


CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Syarikat Takaful Malaysia Keluarga Berhad (“Takaful Malaysia Keluarga” or “Company”) and its subsidiary companies (“Takaful Malaysia” or “Group”) continues to subscribe and support the Malaysian Code on Corporate Governance 2021 (“MCCG”). The Board is committed to ensure that Principles and Recommended Practices are observed and practised throughout Takaful Malaysia so that the affairs of the Group are conducted with professionalism, accountability and integrity with the objective of safeguarding and enhancing shareholders’ value and financial performance of the Group.

The Board is pleased to report on the application of Recommended Practices of MCCG as required under MCCG and Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) during the financial year under review.

 The application of each practice set out in MCCG during the financial year under review is disclosed under Takaful Malaysia Keluarga’s Corporate Governance Report published in the Company’s website at www.takaful-malaysia.com.my.




DIRECTORS

The Board

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.

Terms of Reference/Board Charter

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. This is accordance with Practice 2.1 of MCCG. The Board Charter is reviewed regularly to keep it 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.

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PUSHING FORWARD FOR SUSTAINABLE GROWTH

Roles and Responsibilities of the Board

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, and if required, to delegate these powers accordingly. The Board's main roles and responsibilities in accordance to the Board Charter are as follows:

i	Business Direction/Operations/Finance;	v	Administrative;
ii	Requirement under Authorities/Statutes;	vi	Principal Responsibilities under Corporate Governance including Risk Management and Compliance;
iii	Management/Human Resource;	vii	Internal Audit Function; and
iv	Membership of Board/Board Committees and Shariah Advisory Body ("SAB");	viii	Principal Responsibilities under Shariah Governance.

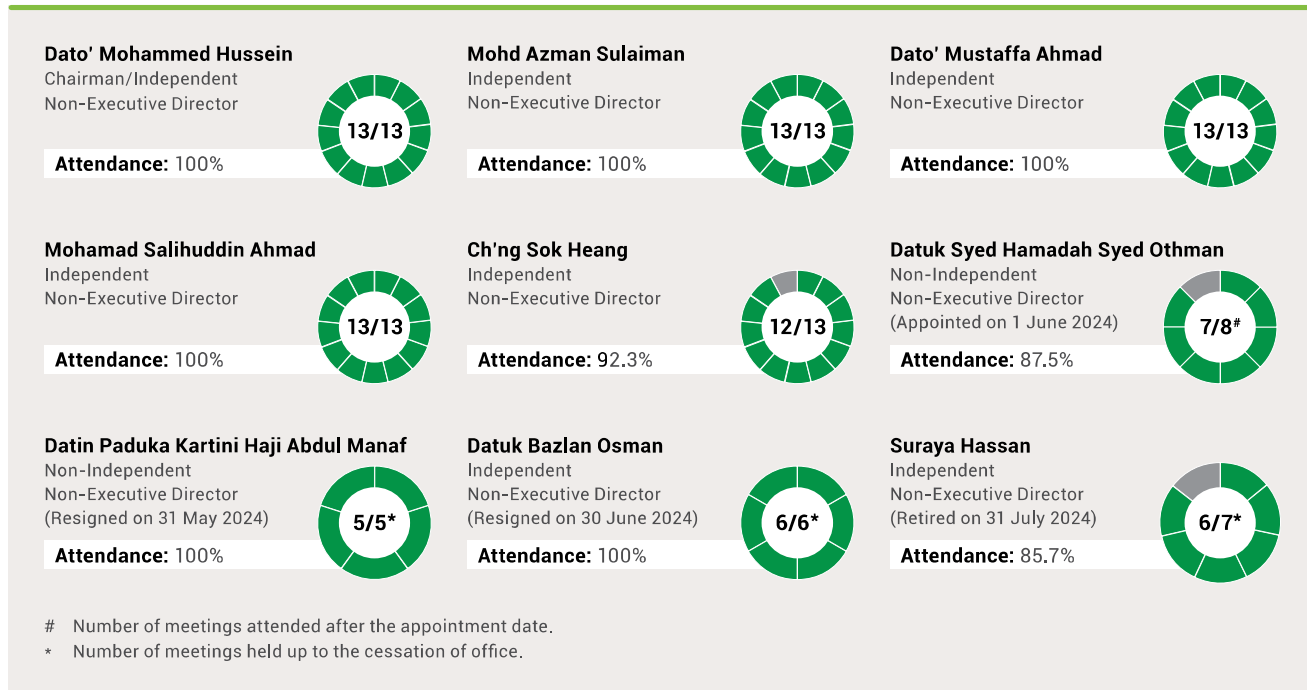
Details of the above roles and responsibilities are embedded in the Board Charter of the Company which is published in the Company's website at www.takaful-malaysia.com.my.

