations and decisions at Board and Board Committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation. The Company Secretary will communicate to relevant members of Management the Board's decisions for appropriate actions to be taken. The Company Secretary will also follow up with Management on status of actions taken with reference to previous minutes of meetings for updating the Board. Action items would stay as matters arising in minutes of meetings until they are resolved.</p> <p>Key decisions are always made in a Board meeting while Directors' Circular Resolutions are usually confined to administrative matters and are normally accompanied by Board papers in the prescribed format.</p>

	All Directors' Circular Resolutions are tabled for confirmation/ratification at the subsequent Board meeting after issuance thereof.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is mindful of the need to protect the interests of shareholders and other stakeholders. In discharging their duties effectively, the Board is guided by Terms of Reference/Board Charter (“Board Charter”) which sets out the roles and responsibilities of the Board as well as issues and decisions reserved for the Board. The Board Charter is reviewed regularly to keep up to date with changes in regulations/best practices and ensure its effectiveness/relevance to the Board’s objectives.</p> <p>The last review was carried out on 25 February 2025. The Board Charter is accessible on our website at www.takaful-malaysia.com.my</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<p>Directors' Code of Ethics:- Directors observe the code of ethics in accordance with the Company's Directors' Code of Ethics established by Companies Commission of Malaysia which provides guidance for proper standards of conduct, sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.</p> <p>The Directors' Code of Ethics consists of five (5) major areas as follows:-</p> <ul style="list-style-type: none">• Corporate Governance;• Relationship with shareholders, employees, creditors, customers and other stakeholders;• Sustainability Practices;• Corporate Liability; and• Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") <p>The Code of Ethics applicable to the Directors is published in the Company's website at www.takaful-malaysia.com.my</p> <p>Code of Conduct ("COC") and Code of Ethics ("COE"):- COC and COE applicable to the employees provide guidance on the standards behavior expected of employees for the Company and its subsidiaries. The COC and COE are available on the Company's portal, with details of the COC and COE stated in the Employee Handbook.</p> <p>The key provisions of COC include:</p> <ol style="list-style-type: none">1. Smoking policy2. Staff access card3. Personal records4. Security & Safety5. Use of email and ICT facilities6. Sexual harassment7. Personal account investments

	<ol style="list-style-type: none"> 8. Information technology security and control 9. Anti-Corruption policy 10. Personal electronic equipment 11. Use of Company's notebook computing facilities <p>The key statements of COE include:</p> <ol style="list-style-type: none"> 1. Conflict of interest and outside business affiliations 2. Improper use of Company's resources 3. Representing Company 4. Safeguarding of non-public information 5. Guidelines for written communication 6. Computer system security and control 7. Internal controls 8. Reporting of fraudulent practices <p>Guidelines for Anti-Money Laundering & Counter of Financing of Terrorism ("AML/CFT"):- In addition to the COC and COE, we have also established on the guidelines for AML/CFT. The guidelines is to provide guidance and minimum standards on AML/CFT measures in order for the Company to effectively combat money laundering and financing of terrorism activities.</p> <p>Conflict of Interest Policy ("COI Policy"):- The Group's COI Policy for Directors and Executive Committee ("EXCO") was adopted by the Board on 23 November 2023 in response to the amendments of the Listing Requirement of Bursa Securities in relation to Conflict of Interest and other areas. The revision to the COI Policy was later approved by the Board on 23 September 2025.</p> <p>To further strengthen the COI disclosure process, all Directors/EXCO are required to make an annual declaration of COI or potential COI via the Annual Declaration Form of Conflict of Interest by Director/EXCO. On 6 January 2026 and 15 January 2026, declaration form was circulated to all Directors and EXCO, respectively, for their execution of which all declaration forms were duly executed and returned to Corporate Affairs Division. Report on Declaration of COI was tabled to AC and Board at their respective meetings held on 24 February 2026 and 26 March 2026 of which the same was duly noted. Report on Declaration of COI by Shariah Advisory Body ("SAB") returned to Shariah Division was tabled to AC meeting held on 19 March 2026 and later noted at the Board meeting on 26 March 2026.</p> <p>The primary objective of COI Policy is to establish and maintain a robust framework consisting of well-defined processes and procedures that are diligently adhered to within the Group. This COI Policy aims to effectively identify, address and manage a wide range of conflicts of interest or potential conflict of interest, including those that are actual, potential or perceived in nature.</p>
<p>Explanation for departure</p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>Takaful Malaysia Keluarga and its group of companies and/or associated companies including foreign branches and subsidiaries (collectively "Takaful Malaysia") are committed to the highest standard of compliance with regard to disclosure, transparency, accountability and integrity, as well as those set by relevant legislations.</p> <p>The objectives of this Whistleblowing Policy ("WB Policy") are as follows:-</p> <ul style="list-style-type: none">• To provide an avenue for whistleblowers to raise concerns and define a way to handle any concerns of integrity and misconduct;• To ensure the Board of Directors is kept informed about acts of Misconduct or improprieties;• To reassure whistleblowers that they will be protected from punishment or unfair treatment for reporting concerns in good faith, as long as such reporting are in accordance with the procedures in this WB Policy; and• To help develop a culture of openness, accountability and integrity within Takaful Malaysia. <p>WB Policy should be read together with the Company's Fraud Management Policy and Anti-Corruption Framework. This Policy and Fraud Management Policy collectively govern the reporting and investigation procedures of improper activities or misconducts.</p> <p>The whistleblower can address concerns via any of the following whistleblower reporting channels:-</p> <ol style="list-style-type: none">(a) Email to Chairman of the Board or Chairman of AC if it is relating to any Directors or SAB members;(b) Email to Chairman of AC and Chief Internal Auditor via a designated email address of Takaful Malaysia namely WB-STM@takaful-malaysia.com.my for misconduct of any Chief Officers; and(c) Via e-form: https://www.takaful-malaysia.com.my/en/whistleblowing/ to Takaful Malaysia Keluarga's Chairman of AC and Chief Internal Auditor for misconduct of Senior Management or Employees up to General

	<p>Manager’s level or in writing to Chief Internal Auditor to the mailing address as follows:-</p> <p>Chief Internal Auditor 10th Floor, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur. P.O. Box 11483, 50746 Kuala Lumpur.</p> <p><i>Note: The report must be in a sealed envelope marked “Confidential”.</i></p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>At Takaful Malaysia, sustainability is anchored in our Shariah principles and embedded within our governance, strategy and risk management practices. We integrate Environmental, Social and Governance (“ESG”) considerations across our business operations, underwriting activities and investment decisions to support long-term value creation and responsible growth.</p> <p>The Board together with Management, assumes responsibility for the governance of sustainability within the Company, plays a pivotal role, assuming full responsibility for overseeing and endorsing the overall ESG strategy initiatives and execution. This includes the strategic direction, establishing priorities and overseeing the governance structure, priority setting, target establishment and integration of ESG principles across the Company. The Board is committed to promoting exemplary corporate governance in the adoption of sustainability practices. Sustainability matters are deliberated at Board and Board Committee levels to ensure appropriate governance, risk oversight and alignment with the Company's long-term objectives.</p> <p>Senior Management drives the implementation of sustainability initiatives and the strategic management of material sustainability matters across the Group. Management regularly meets to review sustainability-related matters and identify areas for improvement.</p> <p>Sustainability risks and opportunities are also considered within the Group's Enterprise Risk Management (ERM) framework, where relevant risks are assessed and monitored as part of the Company's overall risk management processes.</p> <p>Annually, Takaful Malaysia Keluarga published a sustainability statement which describes the sustainable development and performance of Takaful Malaysia Keluarga, in areas of corporate business functions and operations, initiatives, strategies, measures and accomplishments.</p>