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 Group Chief Executive Officer ("GCEO"). GCEO is responsible for broad aspects of day-to-day operations of the Company including financial stewardship and compliance to 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.

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Board Meetings

Board meetings are scheduled in advance at the beginning of a calendar year with additional meetings convened when necessary. All Directors complied with the Listing Requirements on attendance for Board meetings held during the financial year under review. Thirteen (13) Board meetings were held during the financial year under review with details of meetings' attendance of each Director are as follows:



Directors who are unable to attend a particular Board/Board Committee meeting are encouraged to provide his/her views and comments on matters to be discussed to the Chairman or Company Secretary in advance.

The Board is satisfied with the level of time commitment given by each Director towards fulfilling their roles and responsibilities as Directors of Takaful Malaysia Keluarga as evidenced by their attendance record at Board meetings, as set out in the above table. All Directors complied with the minimum attendance of at least 75% of Board meetings held during the financial year under BNM's Guidelines on Corporate Governance. A Director who is unable to attend any Board or Board Committee's meeting will notify the Chairman and/or Company Secretary immediately prior to the meeting date.

The Board also noted the expectation on time commitment to carry out their duties and responsibilities. In this respect, members of the Board will notify the Chairman prior to or upon

their acceptance of any new directorship. Each Board member is expected to commit sufficient time to attend all Board and Board Committees' meetings, Annual General Meeting ("AGM"), Extraordinary General Meeting ("EGM"), Directors' training, Board's networking events, discussions with Management and meetings with various stakeholders. The schedule for Board meetings was shared with the Directors before the beginning of the year to ensure the Directors' time commitment.

As prescribed in Paragraph 15.06 of the Listing Requirements, Directors must not hold directorships at more than five (5) Public Listed Companies ("PLC"). None of the Directors of the Company exceeded these limits during the financial year under review. Directors are required to declare their directorships and/or interests in other public and private companies on monthly basis. Such information is also used to monitor the number of directorships held by Directors, particularly those on PLC and notify Companies Commission of Malaysia ("CCM") of any changes in other directorships in public companies.

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All Directors have the backing of extensive work experience in various fields and therefore are able to exercise independent judgement in order to discharge their duties.

The Board believes that the existing appointment process for selecting a new member is adequate and it takes into consideration the required skills-set, experience, competency, industry experience, gender and age and how these add to the Board's diversity.

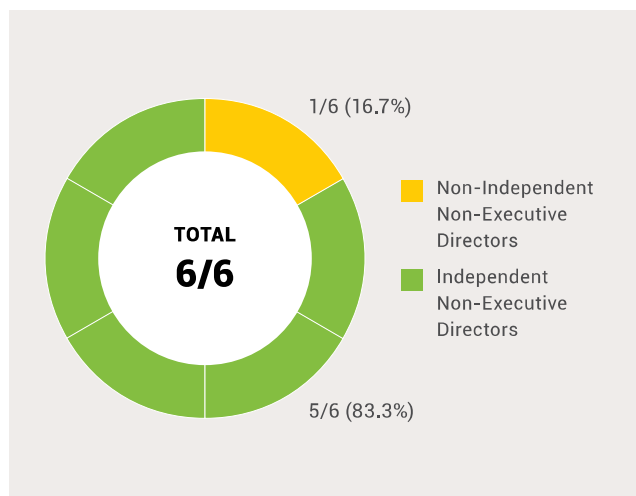
Directors' Code of Ethics

Directors observe the code of ethics in accordance with the Company Directors' Code of Ethics established by CCM 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.

The Directors' Code of Ethics consists five (5) major areas as follows:

- 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")

Board Balance and Independence of Directors



The Board of Takaful Malaysia Keluarga agreed during their meeting held on 25 August 2021 to have a majority of independent directors at all time, consistent with Practice 5.2 of MCGG.

Datuk Syed Hamadah Syed Othman, a representative of Lembaga Tabung Haji is the only Non-Independent Non-Executive Director of the Company.


Bank Negara Malaysia ("BNM") via their letter dated 10 December 2024, approved the Company's application on redesignation of Mohamad Salihuddin Ahmad from Non-Independent Non-Executive Director to Independent Non-Executive Director. The Board then resolved that the redesignation of Mohamad Salihuddin Ahmad take effect from 11 December 2024. This resulted in the Board's composition of five (5) Independent Non-Executive Directors out of six (6) Directors during the financial year 2024.

Tenure of all these five (5) Independent Non-Executive Directors do not exceed a cumulative term of nine (9) years as recommended by MCGG 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 recommends and supports proposed re-election of Directors who are retiring by rotation in accordance with Rule 74 and retiring in accordance with Rule 83 of the Company's Constitution at the forthcoming 40th AGM.