	<p>The Sustainability Statement is prepared with reference to Bursa Malaysia’s Sustainability Reporting Guide and the National Sustainability Reporting Framework (NSRF). The Group also considers other recognised frameworks and benchmarks including the United Nations Sustainable Development Goals (SDGs), the FTSE4Good Bursa Malaysia Index and the Global Reporting Initiative (GRI) Standards.</p> <p>The report is developed with reference to Bursa Malaysia’s sustainability reporting guide, the United Nations and Malaysia sustainable development goals, FTSE4Good Bursa Malaysia index and the Global Reporting Initiative Standards. It encompasses four (4) pillars of sustainability; Committed to Strong Governance, Investing Responsibly, Environmental Stewardship and Social Commitments. Takaful Malaysia Keluarga continues to be included as a constituent for both FTSE4Good Bursa Malaysia (F4GBM) Index and the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index.</p> <p>Various practices have been put in place to manage sustainability risk, in so far as it affects the Group including in business areas, investment, underwriting and reserving practices. Management regularly meets to deliberate on areas for improvements.</p>
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Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>In its Integrated Annual Report publication, Takaful Malaysia Keluarga includes a section covering its corporate sustainability strategies, initiatives and accomplishments for the year. The Integrated Annual Report will be made available in the corporate website: www.takaful-malaysia.com.my</p> <p>For internal stakeholders, updates are shared through platforms such as the Sustainability Newsletter and internal communiqués, keeping employees informed about key initiatives and progress. For external stakeholders, updates are provided during analyst briefings. These communication efforts help align expectations, strengthen stakeholder confidence and reinforce the Company’s commitment to sustainability.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>In 2025, the Board was briefed on National Sustainability Reporting Framework (NSRF) & Latest Bursa Securities Listing Requirements. This is to address the use of the International Sustainability Standards Board (ISSB) Standards, specifically the IFRS S1 and IFRS S2 as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting.</p> <p>During the financial year under review also, some of the Directors attended the Mandatory Accreditation Programme (“MAP”) Part II: Leading for Impact (LIP) as required by Bursa Securities.</p> <p>The Board is updated on quarterly basis on the implementation status of NSRF as well as on Climate Risk Management and Scenario Analysis (CRMSA) and Climate Risk-Stress Testing Exercise (CRST).</p> <p>In addition, during the year, one of the Board members, Encik Mohd Azman Sulaiman attended training on ‘The Elite Stewardship Circle – Driving Sustainable Board Impact’</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>NRC is empowered to assess effectiveness of the Board and Board Committees namely AC, NRC, BRC, IC and GDC, as well as contribution of each individual Director and performance of SAB. Directors' Performance Evaluation, Assessment of Independence of Independent Directors and Performance Evaluation for Board Committees are carried out annually by way of questionnaires which were issued/distributed to the Board and Board Committee members for completion as required under BNM's Guidelines, Listing Requirements of Bursa Securities and Malaysian Code on Corporate Governance 2021 ("MCCG"). For financial year 2025, the Board through NRC conducted the Annual Board Effectiveness Evaluation internally.</p> <p>NRC and the Board also assessed the performance of Senior Management annually which included review of performance on sustainability, as one of the KPIs for GCEO/Corporate Scorecard for 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: A dedicated Sustainability Department has been established to manage and coordinate sustainability matters. As the Company is strengthening its commitment to sustainability and embedding ESG considerations across our business and operations, Alia Abida Md Rasheed is appointed as Head of Sustainability to oversee the development and implementation of sustainability initiatives. She reports to the Group Chief Financial Officer and works closely with relevant business units to support the integration of sustainability considerations across the organisation. Any feedback or enquiries on sustainability may be directed to esg@takaful-malaysia.com.my

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	NRC reviews eligibility and worthiness of Directors for new appointment/re-election either when Directors are seeking re-election subject to Rule 74, 76 and 77 of the Company's Constitution or upon expiry of term and seeking re-election under Rule 83. NRC makes the necessary recommendations to the Board for consideration and approval.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied		
Explanation on application of the practice	:	During the financial year under review, the Board comprises the following:		
		Name	Composition	Percentage (%)
		Non-Independent Executive Director	-	0
		Non-Independent Non-Executive Directors ("NINED")	1/7	14.3
		Independent Non-Executive Directors ("INED")	6/7	85.7
Datin Paduka Kartini Hj. Abdul Manaf, a representative of Lembaga Tabung Haji is the only Non-Independent Non-Executive Director of the Company.				
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	Tenure of all six (6) INED does not exceed cumulative term of nine (9) years as recommended by MCCG and as set out in the Board Charter. They continue to fulfil the definition of independence as set out in the Listing Requirements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: The Board has adopted a nine-year policy for INED in August 2011 before the issuance of Malaysian Code on Corporate Governance 2012. Tenure of all six (6) INED does not exceed cumulative term of nine (9) years as recommended by MCCG and as set out in the Board Charter. They continue to fulfil the definition of independence as set out in the Listing Requirements. Upon completion of the nine (9) years, an INED may continue to serve on the Board as NINED.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that diversity is a key driver to enhance Board effectiveness as diversity broadens the debate within the Board, Shariah Advisory Body (“SAB”) and Senior Management by harnessing and leveraging diverse insights and perspectives to enhance deliberations and decision-making.</p> <p>The Board will continuously enhance their composition as well as that of SAB and Senior Management to encourage diversity in terms of skills, background, knowledge, industry experience, culture, independence of mind and fairness/opinion and perspectives, ethnicity, age and gender when appointing new Directors, SAB members and Senior Management as outlined in MCCG.</p> <p>With a diversified background and specialisation, the Board collectively brings with them a wide range of experience and expertise in areas such as legal, finance, insurance, Takaful, accounting, investment, actuarial, management, leadership/talent development, banking and information technology (“IT”).</p> <p>The formal process involves NRC first identifying the gap in the Board composition before sourcing for suitable candidates. Subsequently, the NRC evaluates and recommends to the Board suitable candidates who fulfil the requirements.</p> <p>The Profiles of Directors are provided on pages 155 to 161 of the Integrated Annual Report. The profiles of the current Senior Management are mentioned on pages 167 to 172 of the Integrated Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>In identifying candidates for appointment of Directors, NRC does not solely rely on recommendations from the existing Board members, Management or major shareholders. The Board also utilises independent sources such as FIDE FORUM, Institute of Corporate Directors Malaysia (“ICDM”) and Lead Women to identify suitably qualified candidates.</p> <p>During the financial year, the Board entrusted NRC to compile a list of prospective candidates as potential Board members, recognising the need to succeed members of the Board. NRC compiled a list of names and profiles of potential candidates recommended by members of the Board as well as engaged FIDE Forum and ICDM to help expand the search. NRC then assessed and interviewed potential candidates before recommending a suitable candidate for a particular position to be considered by the Board. The Chairman and other Board members then interviewed the candidate before arriving at a final decision.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Tenure of all these six (6) Independent Non-Executive Directors does not exceed cumulative term of nine (9) years as recommended by MCCG and as set out in the Board Charter. They continue to fulfil the definition of independence as set out in the Listing Requirements. Therefore, the Board recommended and supported the proposed re-election of Independent Non-Executive Directors who were retiring by rotation in accordance with Rule 74 and to be re-elected in accordance with Rule 83 of the Company's Constitution at the 40th AGM.</p> <p>Evaluation by NRC and the Board on the proposed retirement and re-election of Directors encompass assessment of their performance and contribution, independence and decision-making, in line with the Group's Fit and Proper Policy.</p> <p>The Board reviewed the performance of the Directors who retired and were re-elected and was satisfied that both have met the criteria required for re-election pursuant to Rule 74 and Rule 83 of the Company's Constitution, in accordance with the Fit and Proper Policy and Procedures for Directors of the Group.</p> <p>The profiles of the above Directors who were standing for re-election as per Resolutions 1 and 2 stated in the Notice of AGM were set out in the Profile of Directors' section on pages 121 to 125 of the Integrated Annual Report 2024.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	Mohd Azman Sulaiman, the current Chairman of NRC is an INED.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board acknowledges gender diversity in its composition and strongly supports the government’s target of having 30% women’s participation on boards of public listed companies (“PLC”) in Malaysia. Takaful Malaysia Keluarga remained cognizant of the importance of board room gender diversity and is always mindful that any gender representation should be in the best interest of the Company. For the period under review, the Board comprised four (4) male Directors and three (3) female Directors, resulting in a percentage of 42.8%.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company’s policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board recognises that diversity is a key driver to enhance Board effectiveness as diversity broadens the debate within the Board, SAB and Senior Management by harnessing and leveraging diverse insights and perspectives to enhance deliberations and decision-making.</p> <p>In terms of Board composition, for financial year 2025, there were three (3) female Directors out of seven (7) Board members. In respect of SAB, there was one (1) female member out of five (5) SAB members. The Company also adopted gender diversity and equal opportunity approach for Senior management and all levels of employees. The details on the number of Senior Management and employees according to gender can be found at page 105 of the Annual Report 2024.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: For financial year ended 31 December 2023, the Board as recommended by NRC, appointed Institute of Corporate Directors Malaysia (“ICDM”) as the facilitators to conduct Board and Directors’ Effectiveness Evaluation (“BDEE”) in line with Practice 6.1 of MCCG which requires the Board to engage independent experts at least every three (3) years, to facilitate objective and candid Board evaluations. For financial year 2024, the Board through NRC conducted the Annual Board Effectiveness Evaluation internally. The same evaluation was accordingly conducted for financial year 2025. Results of evaluation of the Board, AC, NRC, BRC, IC and GDC for the financial year ended 31 December 2025 were tabled to NRC and the Board meeting held on 5 February 2026 and 2 March 2026 and 26 February 2026 and 11 March 2026 respectively, for NRC’s and the Board’s notification and deliberation. The Board noted the identified areas for improvement and would address them in the appropriate manner. Based on year 2025 assessment, the Board was satisfied that the Board’s and Board Committees’ composition provides an appropriate balance in terms of their current mix of skills, knowledge and experience, and are able to discharge their duties and responsibility diligently and efficiently in accordance with the Board Charter. Assessment in respect of Directors’ independence in year 2025 was carried out using the criteria prescribed under the Listing Requirements of Bursa Securities. All Independent Directors assessed declared adherence to all relevant regulatory stipulations in accordance with the Listing Requirements of Bursa Securities.
Explanation for departure	:

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application :	Applied
Explanation on application of the practice :	<p>Takaful Malaysia Keluarga's Remuneration Policy ("Policy") serves to reflect the Group's objectives in promoting good corporate governance to sustain a long-term value creation for our shareholders. The Board approved the remuneration policy at the recommendation of NRC. Other entities within the Group may have remuneration policies that differ from the Group policy in order to meet the relevant local requirements and practices.</p> <p>The Policy is designed to align the personal objectives of staff with the long term interests of Takaful Malaysia Keluarga and the funds under management. Strategic measures are implemented in order to ensure they are aligned to the interests of the Group and its stakeholders. The policy and the general incentive structure are designed to meet the following objectives:-</p> <ul style="list-style-type: none">• To be in line with the business strategy, objectives, values, long-term goals and interests of Takaful Malaysia Keluarga;• To be aligned with the principle of protection of customers and investors as well as prevention of conflict of interests;• To enable the Group to attract, develop and retain high-performing and motivated staff;• To offer a competitive remuneration package which is aligned with the industry; and• To encourage staff to continue to perform and create sustainable results and ensure that there is an alignment of interest among the stakeholders, i.e. shareholders, customers and staff. <p>The Policy and general incentive structure is consistent with the Group's long term strategy. It is also implemented to ensure transparency in respect of the Group's reward strategy where the staff will have clear and predetermined KPI that are set in accordance with the Group's overall strategy and applicable regulations. Correspondingly, transparency is justified through the Group's</p>

	<p>disclosure of remuneration and information on paid remuneration disclosed in the Group's Integrated Annual Report.</p> <p>Philosophy or methodology imposed by Takaful Malaysia Keluarga to determine an employee's remuneration is guided as per the following:-</p> <ul style="list-style-type: none"> • Pay for performance with the notion that there is a direct link between employee's remuneration and individual or company's performance; • Set the remuneration level to Takaful Malaysia Keluarga's comparative group by performing a market benchmarking exercise on an annual basis; • Set a market benchmark of the remuneration against the standard approved by the Board; and • Newly established LTIP granted to eligible employees based on performance matrix that will drive the growth of the business while simultaneously helping to retain the talent. <p>Takaful Malaysia Keluarga's performance management aligns the employees' actions and behaviours with the Company's strategies and goals which consists of the following:-</p> <ul style="list-style-type: none"> • Key Result Area ("KRA") - Key deliverables that create the greatest impact of the job and reflect the core responsibilities; • KPI - A specific measure of performance that is quantifiable/ measurable; and • Competencies - Key behaviours expected to be demonstrated towards achievement of targets or goals. <p>The performance management process covers the following:-</p> <ul style="list-style-type: none"> • A business plan and strategy presentation by division heads to the Board on an annual basis for approval; • Circulation of approved business plans and strategies to all employees; • KRA and KPI of the employees to tie back to business plans and strategies; and • Performance of employees to be reviewed during mid-year and a final assessment will be conducted at financial year end. <p>Remuneration and rewards are granted to an employee based on the achievement of KPI and subject to the Company's overall annual financial performance and guided by the following factors:-</p> <ul style="list-style-type: none"> • The Company's overall performance and affordability (Profit After Tax & Zakat); • The performance of the distribution divisions; • The employee's individual performance; • Moderated performance rating distribution to align with the Company's performance; • Benchmarking with the current market practice;
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- The approved remuneration and reward matrix (governed by a specific business rule and requirement); and
- The approval matrix for remuneration is determined as per table below:

No	Item	Approving Authorities			Periodic Review
		Shareholder	Board	GCEO	
1	Remuneration for Board of Directors	✓			Annually
2	Remuneration for SAB		✓		Annually
3	Remuneration for GCEO		✓		Annually
4	Remuneration for members of Senior Management & other Material Risk Takers		✓		Annually
5	Staff Annual Salary Increment/Salary Adjustment/Promotion Budget		✓		Annually
6	Staff Annual Performance Bonus Budget		✓		Annually
7	Remuneration for clerical and non-clerical employees under the Collective Agreement (CA)			✓	Annually
8	Remuneration for new hires (excluding General Managers and GCEO)			✓	NA

The above Remuneration Policy is disclosed under Takaful Malaysia Keluarga's Corporate Governance Overview Statement as published in the Company's website at www.takaful-malaysia.com.my

Explanation for departure :

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :

Timeframe :

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>Nomination Committee and Remuneration Committee were combined into one committee known as NRC effective 1 January 2017. As at the end of the financial year under review, NRC consists of three (3) Independent Non-Executive Directors ("INED"). The Chairman of NRC is Mohd Azman Sulaiman, an INED, in line with the recommendation of the MCCG.</p> <p>NRC is responsible in recommending the remuneration framework for Directors as well as the remuneration package of Shariah Advisory Body ("SAB") members, GCEO and Senior Management to the Board to ensure that Takaful Malaysia Keluarga attracts, motivates and retains the right Directors, SAB members, GCEO and Senior Management.</p> <p>The Terms of Reference of NRC is available in the Company's website at www.takaful-malaysia.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The remuneration breakdown of individual directors including fees, salary, bonus, benefits in-kind and other emoluments are stipulated on page 192 of Integrated Annual Report.</p> <p>Remuneration under Group in respect of Dato' Mustaffa Ahmad and Dato' Mohammed Hussein includes fees, allowance and benefit-in-kinds from Indonesian subsidiaries.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Charon Wardini Mokhzani <i>(Appointed on 1 June 2025)</i>	Independent Director	112	63	-	-	8	40	223	-	-	-	-	-	-	223
2	Mohd Azman Sulaiman	Independent Director	257	-	-	-	38	105	-	-	-	-	-	-	400	
3	Dato' Mustaffa Ahmad	Independent Director	257	-	-	-	24	103	384	351	-	-	-	48	107	506
4	Mohamad Salihuddin Ahmad	Independent Director	247	-	-	-	22	105	374	-	-	-	-	-	374	
5	Ch'ng Sok Heang Independent	Independent Director	228	-	-	-	21	90	339	-	-	-	-	-	339	
6	Azizah Ali <i>(Appointed 1 February 2025)</i>	Independent Director	160	-	-	-	2	74	236	-	-	-	-	-	236	
7	Datin Paduka Kartini Hj. Abdul Manaf <i>(Appointed on 1 September 2025)</i>	Non-Executive Non-Independent Director	67	-	-	-	-	15	82	-	-	-	-	-	82	
8	Datuk Syed Hamadah Syed Othman <i>(Resigned on 7 May 2025)</i>	Non-Executive Non-Independent Director	61	-	-	-	-	12	73	-	-	-	-	-	73	
9	Dato' Mohammed Hussein <i>(Retired on 31 May 2025)</i>	Independent Director	160	13	-	-	-	30	203	187	13	-	-	7	31	238
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Not applicable – adopted Step Up 8.3	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Adopted
Explanation on adoption of the practice	:	Details on remuneration of each member of senior management on named basis are mentioned on page 193 of Integrated Annual Report.

No	Name	Position	Company ('000)					Total
			Salary	Allowance	Bonus	Benefits	Other emoluments	
1	Nor Azman Zainal	Group Chief Executive Officer	1,440	150	1,100	94	737	3,521
2	Mohamed Sabri Ramli	Chief Executive Officer, Takaful Malaysia Am	1,010	45	640	32	431	2,158
3	Leem Why Chong	Deputy Chief Executive Officer	450	23	676	38	195	1,382
4	Firozdin Abdul Wahab	Chief Bancatakaful Officer	600	43	400	28	264	1,335
5	New Kheng Chee	Group Chief Financial Officer	780	36	780	-	385	1,981

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.

The company’s financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	Chairperson of AC, Ch’ng Sok Heang, an INED is not Chairman of the Board as disclosed in 2025 Audit Committee’s Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	Takaful Malaysia Keluarga has always recognised the need to uphold independence. None of AC members were former key audit partners. The practice has been incorporated into the Terms of Reference of AC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.
The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied	
Explanation on application of the practice	:	This practice was incorporated into the Terms of Reference of AC and carried out annually during deliberation on proposal on re-appointment of external auditor for recommendation to the Board prior to submission to BNM and approval by shareholders at AGM.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	AC comprises three (3) independent Directors.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>All AC members are financially literate and are able to understand matters under purview of AC including financial reporting process. The qualification and experience of individual AC members are disclosed in Profile of Board of Directors in the Integrated Annual Report.</p> <p>All members of AC undertake continuous professional development to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules. Members of AC had continuously been briefed on relevant changes in the financial reporting standards by GCEO/Group Chief Financial Officer ("GCFO") and External Auditors at AC quarterly meetings.</p> <p>Based on the outcome of the Board Effectiveness Evaluation exercise in respect to the financial period ended 31 December 2025, the Board is satisfied with AC's performance as the Chairman and members possess the necessary knowledge and skills which contributed to the overall effectiveness of AC.</p> <p>A summary of training programmes, conferences and seminars attended by AC members during the financial year under review is set out in Section B of this Corporate Governance Report FY2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges their responsibility and is committed in maintaining a sound system of governance, internal control and risk management practice. However, such system can only provide reasonable but not absolute assurance against material misstatements or losses.</p> <p>AC regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports provided by Group Audit. AC also reviews Group Audit's recommendation and Management responses to these recommendations to ensure that they are working adequately and promptly.</p> <p>The Group adopts an enterprise-wide Risk Management Framework which embraces the three (3) lines of defence model. BRC supports the Board and oversees management activities in managing the key risk areas of the Group and to ensure appropriate risk management process and control is in place and functioning effectively.</p> <p>The key internal control processes that the Board has established in reviewing its governance and risk management process and evaluating adequacy and integrity of the system of internal control, including compliance with applicable laws, regulations, rules, directives and guidelines are disclosed in the Statement on Risk Management and Internal Control ("SORMIC") as furnished on pages 202 to 206 in the Integrated Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges their responsibility and is committed in maintaining a sound system of governance, internal control and risk management practice. However, such system can only provide reasonable but not absolute assurance against material misstatements or losses.</p> <p>In line with this, the Group adopts an enterprise-wide Risk Management Framework which embraces the three (3) lines of defence model. The business units as the first line of defence are primarily responsible to identify and manage risks associated in the day-to-day operations. Risk Management and Compliance functions which act as the second line of defence, perform independent monitoring and provide oversight to ensure business operates in compliance with regulatory requirements and within approved risk appetite. Internal Audit Division (IAD) as the third line of defence, provides independent and reasonable assurance on adequacy and effectiveness of governance, risk management and internal controls within the Group.</p> <p>BRC regularly meets and obtain information, critically review and constructively challenge senior management on adherence to the Company's risk appetite and the implementation of risk management policies, process and internal controls, in managing the key risks to the Company, as well as emerging risks.</p> <p>The key internal control processes that the Board has established in reviewing adequacy and integrity of the system of internal control, including compliance with applicable laws, regulations, rules, directives and guidelines are disclosed in the SORMIC. The SORMIC, furnished on pages 202 to 206 in the Integrated Annual Report has been reviewed by the external auditors.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>BRC currently comprises Mohamad Salihuddin Ahmad, Ch'ng Sok Heang and Dato' Mustaffa Ahmad, all of whom are INED.</p> <p>Presently, the composition of BRC is in compliance with provisions of Bank Negara Malaysia (BNM)'s CG Policy:-</p> <ul style="list-style-type: none">i. has at least 3 members;ii. has a majority of Independent Directors;iii. chaired by an Independent Director;iv. GCEO is not a member of BRC; andv. Chairman of the Board does not chair nor is he a member of BRC. <p>BRC has clear written Terms of Reference and the Board receives reports of its proceedings and deliberations. The Chairman of BRC will report to the Board the outcome of its meetings and such reports are incorporated into minutes of the Board meeting.</p> <p>BRC is supported by Chief Risk Officer, who prepares reports and provide advice to BRC on risk matters arising, and ensure appropriate risk management framework and policies are in place.</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Company is effective and remains independent all the time.</p> <p>Internal auditors reports functionally to AC and has unrestricted access to AC and all the Company's records. Its function is independent of activities or operations of other operating units. Internal Auditors periodically evaluates effectiveness of risk management process, reviews operating effectiveness of internal controls system and compliance control within the Group. Chief Internal Auditor is invited to attend AC's meetings to facilitate deliberation of audit reports. The minutes of AC's meetings are tabled to the Board for information and serves as a reference especially when there are pertinent points should any of the Board members wish to highlight or seek clarification.</p> <p>Internal Audit processes and activities are governed by relevant regulatory guidelines as well as the Group's and Institute of Internal Auditors' ("IIA") Ethics and Professionalism of Global Internal Audit Standard ("GIAS") and applicable standards established under the International Professional Practices Framework ("IPPF").</p> <p>The key internal control processes that the Board has established in reviewing adequacy/integrity of internal control system including compliance with applicable laws, regulations, rules, directives and guidelines are disclosed in SORMIC as per on pages 202 to 206 in the Integrated Annual Report was reviewed by the external auditors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The audit personnel are free from any relationships or conflicts of interest, which could impair the objectivity and independence.</p> <p>Group Internal Audit Division (“IAD”) currently consists of a total of 21 (including STMAB and PT ATK auditors) headcounts. As of 31 December 2025, IAD is headed by the Chief Internal Auditor, Zuhairi Ismail (“Zuhairi”) who graduated from University of the West of England, Bristol, United Kingdom with BA (Hon) Accounting & Finance, is a Certified Internal Auditor (“CIA”). Zuhairi is also a Certified Chartered Professional in Islamic Finance (“CPIF”), Chartered Member of Chartered Institute of Islamic Finance and also holds Chartered Member of Institute of Internal Auditors (CMIIA) from the Institute of Internal Auditors Malaysia.</p> <p>Zuhairi started his career in 1996 and has been involved in the Insurance and Banking industry since the beginning of his career. Zuhairi previously worked with MBF Group, AMI Insurance Berhad, Commerce International Group, CIMB Bank, CIMB Aviva Assurance Berhad, Uni.Asia General Insurance and Zurich Malaysia. Prior to joining Takaful Malaysia Keluarga, Zuhairi was the Independent Director and Audit Committee Chairman at Eastspring Al-Wara’ Investment Berhad.</p> <p>The Group Internal Audit function adopts the Institute of Internal Auditors’ (“IIA”) Ethics and Professionalism of Global Internal Audit Standard (“GIAS”) and International Professional Practices Framework (“IPPF”) in the course of conducting audit and is governed by Bank Negara Malaysia’s requirements. The Internal Audit function is carried out in accordance with the Guidance for an Effective Internal Audit Function (“GIAF”) by the Bursa Securities and Institute of Internal Auditors, Association, Malaysia.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company publishes immediately all latest information/announcements through the Company's website under "Investor Relations" section.</p> <p>AGM is the principal forum for dialogues with shareholders. General meetings are important platforms for Directors and Senior Management to engage with shareholders to facilitate greater understanding of the Company's business, governance and performance. Shareholders are able to participate and engage with the Board and Senior Management and make informed voting decisions at general meetings.</p> <p>Besides the normal agenda for AGM, GCEO presented the progress and performance of the business as contained in this Integrated Annual Report and provides opportunities for shareholders to raise questions pertaining to business activities of the Group. Board members, Senior Management as well as the Company's external auditors attended the AGM to respond to shareholders' enquiries during AGM. GCEO also shared with shareholders, the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group ("MSWG").</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Applied	
Explanation on application of the practice	:	2025 Integrated Annual Report of the Company was prepared as per the international reporting framework based on a globally recognised framework. This demonstrates the Company’s continuous commitment to improve the quality of disclosure of information to stakeholders and promotion of greater transparency and accountability. It is also a concise communication about how the Company’s strategy, performance, governance and prospects lead to value creation.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>Notice of 40th AGM dated 16 April 2025 was dispatched to shareholders within 28 days prior to the meeting on 21 May 2025 to enable shareholders to make the necessary arrangement to attend and participate in person or through corporate representatives or proxies. It also enabled shareholders to read the Integrated Annual Report, consider the resolutions and make an informed decision in exercising their voting rights at the General Meeting. Takaful Malaysia Keluarga will continue to adopt Practice 13.1 of the MCCG.</p> <p>The notes to the AGM Notice had provided detailed explanations for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All Directors attended the Company's 40th AGM which was held at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on 21 May 2025.</p> <p>The proceedings of the AGM included GCEO's presentation of the Company's operating and financial performance. GCEO also shared with shareholders, the Company's responses to questions submitted in advance of the AGM by the Minority Shareholders Watch Group.</p> <p>During AGM, all members were invited to raise questions and seek clarifications on all proposals tabled. Members encouragingly raised questions on AGM's agenda which were appropriately answered and/or clarified by Board members and Senior Management to allow members to make informed decisions when casting their votes at the said AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Takaful Malaysia Keluarga's 40th AGM held on 21 May 2025 was conducted on full physical mode only, compared to the virtual (online platform) mode for the Company's 39th AGM held on 23 May 2024, in line with the media release by Securities Commission Malaysia and Bursa Malaysia Berhad dated 30 August 2024 that all public listed companies on Bursa Malaysia must hold hybrid or physical general meetings from 1 March 2025. The Company opted for a full physical meeting mode in 2025 with a view to accommodating enhanced participation of and engagement with the Company's shareholders and/or proxy holders at its 40th AGM.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Going forward, the Company may review and consider the necessity to leverage technology in order to facilitate remote shareholders' participation as well as physical attendance at future Takaful Malaysia Keluarga's general meetings.
Timeframe	:	Within 1 year

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application	: Applied
Explanation on application of the practice	: <p>General meetings are important platforms for Directors and Senior Management to engage with shareholders to facilitate greater understanding of the Company's business, governance and performance. Shareholders are able to participate and engage with the Board and Senior Management and make informed voting decisions at general meetings.</p> <p>Besides the normal agenda for AGM, GCEO presented the progress and performance of the business as contained in this Integrated Annual Report and provides opportunities for shareholders to raise questions pertaining to business activities of the Group. Board members, Senior Management as well as the Company's external auditors attended the AGM to respond to shareholders' enquiries during AGM.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>		
Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Company opted for a full physical meeting mode in 2025 with a view to accommodating enhanced participation of and engagement with the Company's shareholders and/or proxy holders at its 40 th AGM. Please provide an alternative practice and explain how the alternative practice meets the intended outcome.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	Going forward, the Company may review and consider the necessity to leverage technology in order to facilitate remote shareholders' participation as well as physical attendance at future Takaful Malaysia Keluarga's general meetings.
Timeframe	:	Within 1 year