The Board acknowledges gender diversity in its composition and strongly supports the government's target of having 30% women's participation on boards of PLC in Malaysia. For the period under review, the Board comprises five (5) men Directors and one (1) woman Director, resulting in a percentage of 16.7%. In December 2024, application was made to BNM to appoint a woman Director, Azizah Ali. On 17 December 2024, BNM approved Azizah Ali's appointment as Independent Non-Executive Director of the Company for a 2-year term. She was appointed to the Board with effect from 1 February 2025. Hence, the percentage of women Directors on the Board increased to 28.6%. The Company is taking necessary steps to achieve the target of having 30% women representation on the Board. Concurrently, the percentage of Independent Non-Executive Director is 85.7%. The Board remained cognisant of the importance of boardroom gender diversity and is always mindful that any gender representation should be in the best interest of the Company. The Board will continue to encourage and support more women participation on the Board including whenever a vacancy arises.

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The Board recognises that diversity is one (1) of the key drivers to enhance Board effectiveness as diversity broadens the debate within the Board, SAB and Senior Management by harnessing different insights and perspectives. 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.

 Profile of the current Senior Management are set out on pages 131 to 137 in this Integrated Annual Report.

With a diversified background and specialisation, the Board collectively brings with them a wide range of experience and expertise in areas such as finance, insurance, Takaful, accounting, investment, actuarial, management, leadership/ talent development, banking and information technology ("IT").

 Directors' profiles are provided on pages 119 to 125 in this Integrated Annual Report.

The positions of Chairman and GCEO are held by different individuals in line with the recommendation of MCCG under Practice 1.3 since the inception of the Company. 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 businesses and performance towards achieving the Group's vision and goals.

Board Committees

To enable the Board to discharge their duties effectively whilst enhancing business and operational efficacy, the Board delegates certain responsibilities to five (5) Board Committees, namely:

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- Audit Committee;
 - Nomination and Remuneration Committee;
 - Board Risk Committee;
 - Investment Committee; and
 - Long Term Incentive Plan Committee
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The Chairman of the Board is not Chairman of any of the abovementioned Board Committees in line with the recommendation of MCCG under Practice 1.4.





As recommended by NRC, the Board on 19 August 2024, agreed to review membership of Board Committees of the Company. This strategic exercise was guided by principles with regard to rotation, maximum of three (3) members per committee and maximum of two (2) committees per Board member, along with the principle of majority of Independent Non-Executive Directors on the Board. It also provided the opportunity to refresh the Board Committees' composition, exposure as well as ideas and approach, taking into account the sufficiency of Board/Board Committee members and their overall improved performance rating.

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AC

AUDIT COMMITTEE

AC currently comprises three (3) members, all of whom are Independent Non-Executive Directors, in accordance with the Step-up under Practice 9.4 of the MCGG. Details of AC members and meetings held during the financial year ended 31 December 2024 are as follows:

Name	Attendance	Percentage (%)
Ch'ng Sok Heang Chairperson/Independent Non-Executive Director (Redesignated as AC Chairperson on 30 August 2024)		100
Mohd Azman Sulaiman Independent Non-Executive Director		100
Dato' Mustaffa Ahmad Independent Non-Executive Director (Appointed as AC member on 19 August 2024)		100 [#]
Datuk Bazlan Osman Chairman/Independent Non-Executive Director (Ceased as AC Chairman/member on 30 June 2024)		100 [*]

[#] Number of meetings attended after the appointment date.

^{*} Number of meetings held up to the cessation of office.

The current Chairperson of AC, Ch'ng Sok Heang, is an Independent Non-Executive Director who is not the Chairman of the Board in line with the Practice 9.1 of the MCGG. AC Report during the financial year under review is disclosed under pages 164 to 166 in this Integrated Annual Report.

On top of AC's primary objective to provide an independent oversight on the financial reporting process and internal control system and ensuring checks and balances within the Group, AC shall, whenever necessary and reasonable for performance of their duties, in accordance with a procedure to be determined by the Board and at the expense of the Company:

- (i) Have authority to investigate any other matter within its Terms of Reference;
- (ii) Have the resources as well as full and unrestricted access to all information which is required to perform its duties;

(iii) Have direct communication channels and be able to convene meetings with internal auditors, external auditors or both of Takaful Malaysia Keluarga and Syarikat Takaful Malaysia Am Berhad ("Takaful Malaysia Am") without the attendance of GCEO, Management and staff whenever deemed necessary; and






(iv) Obtain, if it is deemed necessary, independent professional advice on any matter within its Terms of Reference.

The last review of Terms of Reference of AC was carried out on 25 February 2025. The latest Terms of Reference of AC is published in the Company's website at www.takaful-malaysia.com.my

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NRC
NOMINATION AND REMUNERATION COMMITTEE

As at the end of the financial year under review, NRC consisted three (3) members, all of whom are Independent Non-Executive Directors. The current Chairman of NRC is Mohd Azman Sulaiman, an Independent Non-Executive Director, in line with Practice 5.8 of MCCG. NRC met five (5) times during the financial year under review with details of meetings' attendance of each member as follows:-

Name	Attendance	Percentage (%)
Mohd Azman Sulaiman Chairman/ Independent Non-Executive Director		100
Ch'ng Sok Heang Independent Non-Executive Director (Appointed as NRC member on 19 August 2024)		100 [#]
Mohamad Salihuddin Ahmad Independent Non-Executive Director (Appointed as NRC member on 19 August 2024)		100 [#]
Datin Paduka Kartini Haji Abdul Manaf Non-Independent Non-Executive Director (Ceased as NRC member on 31 May 2024)		66.7 [*]
Suraya Hassan Independent Non-Executive Director (Ceased as NRC member on 31 July 2024)		100 [*]

Number of meetings attended after the appointment date.

* Number of meetings held up to the cessation of office.

On 1 February 2025, Azizah Ali was appointed as NRC's member in place of Ch'ng Sok Heang.

NRC is empowered by its Terms of Reference and the Board to recommend to the Board appointment of Directors, SAB members, Senior Management, i.e. General Manager position and above including GCEO, Chief Executive Officer, Deputy Chief Executive Officer, Group Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Appointed Actuary, Chief Investment Officer, Chief Strategy Officer, Company Secretary and such other designation as determined by the Board from time to time. NRC also reviews the terms of appointment of Directors, SAB members, Senior Management and Company Secretary.

NRC also discussed succession plan of Senior Management of Takaful Malaysia Keluarga including appointing and replacing Senior Management to ensure that any appointment made brings a balance of skills, knowledge, experience and diversity to the Company. The Company's Succession Plan called Takaful-Melbourne Business School Talent Development Programme was launched in April 2024 and completed in September 2024.

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.

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NRC

NOMINATION AND REMUNERATION COMMITTEE

Among the key activities undertaken by NRC during the financial year under review were as follows:

- Proposed appointment and reappointment of Directors;
- Proposed re-election of Directors;
- Performance assessment and performance bonus quantum for GCEO, Senior General Managers and General Managers of Takaful Malaysia Keluarga for FY2023;
- Performance assessment, performance bonus and salary increment for Control Functions of Takaful Malaysia Keluarga FY2023;
- Proposed distribution of FY2023 performance bonus pool for employees of Takaful Malaysia Keluarga;
- Proposed FY2024 annual salary increment for executives and above for Takaful Malaysia Keluarga and Takaful Malaysia Am;
- Proposed estimation of Directors' fees and benefits to be approved by the shareholders at 39th AGM of the Company;
- Proposed reappointment and remuneration package of GCEO and Senior Management;
- Proposed reappointment of Deputy CEO;
- Proposed appointment of SAB member;
- Succession planning and management;
- Review of Board and Directors Effectiveness Evaluation ("BDEE") Report by Institute of Corporate Directors Malaysia ("ICDM");
- Findings and endorsement of workforce optimisation and total rewards review project by Messrs. Willis Towers Watson ("WTW");
- Review of status of Director as Non-Independent Non-Executive Director on the Board of Takaful Malaysia Keluarga to Independent Non-Executive Director;
- Proposal for integrating sustainability oversight into Board Risk Committee;
- SAB Members' annual assessment for the financial year ended 31 December 2023;
- Revisions to peers' review of SAB;
- Updates on 2023 and 2024 GCEO's corporate scorecard;
- Review of the list of eligible employees for Long Term Incentive Plan ("LTIP");
- Proposed Board Competency Framework, board tenure and formation of an Advisory Board;
- Recommendation for consideration arising from Board Effectiveness Evaluation; and
- Revisions to Employee Remuneration Policy.

Terms of Reference of NRC is published in the Company's website at www.takaful-malaysia.com.my

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BOARD EFFECTIVENESS EVALUATION

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 need for 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.

NRC is empowered to assess effectiveness of the Board and Board Committees namely AC, NRC, Board Risk Committee (“BRC”) and Investment Committee (“IC”), 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 MCCG. Areas covered are as follows:

Annual Evaluation	Directors’ Performance Evaluation	Assessment of Independence of Independent Directors	Performance Evaluation of AC, NRC, BRC and IC
Assessment Criteria	<p>Section A - Board evaluation criteria which comprises three (3) criteria, i.e. Board structure; Board operations and interaction; and Board roles and responsibilities.</p> <p>Section B - Director Self/Peer Evaluation which comprises four (4) criteria i.e. contribution to interaction, quality of input, understanding of role and the Chairman’s role.</p>	As prescribed under Paragraph 1.01 and Practice Note 13 of Listing Requirements of Bursa Securities.	<p>Section 1 comprises three (3) sections i.e. quality and composition, skills and competencies, and meeting administration and conduct.</p> <p>Section 2 comprises peer evaluation.</p>

Results of evaluation of the Board, AC, NRC, BRC and IC for the financial year ended 31 December 2024 were tabled to NRC and the Board meeting held on 4 February 2025 and 25 February 2025, respectively, for NRC and Board’s notification and deliberation. The Board noted the identified areas for improvement and would address them in the appropriate manner.