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of AGM including the questions raised at the meeting and answers given were also published on the Company's website at www.takaful-malaysia.com.my , within 30 days of AGM which was on 17 June 2025.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

Board of Directors							
1. Composition of the Board							
Name	Dato' Charon Wardini Mokhzani	Mohd Azman Sulaiman	Dato' Mustaffa Ahmad	Mohamad Salihuddin Ahmad	Ch'ng Sok Heang	Azizah Ali	Datin Paduka Kartini Hj. Abdul Manaf
Designation (Appointment date)	<ul style="list-style-type: none"> Chairman/ Independent Non-Executive Director (1 June 2025) 	<ul style="list-style-type: none"> Independent Non-Executive Director (9 May 2019) 	<ul style="list-style-type: none"> Independent Non-Executive Director (13 August 2020) 	<ul style="list-style-type: none"> Independent Non-Executive Director (13 August 2020) 	<ul style="list-style-type: none"> Independent Non-Executive Director (1 June 2022) 	<ul style="list-style-type: none"> Independent Non-Executive Director (1 February 2025) 	<ul style="list-style-type: none"> Non-Independent Non-Executive Director (1 September 2025)
Key personal details and background of each director including relevant experience and external professional commitments	<ul style="list-style-type: none"> Aged 62, male and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Chartered Banker Fellow of the Asian Institute of Chartered Bankers Advocate & Solicitor, High Court of Malaya (non-practicing) Barrister, Middle Temple (non-practicing) LLB (Hons), School of Oriental and African Studies, University of London BA, University of Oxford Present Directorship(s) in other Companies: 	<ul style="list-style-type: none"> Aged 62, male and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Harvard Senior Management Development Program MBA, Australian National University MSc. University of Strathclyde, United Kingdom ("UK") BSc. University of Malaya Fellow & Faculty Member, Institute of Corporate Directors Malaysia ("ICDM") Present Directorship(s) in other Companies: Listed entity: Nil 	<ul style="list-style-type: none"> Aged 70, male and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Bachelor of Science (Hons) in Statistics, Heriot-Watt University, Edinburgh, Scotland Present Directorship(s) in other Companies: Listed entity: Nil Other Public Companies: Nil Background, Expertise and Experience: Dato' Mustaffa Ahmad is currently a member of the Board of Trustees of mySalam National 	<ul style="list-style-type: none"> Aged 63, male and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Master in Business Administration, Stephen F. Austin University, Texas, USA Bachelor of Science, Indiana State University, USA Present Directorship(s) in other Companies: Listed entity: Nil Other Public Companies: Nil Background, Expertise and Experience: Mohamad Salihuddin Ahmad has held various key positions in the 	<ul style="list-style-type: none"> Aged 54, female and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Fellow of the Institute and Faculty of Actuaries (United Kingdom) Fellow of the Actuarial Society of Malaysia Fellow of the Chartered Institute of Management Accountants (United Kingdom) Chartered Accountant, Malaysian Institute of Accountants Chartered Audit Committee Director, Institute of Internal Auditors Malaysia Qualified Risk Director, Institute of Enterprise Risk Practitioners 	<ul style="list-style-type: none"> Aged 56, female and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Masters in Business Administration, Aston University Bachelor of Science in Business Administration, Washington University in St. Louis Member, Institute of Corporate Directors Malaysia ("ICDM") Present Directorship(s) in other Companies: Listed entity: Nil Other Public Companies: Nil 	<ul style="list-style-type: none"> Aged 64, female and a Malaysian citizen Academic/ Professional Qualification/ Membership(s): Master in Business Administration, Ohio University, United States of America ("USA") Bachelor in Business Administration, Ohio University, USA Diploma in Banking Studies, Universiti Teknologi MARA Present Directorship(s) in other Companies: Listed entity: Duopharma Biotech Berhad TMK Chemical Berhad Other Public Companies:

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

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SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

<p>Listed entity: Nil</p> <p>Other Public Companies:</p> <ul style="list-style-type: none"> Chairman, Export-Import Bank of Malaysia Berhad Director, Bank Pembangunan Malaysia Berhad <p>Background, Expertise and Experience:</p> <p>Dato' Charon Wardini Mokhzani is the Chairman of Syarikat Takaful Malaysia Keluarga Berhad, the Chairman of the Export-Import Bank of Malaysia Berhad and a member of the board of directors of Bank Pembangunan Malaysia Berhad.</p> <p>He is also the Chairman of the ASEAN Business Advisory Council Malaysia and is on the boards of the Yayasan Tuanku Syed Putra Perlis, Yayasan Tuanku Fauziah and the Kuala Lumpur Business Club. He was on the boards of Universiti Putra Malaysia and Cagamas Berhad.</p>	<p>Other Public Companies: Nil</p> <p>Background, Expertise and Experience:</p> <p>Mohd Azman Sulaiman is currently a Director of private companies apart from his independent non-executive directorship on the Board of Syarikat Takaful Malaysia Keluarga Berhad. He is a Fellow and Faculty member of ICDM where he specialises in Board Dynamics and Board Effectiveness Assessments. He is an ICF professional certified business and leadership coach, where today he leads his private executive coaching practice, iCoachKL.</p> <p>He has more than 30 years' cross-industry and corporate leadership experience. Over the years, his areas of expertise focused on corporate leadership, business development and leadership and talent consulting supporting both international and local corporations.</p>	<p>B40/M40 Protection Trust Fund.</p> <p>He has worked for several insurance companies since 1978 and held various positions. He has more than 32 years working experience in the local insurance companies and the national reinsurer of Malaysia. Throughout the first 11 years as member of the Senior Management team of these companies, he was mainly involved in Claims, Underwriting and Reinsurance operations. During his tenure with the national reinsurer, the last position he held was as Chief Operating Officer and as immediate Deputy to the Chief Executive Officer. He was involved in all aspects of operations, including Investment, Finance and IT. He also held the post of Chairman of Persatuan Insuran Am ("PIAM") Rating Committee for 15 years as well as Deputy Chairman of National Insurance Association of Malaysia ("NIAM") for more than 10 years until his retirement in</p>	<p>General and Life Insurance as well as Takaful industry over the past 30 years. He started his career as a Marketing Executive at London & Pacific Insurance from 1988 to 1989, Branch Manager at American Home Assurance Berhad from 1990 to 1993; later promoted as Countrywide Agency Manager from 1993 to 1995; Manager, Branch Operation & Agency Development at American Malaysia Insurance Berhad from 1995 to 1996; Senior Manager, Branch Operation & Agency Development at Amal Assurance Bhd and later promoted as Assistant General Manager from 1998 to September 2000; General Manager at MCIS Zurich Insurance Berhad from October 2000 to October 2002; Senior Vice President, Corporate Insurance Business Division of Malaysia National Insurance Berhad from November 2002 to September 2004; Executive Vice President, Retail Marketing & Sales Support</p>	<ul style="list-style-type: none"> Certificate in ESG Investing, CFA Institute Certificate in Climate and Sustainability Risk, Global Association of Risk Professionals FSA Credential Holder, IFRS Foundation Bachelor of Economics, Macquarie University, Australia <p>Present Directorship(s) in other Companies: Listed entity: Nil</p> <p>Other Public Companies:</p> <ul style="list-style-type: none"> Cagamas Berhad Private Pension Administrator (PPA) Malaysia <p>Background, Expertise and Experience:</p> <p>Ch'ng Sok Heang (Sophia) is an Independent Non-Executive Director of Syarikat Takaful Malaysia Keluarga Berhad. She is also an Independent Non-Executive Director of Cagamas Berhad and a Public Interest Director of the Private Pension Administrator.</p>	<p>Background, Expertise and Experience:</p> <p>Azizah Ali has more than 26 years of experience in Technology industry with exposure across Malaysia and Asia Pacific. She is a member of International Women's Federation of Commerce & Industry Malaysia (IWFCM) to advocate women in entrepreneurship and enabling technology to drive the growth. She is an active member of Global 30% Club which is a business-led campaign to accelerate progress towards better gender balance at senior leadership and board hence enhancing corporate leadership.</p> <p>She is currently an investor and Director with EcoGarageHub, a social enterprise that provides environmental education combining digital approach with hands-on experiences in order to transforms youth to become sustainable champions and transform schools to be the hub for community-driven</p>	<ul style="list-style-type: none"> Perumahan Kinrara Berhad <p>Background, Expertise and Experience:</p> <p>Datin Paduka Kartini is a Director of Lembaga Tabung Haji ("LTH") and nominee director of LTH on the Board of Syarikat Takaful Malaysia Keluarga Berhad.</p> <p>Datin Paduka Kartini started her career with Permodalan Nasional Berhad ("PNB") in March 1983 as a Management Trainee. She had risen through the ranks to become PNB's Deputy President, Strategic Investments prior to her retirement in December 2019. Throughout her corporate career spanning 36 years, she served in various capacities across areas of investment management, corporate finance, mergers and acquisition, corporate restructuring, portfolio management, property investment as well as strategy and business development.</p>
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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

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SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
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<p>He has over 30 years experience in law, banking, investments, development finance and socio-economic policy. Among other posts, he was the Managing Partner of Zaid Ibrahim & Co., the Deputy Chief Executive of CIMB Group, Chairman of CIMB Principal Asset Management, the first Managing Director of the Khazanah Research Institute, Executive Director of Khazanah Nasional Berhad and the Group Managing Director of Malaysian Industrial Development Finance Berhad.</p> <p>Charon started his career in London as a pupil barrister, then became an advocate and solicitor at Shearn Delamore & Co. in KL and later joined Rashid Hussain Securities as a Manager, Corporate Finance. He read Philosophy, Politics and Economics at Balliol College, University of Oxford, and Law at the School of Oriental and</p>	<p>He began his career in 1989 with the Snowy Mountains Engineering Corporation, Australia. He later joined the UEM Group in 1993, where he was involved in the nation’s major infrastructure projects. Over the years, he rose to senior corporate leadership positions both locally and internationally. His experience includes appointments as Chief Executive Officer (“CEO”) of Rocpoint South Africa, GM Crest Petroleum Berhad, UEM Group Director of Business Development and CEO of MAVTRAC. He also served as UEM’s nominee director on the Board of Costain Group UK PLC, E-Idaman Sdn. Bhd. as well as MIGHT.</p> <p>In September 2010, he retired from UEM Group after close to 20 years of service, as Director of Corporate Affairs and CEO of Yayasan UEM. He then joined Korn Ferry International retiring as</p>	<p>2010. Over the years, he has contributed to the Insurance and Takaful Industry via his involvement in PIAM Sub-Committees and Bank Negara Malaysia Working Groups.</p>	<p>Division at Mayban Fortis Holdings Berhad from September 2004 to December 2005, after the merger between Mayban Fortis, MNI & Takaful Nasional, he was appointed as Chief Executive Officer (“CEO”) at Malaysia National Insurance Berhad from December 2005 to May 2006; CEO of Prudential BSN Takaful Berhad from June 2006 to August 2009 and as an Executive Director and CEO of Great Eastern Takaful Sdn. Bhd. from September 2009 to December 2012. He was also the CEO of AmMetLife Takaful Berhad from May 2015 to May 2017.</p> <p>He was also appointed as Technical Committee member at Finance Accreditation Agency from August 2013 until August 2019.</p>	<p>She has 30 years of experience across insurance, takaful, pensions, banking, capital markets and financial services. Her career includes senior executive roles as Chief Financial Officer and Appointed Actuary, with responsibilities spanning solvency management, capital planning, financial reporting, strategic planning, product development and enterprise risk management.</p> <p>At Syarikat Takaful Malaysia Keluarga Berhad, she chairs the Audit Committee and previously chaired the Board Risk Committee. At Cagamas Berhad, she serves as a member of the Board Risk Committee, contributing her actuarial and financial expertise to the oversight of credit risk, liquidity management and capital adequacy. She also serves as a Public Interest Director of the Private Pension Administrator, the central administrator of Malaysia’s</p>	<p>environmental action, setting benchmarks for eco-friendly living in Malaysia. She was appointed as Group Chief Executive Officer of AwanBiru Technology Berhad effective on 12 January 2026.</p> <p>Azizah Ali held various senior management positions within Microsoft Malaysia, Microsoft Brunei and Microsoft Asia Pacific including General Manager of Public Sector, Country Manager, General Manager of Small & Mid-Market Solutions & Partner Group, Enterprise Channel Director and Chief Marketing and Operation Manager. The last position she held at Microsoft Group until 1 October 2024 was Chief Operation Officer of Microsoft Malaysia Sdn. Bhd.</p> <p>Azizah Ali possesses several core capabilities in business performance that will support the organisation to achieve desired outcome of innovative growth in the</p>	
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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)

(Incorporated in Malaysia)

	<p>African Studies, University of London. He is a Fellow of the Asian Institute of Chartered Bankers and a non-practising Barrister of the Middle Temple and Advocate & Solicitor of the High Court of Malaya.</p>	<p>Senior Partner in 2018. In his time with Korn Ferry, he advised boards on senior leadership succession planning and talent management strategies. He is a former Vice-President of International NGO, Mercy Malaysia.</p>		<p>Private Retirement Schemes, where she chairs the Board Risk Committee and serves on the Nomination and Remuneration Committee as well as the Information Technology Committee.</p> <p>Sophia has been involved in regional and international initiatives, including IFRS 17 implementation, actuarial practices, asset liability management, and the development of enterprise risk frameworks across Southeast Asia and the Middle East. Earlier in her career, she was involved in treasury consulting and risk management for the 16th Commonwealth Games in Kuala Lumpur.</p> <p>She has also contributed to the development of the actuarial and insurance profession, having served as President of the Actuarial Society of Malaysia. She is the author of two publications issued by the Malaysian Insurance Institute and was the recipient of the Young</p>	<p>era of Artificial Intelligence (“AI”), covering areas of general management, operations and business development.</p>	
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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

					ASEAN Insurance Manager Award conferred by the ASEAN Insurance Council in 2009. She contributes her expertise as a faculty member at the ICLIF Executive Education Centre, Asia School of Business, and also lectures at Sunway University.		
Any shareholding in the financial institution	▪ None	▪ None	▪ None	▪ None	▪ None	▪ None	▪ None
Chairman and members of each board committee	▪ None	<ul style="list-style-type: none"> ▪ Chairman of Nomination and Remuneration Committee (NRC) ▪ Member of Audit Committee (AC) ▪ Member of Investment Committee (IC) 	<ul style="list-style-type: none"> ▪ Chairman of IC ▪ Member of AC ▪ Member of BRC 	<ul style="list-style-type: none"> ▪ Chairman of BRC ▪ Member of Group Digital Committee (GDC) 	<ul style="list-style-type: none"> ▪ Chairperson of AC ▪ Member of BRC 	<ul style="list-style-type: none"> ▪ Chairperson, GDC ▪ Member of NRC 	<ul style="list-style-type: none"> ▪ Member of IC ▪ Member of NRC
Appointments, resignations and removals of directors during the financial year	<p>New Appointment:-</p> <ol style="list-style-type: none"> 1. Azizah Ali (1 February 2025) 2. Dato' Charon Wardini Mokhzani (1 June 2025) 3. Datin Paduka Kartini Hj. Abdul Manaf (1 September 2025) <p>Ceased Office:-</p> <ol style="list-style-type: none"> 1. Datuk Syed Hamadah Syed Othman (7 May 2025) 2. Dato' Mohammed Hj. Che Hussein (31 May 2025) 						

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

<p>Description of training and education provided to the board</p>	<ul style="list-style-type: none"> ▪ 2025 EY Insurance Forum (7 August 2025) ▪ Mandatory Accreditation Programme (MAP) Part I (10-11 September 2025) ▪ National Sustainability Reporting Framework (NSRF) & Latest Bursa Listing Requirements (25 August 2025) ▪ Takaful Malaysia Board & Shariah Advisory Body ("SAB") Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 	<ul style="list-style-type: none"> ▪ TH Group Summit 2025 "Empowering Growth with AI: A Vision for the Future of My Company" (17 February 2025) ▪ e-Invoice I Service Tax Impact on Independent Directors (15 April 2025) ▪ Safeguarding the Board of Directors: Navigating Anti-Money Laundering (16 April 2025) ▪ London Insurance Week 2025 Conference, Global Insurance Summit & Expo 2025 (15 – 18 July 2025) ▪ Exclusive Engagement Session with Tan Sri Azman Mokhtar, Chairman of MIFC Leadership Council (23 July 2025) ▪ The Elite Stewardship Circle - Driving Sustainable Board Impact (5 August 2025) ▪ Annual Board of Directors' Security Awareness Training (9 October 2025) 	<ul style="list-style-type: none"> ▪ Decoding AI for Business Innovation (6 May 2025) ▪ Annual Board of Directors' Security Awareness Training (9 October 2025) ▪ Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 	<ul style="list-style-type: none"> ▪ London Insurance Week 2025 Conference, Global Insurance Summit & Expo 2025 (15 – 18 July 2025) ▪ National Sustainability Reporting Framework (NSRF) & Latest Bursa Listing Requirements (25 August 2025) ▪ Annual Board of Directors' Security Awareness Training (9 October 2025) ▪ Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 	<ul style="list-style-type: none"> ▪ e-Invoice I Service Tax Impact on Independent Directors (15 April 2025) ▪ BNM AR 2024, Economic & Monetary Review 2024 & Financial Stability Review for 2nd Half 2024 (21 April 2025) ▪ The Influence of Board Culture on Corporate Performance (5 June 2025) ▪ Exclusive Engagement Session with Tan Sri Azman Mokhtar, Chairman of MIFC Leadership Council (23 July 2025) ▪ Crisis Simulation Masterclass: Decision-Making In a Crisis (29 July 2025) ▪ National Sustainability Reporting Framework (NSRF) & Latest Bursa Listing Requirements (25 August 2025) ▪ Annual Board of Directors' Security Awareness Training (9 October 2025) ▪ Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 	<ul style="list-style-type: none"> ▪ BNM AR 2024, Economic & Monetary Review 2024 & Financial Stability Review for 2nd Half 2024 (21 April 2025) ▪ MAP Part I (23 – 24 April 2025) ▪ Tokenising Financial Assets: What Financial Leaders Needs to Know Today (29 April 2025) ▪ Masterclass Navigating High-Tech Financial Crime: Key Risks & Board Responsibilities (6 May 2025) ▪ AI's Next Wave: Chips, Code and Localisation (20 June 2025) ▪ Navigating Digital Disruption: How Can Boards in Financial Institutions Enhance Strategic Digital Governance (17 July 2025) ▪ Exclusive Engagement Session with Tan Sri Azman Mokhtar, Chairman of MIFC Leadership Council (23 July 2025) ▪ MAP Part II: Leading for Impact (LIP) (19 – 20 August 2025) ▪ National Sustainability Reporting Framework 	<ul style="list-style-type: none"> ▪ Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025)
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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