Based on year 2024 assessment, the Board was satisfied that the Board 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 responsibilities diligently and efficiently in accordance with the Board Charter. Assessment in respect of Directors’ independence in year 2024 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.

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BRC

BOARD RISK COMMITTEE

BRC currently consists three (3) Non-Executive Directors, all of whom are Independent Directors. BRC is chaired by Ch'ng Sok Heang, an Independent Non-Executive Director. BRC met five (5) times during the financial year under review with details of meetings' attendance of each member as follows:

Name	Attendance	Percentage (%)
Ch'ng Sok Heang Chairperson/ Independent Non-Executive Director		100
Dato' Mustaffa Ahmad Independent Non-Executive Director		100
Mohamad Salihuddin Ahmad Independent Non-Executive Director		100

There was a change in BRC's composition on 1 February 2025, where Mohamad Salihuddin Ahmad was redesignated as Chairman while Ch'ng Sok Heang assumed the role of member.

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.

The following are some of the main duties and responsibilities of BRC:


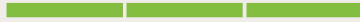

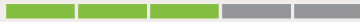


- (i) To support the Board in meeting the expectations on risk management as set out in BNM's policy document on Risk Governance.
- (ii) To assist NRC on implementation of a sound remuneration system, to examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings.

- (iii) To review and recommend risk management strategies, policies and risk appetite and tolerance levels for the Board's approval.
- (iv) To review and assess adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well the extent to which these are operating effectively.
- (v) To ensure that adequate infrastructure, resources and systems are in place for effective risk management, e.g. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the Company's risk-taking activities.
- (vi) To support the Board in providing oversight over technology-related matters.

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IC
INVESTMENT COMMITTEE

IC currently consists four (4) members, three (3) of whom are Non-Executive Directors and one (1) Management member. The current Chairman of IC is Dato' Mustaffa Ahmad, an Independent Non-Executive Director. IC met five (5) times during the financial year under review with details of meetings' attendance of each member as follows:

Name	Attendance	Percentage (%)
Dato' Mustaffa Ahmad Chairman/Independent Non-Executive Director		100
Datuk Syed Hamadah Syed Othman Non-Independent Non-Executive Director (Appointed as IC member on 11 July 2024)		100 [#]
Mohd Azman Sulaiman Independent Non-Executive Director (Appointed as IC member on 19 August 2024)		100 [#]
Nor Azman Zainal Group Chief Executive Officer		60
Datin Paduka Kartini Haji Abdul Manaf Non-Independent Non-Executive Director (Ceased as IC member on 31 May 2024)		100 [*]
Datuk Bazlan Osman Independent Non-Executive Director (Ceased as IC member on 30 June 2024)		100 [*]

[#] Number of meetings attended after the appointment date.

^{*} Number of meetings held up to the cessation of office.

The main duties and responsibilities of IC are as follows:

- (i) To approve the investment strategies, investment risk appetite and assets allocation of all asset classes after having considered proposal and recommendation by Management and all aspects of regulatory requirements as stipulated in various policy documents and guidelines in respect of investment management, governance frameworks as well as risk management;
- (ii) To approve investment risk management framework e.g. investment authority/transaction limits is in place in identifying, monitoring, controlling and mitigating various risks arising from investment activities;
- (iii) To monitor and review investment activities and investment performance of all asset classes under management; and
- (iv) To evaluate, approve and negotiate terms and conditions, on selection and appointment of external fund managers, custodians, banks and other financial intermediaries.





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LTIP

LONG TERM INCENTIVE PLAN COMMITTEE

On 26 February 2024, LTIP Committee was re-established following the Board's approval of the new LTIP Scheme that will run for an initial period of 3 years from 2024 to 2026.

During the financial year under review, LTIP Committee consists four (4) Independent Non-Executive Directors with Mohamad Salihuddin Ahmad as Chairman. Plan Provisions and Administrative Guidelines as guide for LTIP Committee for the roll-out of the new LTIP Scheme in 2024 was approved on 26 February 2024. LTIP Committee met four (4) times during the financial year under review with details of meetings' attendance of each member as follows:

Name	Attendance	Percentage (%)
Mohamad Salihuddin Ahmad Independent Non-Executive Director		100
Mohd Azman Sulaiman Independent Non-Executive Director		100
Dato' Mustaffa Ahmad Independent Non-Executive Director		100
Suraya Hassan Independent Non-Executive Director (Ceased as LTIP Committee member on 31 July 2024)		100*

* Number of meetings held up to the cessation of office.

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.





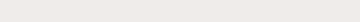
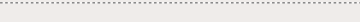
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SAB
SHARIAH ADVISORY BODY

Takaful Malaysia established a single SAB to serve both Takaful Malaysia Keluarga and Takaful Malaysia Am. While the Board is ultimately responsible for the overall Shariah governance implementation and Shariah compliance, SAB as an integral function of Shariah governance is entrusted with delegated authorities by the Board to provide Shariah advisory oversight and ensure compliance of the Group's business, operations and activities with Shariah principles. All matters which require SAB's opinion and decision are deliberated at SAB's meetings with attendance of Management and representatives from Shariah Division. Thereafter, matters are brought to the attention of the Board for informed decision-making.

The SAB of Takaful Malaysia is appointed in line with Paragraph 12.1 and 12.2 of Shariah Governance Policy Document ("SGPD") issued by BNM. Professor Datin Dr. Rusni Hassan was appointed to the SAB on 1 February 2025, followed by Encik Eddy Azly Abidin on 1 April 2025 which made the current composition of SAB of five (5) members, where a majority i.e., four (4) members are Shariah qualified, while a member is from non-Shariah background to complement the robust and vigorous deliberation of SAB's meeting, in line with Paragraphs 13.2 and 13.3 of BNM's SGPD. The SAB is currently chaired by Dr. Nik Abdul Rahim Nik Abdul Ghani. Profiles of the current SAB members are provided on pages 126 to 130 in this Integrated Annual Report.

SAB met eight (8) times, including two (2) special meetings during the financial year under review. All members of SAB complied with the minimum attendance of at least 75% of the meetings held during the financial year, as required under Paragraph 11.4 of BNM's SGPD. The record of attendance of members of SAB for the meetings are as follows:

Name	Attendance	Percentage (%)
Dr. Nik Abdul Rahim Nik Abdul Ghani (Redesignated as Chairman on 1 July 2024)		100
Dr. Shafaai Musa		100
Dr. Suhaimi Mohd Yusof (Appointed as member on 1 July 2024)		100 [#]
Dr. Ahmad Sufian Che Abdullah (Ceased as Chairman/member on 30 June 2024)		100 [*]
Dr. Marhanum Che Mohd Salleh (Ceased as member on 31 January 2025)		100
Megat Hizaini Hassan (Ceased as member on 31 March 2025)		100

Number of meetings attended after the appointment date.

* Number of meetings held up to the cessation of office.

Functionally, SAB reports to the Board and their duties and responsibilities are as prescribed under their Terms of Reference. Among the key roles and responsibilities of SAB are as follows:

- (i) Providing decision or advice to the Company on the application of any rulings of the Shariah Advisory Council ("SAC") of BNM or standards on Shariah matters that are applicable to operations, business, affairs and activities of the Company.
- (ii) Providing decision or advice on matters which require a reference to be made to SAC.
- (iii) Providing decision or advice on operations, business, affairs and activities of the Company which may trigger a Shariah non-compliant event.
- (iv) Deliberating and affirming a Shariah non-compliance finding by any relevant functions.
- (v) Endorsing rectification measure to address a Shariah non-compliant event.
- (vi) Accountable for quality, accuracy and soundness of decision and advice provided by SAB.

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Whistleblowing Policy

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.

The objectives of this Whistleblowing Policy ("WB Policy") are as follows:

To provide an avenue for whistleblowers to raise concerns and define a way to handle any concerns of integrity and misconduct;	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 ensure the Board of Directors is kept informed about acts of Misconduct or improprieties;	To help develop a culture of openness, accountability and integrity within Takaful Malaysia.

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.

The whistleblower can address concerns via any of the following whistleblower reporting channel:

(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 Manager's level or in writing to Chief Internal Auditor to the mailing address as follows:	
<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>Note: The report must be in a sealed envelope marked "Confidential".</p>	

Fraud Management Policy

Fraud Management Policy serves as a guidance in managing fraud incidences in Takaful Malaysia Keluarga. It is designed to meet the following objectives:

Provide guidance and approach to managing fraud risks/handling fraud incidences	Provide the process for managing fraud risks; and
Define roles and responsibilities of all stakeholders in managing fraud risks;	Provide the process for investigating and reporting fraud incidences.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Disclosure Policy

The Company is guided by the Listing Requirements regarding Corporate Disclosure Policy.