		<ul style="list-style-type: none"> Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 				<p>(NSRF) & Latest Bursa Listing Requirements (25 August 2025)</p> <ul style="list-style-type: none"> FIDE CORE - Module A (Ins.) (30 September 2025 to 3 October 2025) FIDE CORE - Module B (Ins.) (14 – 17 October 2025) Cloud for Directors of Regulated Financial Institutions (22 September 2025) Annual Board of Directors' Security Awareness Training (9 October 2025) Takaful Malaysia Board & SAB Members Engagement Session 2025: Key Insights of Hajah & Darurah (3 December 2025) 																									
<p>Number of meetings convened by the board and each board committee</p>	<table border="1"> <thead> <tr> <th>No</th> <th>Name of Committee meetings</th> <th>Number of meetings during the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Board</td> <td>14</td> </tr> <tr> <td>2</td> <td>Audit Committee</td> <td>6</td> </tr> <tr> <td>3</td> <td>Nomination and Remuneration Committee</td> <td>5</td> </tr> <tr> <td>4</td> <td>Board Risk Committee</td> <td>6</td> </tr> <tr> <td>5</td> <td>Investment Committee</td> <td>5</td> </tr> <tr> <td>6</td> <td>Long Term Incentive Plan Committee</td> <td>1</td> </tr> <tr> <td>7</td> <td>Group Digital Committee</td> <td>4</td> </tr> </tbody> </table>						No	Name of Committee meetings	Number of meetings during the financial year	1	Board	14	2	Audit Committee	6	3	Nomination and Remuneration Committee	5	4	Board Risk Committee	6	5	Investment Committee	5	6	Long Term Incentive Plan Committee	1	7	Group Digital Committee	4	
No	Name of Committee meetings	Number of meetings during the financial year																													
1	Board	14																													
2	Audit Committee	6																													
3	Nomination and Remuneration Committee	5																													
4	Board Risk Committee	6																													
5	Investment Committee	5																													
6	Long Term Incentive Plan Committee	1																													
7	Group Digital Committee	4																													

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

2. Function and Conduct							
Committee	The Board	Audit Committee	Nomination and Remuneration Committee	Board Risk Committee	Investment Committee	Long Term Incentive Plan Committee	Group Digital Committee
Roles and responsibilities of the Board and the Board Committees	As stipulated in the Company's Constitution and Terms of Reference ("TOR")/Board Charter	As stipulated in TOR of Audit Committee	As stipulated in TOR of Nomination and Remuneration Committee	As stipulated in TOR of Board Risk Committee	As stipulated in TOR of Investment Committee	As stipulated in TOR of Long Term Incentive Plan Committee	As stipulated in TOR of Group Digital Committee
Attendance of each director at board and board committee meetings during the financial year	Total: 14 Meetings 1. Dato' Charon Wardini Mokhzani (8/8) [#] 2. Mohd Azman Sulaiman (14/14) 3. Dato' Mustaffa Ahmad (14/14) 4. Mohamad Salihuddin Ahmad (14/14) 5. Ch'ng Sok Heang (14/14) 6. Azizah Ali (13/13) [#] 7. Datin Paduka Kartini Hj. Abdul Manaf (3/3) [#] 8. Dato' Mohammed Haji Che Hussein (6/6) [*] 9. Datuk Syed Hamadah Syed Othman (4/4) [*]	Total: 6 Meetings 1. Ch'ng Sok Heang (6/6) 2. Mohd Azman Sulaiman (6/6) 3. Dato' Mustaffa Ahmad (6/6)	Total: 6 Meetings 1. Mohd Azman Sulaiman (6/6) 2. Mohamad Salihuddin Ahmad (6/6) 3. Azizah Ali (5/5) [#] 4. Datin Paduka Kartini Hj. Abdul Manaf (N/A) [#] 5. Ch'ng Sok Heang (1/1) [*]	Total: 6 Meetings 1. Mohamad Salihuddin Ahmad (6/6) 2. Dato' Mustaffa Ahmad (6/6) 3. Ch'ng Sok Heang (6/6)	Total: 5 Meetings 1. Dato' Mustaffa Ahmad (5/5) 2. Mohd Azman Sulaiman (5/5) 3. Nor Azman Zainal (4/5) 4. Datin Paduka Kartini Haji Abdul Manaf (2/2) [#] 5. Datuk Syed Hamadah Syed Othman (0/2) [*]	Total: 1 Meeting 1. Mohamad Salihuddin Ahmad (1/1) 2. Mohd Azman Sulaiman (1/1) 3. Dato' Mustaffa Ahmad (1/1)	Total: 4 Meeting 1. Azizah Ali (4/4) 2. Mohamad Salihuddin Ahmad (4/4) 3. Abdul Rahman Talib (4/4)

* Number of meetings held up to cessation of office.

Number of meetings attended after appointment date.

CORPORATE GOVERNANCE REPORT
SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES
ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

Internal control framework	
3. Overview	
Main features of the internal control framework, and the nature and frequency of any review and assessment conducted on the internal control framework	Our internal control framework is established on an enterprise risk-based approach with the objective of providing effective controls covering amongst others, compliance with prevailing internal policies and procedures as well as applicable laws, regulations and guidelines imposed by the regulatory and/or statutory bodies. The frequency of the reviews is determined by the level of risks derived through the risk assessment exercise conducted Company-wide and is also taking into account issues raised by the regulators, internal and external auditors and management requests (if any).
Key policies and procedures of the internal control framework, including any changes made to these policies and procedures during the financial year	<p>The key policies and procedures of Internal Control Framework are as follows:</p> <ul style="list-style-type: none"> • Organisational structure • Limits of Authorities • Standard Operating Procedures • Product Development Framework • Anti-Corruption Framework • Whistle Blowing Policy and Fraud Management Policy • Fraud Management Policy • Anti-Money Laundering and Counter Financing of Terrorism Policy (AML/CFT) • Personal Information Record Management Framework • Shariah Policy • Assets and Liabilities Management Framework • Takaful Operational Framework • Surplus Management and Distribution Policy • Business/Marketing Plan and Budget Process • Financial Reporting • Data Governance Framework • Technology Risk Management Framework (“TRMF”) and Cyber Resilience Framework (“CRF”) <p>The process of changes made to the Company’s policies and procedures review and approval process.</p>

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

Remuneration	
4. Qualitative Disclosures	
<p>Information relating to the design and structure of the remuneration system, including –</p> <ul style="list-style-type: none"> ▪ an overview of the key features and objectives of the remuneration policy ▪ a description of the scope of the remuneration policy (such as by regions or business lines), including the extent to which it is applicable to foreign subsidiaries and branches ▪ a description of the types of officers considered as senior officers and as other material risk takers, including the number of officers in each group ▪ an overview of the findings, recommendations and actions taken with respect to any review and assessment conducted on the remuneration system during the financial year ▪ a discussion of measures taken to ensure that officers in control functions are compensated independently of the businesses they oversee 	<p>The Board has approved the Remuneration Policy.</p> <p>The Policy is designed to align the personal objectives of staff with the long term interests of Takaful Malaysia Keluarga and the funds under its management. Strategic measures are implemented in order to ensure they are aligned to the interests of the Group and its stakeholders. The policy and the general incentive structure are designed to meet the following objectives:</p> <ul style="list-style-type: none"> • To be in line with the business strategy, objectives, values, long-term goals and interests of Takaful Malaysia Keluarga; • To be aligned with the principle of protection of customers and investors as well as prevention of conflict of interests; • To enable the Group to attract, develop and retain high-performing and motivated staff; • To offer a competitive remuneration package which is aligned with the industry; and • To encourage the staff to continue to perform and create sustainable results and ensure that there is an alignment of interest among the stakeholders; i.e. Shareholders, Customers and Staff. • To ensure the remuneration policy is consistently applied across all business lines and functions, and where applicable, serves as a guiding framework for subsidiaries in line with Group and regulatory expectations; • To clearly define senior officers and material risk takers, ensuring that individuals whose roles have a significant impact on the Group’s risk profile are appropriately identified and governed under the remuneration framework; • To ensure periodic review and assessment of the remuneration system, with appropriate enhancements implemented to maintain alignment with regulatory requirements, market practices and the Group’s strategic objectives; and • To ensure that remuneration for employees in control functions (such as Risk Management, Compliance and Internal Audit) is determined independently from the business units they oversee, in order to preserve objectivity and avoid conflicts of interest.
<p>Description of the ways in which current and future risks are taken into account in the remuneration system, including –</p> <ul style="list-style-type: none"> ▪ an overview of the key risks that the financial institution takes into account when implementing remuneration measures 	<p>Remuneration and rewards are granted to an employee based on the achievement of the KPIs and subject to the Company’s overall annual financial performance and guided by the following factors:</p> <ul style="list-style-type: none"> • The Company’s overall performance and affordability (Profit after Tax & Zakat); • The performance of the sales divisions; • The employee’s individual performance;

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

<ul style="list-style-type: none"> ▪ an overview of the nature and type of the key measures used to take account of these risks, including risks that are difficult to measure (values need not be disclosed) ▪ a discussion of the ways in which these measures affect remuneration ▪ a discussion of how the nature and type of these measures have changed over the financial year, reasons for the changes, and the impact of these changes on remuneration 	<ul style="list-style-type: none"> • Moderated performance rating distribution to align with the Company’s performance; • Benchmarking with the current market practice; • The approved remuneration and reward matrix (governed by a specific business rule and requirement). • Consideration of key risks, including financial, operational, compliance, and reputational risks, as well as risks that are more difficult to measure such as conduct, governance, and long-term sustainability; • Ongoing review and refinement of remuneration practices during the financial year to strengthen alignment with risk management principles, with enhancements implemented where necessary to ensure that remuneration continues to support prudent risk-taking and long-term value creation.
<p>Description of the ways in which the financial institution seeks to link performance during a performance measurement period with levels of remuneration, including –</p> <ul style="list-style-type: none"> ▪ an overview of the main performance metrics for the financial institution, top-level business lines and officers ▪ a discussion of how amounts of individual remuneration are linked to institution-wide and individual performance ▪ a discussion of the measures that will be taken to adjust remuneration in the event that performance metrics are weak, including the financial institution’s criteria for determining “weak” performance metrics 	<p>Takaful Malaysia Keluarga’s performance management aligns the employees’ actions and behaviours with the Company’s strategies and goals which consist of the following:</p> <ul style="list-style-type: none"> • Key Result Area (KRA) - key deliverables that create the greatest impact of the job and reflect the core responsibilities; • Key Performance Indicator (KPI) - a specific measure of performance that is quantifiable/measurable; • Competencies - Key behaviours expected to be demonstrated towards achievement of targets or goals. <p>The performance management process covers the following:-</p> <ul style="list-style-type: none"> • A business plan and strategy presentation by division heads to the Board of Directors on an annual basis for approval; • Circulation of the approved business plans and strategies to all employees; • KRA and KPIs of the employees to tie back to the business plans and strategies; • Performance of employees to be reviewed during the mid-year and a final assessment will be conducted during the financial year end.
<p>Description of the ways in which the financial institution seeks to adjust remuneration to take account of longer-term performance, including-</p> <ul style="list-style-type: none"> ▪ a discussion of the financial institution’s policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across officers or groups of officers, a description of the factors that determine the fraction and their relative importance ▪ a discussion of the financial institution’s policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements 	<p>Philosophy or methodology imposed by Takaful Malaysia Keluarga to determine an employee’s remuneration is guided as per the following:</p> <ul style="list-style-type: none"> • Pay for performance with the notion that there is a direct link between the employee’s remuneration and individual or Company’s performance; • Set the remuneration level to Takaful Malaysia Keluarga’s comparative group by performing a market benchmarking exercise on an annual basis; • Set a market benchmark of the remuneration against the standard approved by the Board. • Long Term Incentive Plan (LTIP) granted to key employees based on performance matrix that will drive the growth of the business while simultaneously helping to retain the talent.

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

	<ul style="list-style-type: none"> • The Company reserves the right to adjust or withhold deferred remuneration prior to vesting in the event of adverse outcomes, including financial underperformance, misconduct, or failure in risk management and compliance; and • Clawback provisions may be applied, where appropriate, to recover remuneration after vesting in cases involving material misstatement of financial results, misconduct, or breach of policies, in line with governance and regulatory expectations.
<p>Description of the different forms of variable remuneration that the financial institution utilises and the rationale for using these different forms, including –</p> <ul style="list-style-type: none"> ▪ an overview of the forms of variable remuneration offered (such as cash, shares and share-linked instruments) ▪ a discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across officers or groups of officers), a description the factors that determine the mix and their relative importance 	<p>Philosophy or methodology imposed by Takaful Malaysia Keluarga to determine an employee’s remuneration is guided as per the following:</p> <ul style="list-style-type: none"> • Pay for performance with the notion that there is a direct link between the employee’s remuneration and individual or Company’s performance; • Set the remuneration level to Takaful Malaysia Keluarga’s comparative group by performing a market benchmarking exercise on an annual basis; • Set a market benchmark of the remuneration against the standard approved by the Board. • Long Term Incentive Plan (LTIP) granted to key employees based on performance matrix that will drive the growth of the business while simultaneously helping to retain the talent.
<p>5. Quantitative Disclosures</p>	
<p>Breakdown of the total amount of remuneration awards for the Group Chief Executive Officers and Directors for the financial year, disclosed individually for the GCEO and each Director, to show –</p> <ul style="list-style-type: none"> ▪ fixed and variable remuneration ▪ deferred and non-deferred remuneration the different forms of remuneration used (such as cash, shares and share-linked instruments) 	<p>The disclosure is as per table A below</p>
<p>Remuneration information in two broad categories, namely in respect of Senior Management and other material risk takers, as follows:</p> <ul style="list-style-type: none"> ▪ breakdown of the total amount of remuneration awards for the financial year as exemplified in Table A, to show – <ul style="list-style-type: none"> ○ fixed and variable remuneration ○ deferred and non-deferred remuneration 	<p>The disclosure is as per table A below</p>

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)

(Incorporated in Malaysia)

<ul style="list-style-type: none">○ the different forms of remuneration used (such as cash, shares and share-linked instruments)▪ number of officers having received a variable remuneration during the financial year▪ number and total amount of guaranteed bonuses awarded during the financial year▪ number and total amount of sign-on awards made during the financial year▪ number and total amount of severance payments made during the financial year▪ total amount of outstanding deferred remuneration, split into cash, shares, share-linked instruments and other forms▪ total amount of deferred remuneration paid out during the financial year▪ the officers' exposure to implicit (such as fluctuations in the value of shares or performance units) and explicit adjustments (such as malus, clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration, including –<ul style="list-style-type: none">○ total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments○ total amount of reductions during the financial year due to ex-post explicit adjustments○ total amount of reductions during the financial year due to ex-post implicit adjustments	
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CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

Table A														
	Dato' Charon Wardini Mokhzani (Director)		Mohd Azman Sulaiman (Director)		Dato' Mustaffa Ahmad (Director)		Mohamad Salihuddin Ahmad (Director)		Ch'ng Sok Heang (Director)		Azizah Ali (Director)		Datin Paduka Kartini Hj. Abdul Manaf (Director)	
	Unrestricted	Deferred	Unrestricted	Unrestricted	Unrestricted	Deferred	Unrestricted	Deferred	Unrestricted	Deferred	Unrestricted	Deferred	Unrestricted	Deferred
Total value of remuneration awards for the financial year														
Fixed remuneration														
Cash-based	174,500	n/a	256,500	n/a	256,500	n/a	246,500	n/a	227,500	n/a	159,500	n/a	66,667	n/a
Shares and share-linked instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Variable remuneration														
Cash-based	40,000	n/a	105,000	n/a	103,000	n/a	105,000	n/a	90,000	n/a	74,000	n/a	15,000	n/a
Shares and share-linked instruments	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	7,567	n/a	38,249	n/a	23,813	n/a	22,390	n/a	21,489	n/a	2,202	n/a	n/a	n/a

CORPORATE GOVERNANCE REPORT

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT TO CORPORATE GOVERNANCE GUIDELINES

ISSUED BY BANK NEGARA MALAYSIA



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

Company No.: 198401019089 (131646-K)
(Incorporated in Malaysia)

Table A						
	Nor Azman Zainal (GCEO)		Senior Management		Other Material Risk Taker	
	Unrestricted	Deferred	Unrestricted	Deferred	Unrestricted	Deferred
Total value of remuneration awards for the financial year						
<u>Fixed Remuneration</u>						
Cash-based	1,590,000	n/a	8,631,945	n/a	6,681,634	n/a
Shares and share-linked instruments	n/a	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a
<u>Variable Remuneration</u>						
Cash-based	1,836,640	n/a	7,251,271	n/a	4,317,101	n/a
Shares and share-linked instruments	n/a	n/a	n/a	n/a	n/a	n/a
Other	93,556	n/a	248,957	n/a	n/a	n/a