The Outsourcing Risk Management framework outlines the consideration when engaging and managing external parties for services outsourced by Takaful Malaysia Keluarga. It provides guidance on governance process for selecting outsourcing parties, define the roles and responsibilities of different stakeholders, performance review and reporting.

Sustainability Policy

At Takaful Malaysia, we are committed to upholding Shariah principles while strengthening our commitment to sustainability and embedding Environmental, Social and Governance (“ESG”) considerations across our business and operations.

The Board plays a pivotal role, assuming full responsibility for overseeing and endorsing the overall ESG strategy initiatives and execution. This includes strategic direction, 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.

Takaful Malaysia continues to grow its business in a sustainable and environmentally friendly manner through conscious considerations of potential impacts on the stakeholders, communities and the environment by establishing Sustainability Risk Management (“SRM”) Framework. SRM Framework sets out Takaful Malaysia’s approach to managing sustainability risk, encompassing governance, strategic considerations, risk management practices and supporting enablers for effective ESG implementation. This approach aligns the Company’s products, services, business practices and investment strategies with sustainable principles to generate sustainable and lasting impact on the economy, community and environment.

In summary, SRM Framework establishes a clear accountability framework and defining action plans and monitoring guidelines at the appropriate levels and committees. This enables us to identify critical ESG metrics, measure progress and continuously enhance our ESG performance.



The Sustainability Statement is set out on pages 76 to 117 in this Integrated Annual Report.

Conflict of Interest Policy

The Group’s Policy on Conflict of Interest (“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.

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 30 December 2024, declaration form was circulated to all Directors and EXCO 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 2025 and 25 March 2025 of which the same was duly noted.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Supply of Information to the Board

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 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.

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.

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.

In order for Board meetings to be more effective, the Board meeting agenda are sequenced in a manner that prioritise approval papers. Time allocation is also determined for each agenda item in order for Board meetings to be conducted efficiently.

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.

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. All Directors' Circular Resolutions are tabled for confirmation/ratification at the subsequent Board meeting after issuance thereof.

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 in line with Practice 1.5 of MCCG. The Company Secretary of Takaful Malaysia Keluarga is qualified to act pursuant to Section 235(2) of Companies Act, 2016.

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.

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 in accordance with Paragraph 14.04 of the Listing Requirements. During the financial year under review, none of the Directors held shares in the Company.

Directors may seek independent professional advice in furtherance of their duties at the Company's expense.

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, CCM and other relevant regulatory authorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Appointment to the Board

The appointment of new Board members is considered and evaluated by NRC in a formal and transparent process and NRC would recommend appointments to the Board for approval. In line with IFSA 2013 and BNM's requirements, appointment of Directors is subject to BNM's approval. The Company Secretary will ensure that all appointments are properly made, with all necessary information obtained, as well as all legal and regulatory requirements duly met.

The Board, with assistance of NRC, also considers the following criterion in selection process:

Probity, personal integrity and reputation	Competence and capability	Financial integrity
The person must have key qualities such as integrity, diligence, independence of mind and fairness	The person must have the necessary skills, knowledge, experience, ability and commitment to carry out the role	The person must manage his/her debts or financial affairs prudently

NRC and the Board will also consider diversity in terms of, among others, skills, background, knowledge, industry experience, culture, independence of opinion and perspectives, ethnicity, age and gender when appointing new Directors.

Process flow for appointment of new Directors are as follows:

- Identification of candidate;
- Evaluation of suitability of candidate;
- Meeting with candidate;
- Deliberation by the NRC; and
- Recommendation to the Board.

Thereafter, the application for appointment of such candidate would be submitted to BNM for approval.

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, ICDM and Lead Women to identify suitably qualified candidates.

During the financial year, the Board reviewed a talent pool, a database of potential candidates collated from talent resourcing, the existing Board members, Management and major shareholders as a tool to facilitate new appointments and recruitments. NRC/Board will screen through the talent pool during selection process in identifying best suited candidate for a particular position. 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.

In compliance with BNM's Guidelines on Fit and Proper Criteria and Fit and Proper Policy and Procedures for Directors of the Group, all Directors and SAB members are required to make an annual declaration on 'Fit and Proper' criteria in addition to declaration prior to initial appointment and reappointment to ensure that each Director and SAB member fulfils the 'Fit and Proper' criteria.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Training

The Board is mindful of the need for continuous training to keep abreast of new developments and is encouraged to attend internal training programmes/forums/seminars and external programmes facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors pertaining to the laws and regulations which may affect the Company. The Board will continue to evaluate and determine training needs of Directors to enhance their skills and knowledge. The Company Secretary keeps a complete record of the trainings received or attended by the Directors.

During financial year under review, all Directors have attended Mandatory Accreditation Programme ("MAP") Part I and MAP Part II: Leading for Impact (LIP) as required by Bursa Securities.

Onboarding session for newly appointed Independent and Non-Executive Director, Azizah Ali was conducted on 4 February 2025, where Senior Management presented the Company's business overview and operations.

Takaful Malaysia Keluarga continues to provide BNM's Circulars, updated Listing Requirements and new regulations and guidelines from other relevant regulatory authorities to assist Directors in keeping abreast with latest developments.

Training programmes, conferences and seminars attended by Directors during the financial year under review are within the categories of Takaful/ Insurance, Digital & Cybersecurity, Risk Management, Leadership, Finance, Sustainability, Governance & Compliance including Shariah related and Economics.

Re-election During AGM

The Company's Constitution provides for all Directors to submit themselves for re-election at least once every three (3) years at AGM in compliance with the Listing Requirements.

To assist shareholders in their decision on the relevant AGM resolutions, sufficient information, such as personal profile, meetings' attendance and shareholding in the Company of each Director standing for re-election are furnished in this Integrated Annual Report.

Name of Directors who are seeking re-election at 40th AGM of the Company to be held on 21 May 2025 are set out in Notice of AGM.

DIRECTORS' REMUNERATION

Level and Make-up of Remuneration

NRC is responsible in recommending the remuneration framework for Directors as well as remuneration package of SAB members, GCEO and Senior Management to the Board in line with MCGG's recommendation under Practice 7.2 to ensure that Takaful Malaysia Keluarga attracts, motivates and retains the right Directors, SAB members, GCEO and Senior Management.

The remuneration package for GCEO is structured on the basis of linking rewards to financial and individual performance. Performance is measured against KPI as approved by the Board. It is the ultimate responsibility of the Board to approve the remuneration of GCEO. GCEO does not participate in any way in determining his own individual remuneration.

In the case of Non-Executive Directors and SAB members, the remuneration package is determined by the Board as a whole, based on experience, level of expertise and responsibilities undertaken by Non-Executive Directors and SAB members, in line with the Group's overall practice on compensation and benefits. Non-Executive Directors' fees and benefits are approved by shareholders at AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Disclosure

Name	Company/Group*						
	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Dato' Mohammed Hussein Chairman/Independent Non-Executive Director	286/287	45/45	-	-	33/51	75/147	439/530
Mohd Azman Sulaiman Independent Non-Executive Director	209	-	-	-	5	106	320
Dato' Mustaffa Ahmad Independent Non-Executive Director	209/215	-	-	-	21/40	106 /174	336/429
Mohamad Salihuddin Ahmad Independent Non-Executive Director	165	-	-	-	23	88	276
Ch'ng Sok Heang Independent Non-Executive Director	214	-	-	-	21	95	330
Datuk Syed Hamadah Syed Othman Non-Independent Non-Executive Director (Appointed on 1 June 2024)	59	-	-	-	23	30	112
Datin Paduka Kartini Haji Abdul Manaf Non-Independent Non-Executive Director (Resigned on 31 May 2024)	100	-	-	-	43	30	173
Datuk Bazlan Osman Independent Non-Executive Director (Resigned on 30 June 2024)	118	-	-	-	11	42	171
Suraya Hassan Independent Non-Executive Director (Retired on 31 July 2024)	103	-	-	-	4	36	143

* Group includes Takaful Malaysia Keluarga's subsidiary companies in Malaysia and Indonesia.

Similar details are also provided in Note 24 of the Annual Audited Financial Statements of this Integrated Annual Report.

The total remuneration made on a named basis for the key senior management is set out as follows:

Name	Company					
	Salary (RM'000)	Allowance (RM'000)	Bonus (RM'000)	Benefits (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Nor Azman Zainal Group Chief Executive Officer	1,320	120	1,100	92	1,478	4,110
Mohamed Sabri Ramli Chief Executive Officer, Takaful Malaysia Am	960	45	800	32	449	2,286
Leem Why Chong Deputy Chief Executive Officer	901	45	541	1	387	1,875
Firozdin Abdul Wahab Chief Bancatakaful Officer	600	41	405	28	265	1,339
New Kheng Chee Group Chief Financial Officer	780	36	417	22	192	1,447

CORPORATE GOVERNANCE OVERVIEW STATEMENT

REMUNERATION POLICY STATEMENT

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.

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:

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.
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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 disclosure of remuneration and information on paid remuneration disclosed in the Group's Integrated Annual Report.

Philosophy or methodology imposed by Takaful Malaysia Keluarga to determine an employee's remuneration is guided as per the following:

Pay for performance with the notion that there is a direct link between employee's remuneration and individual or company's performance;	Set a market benchmark of the remuneration against the standard approved by the Board; and
Set the remuneration level to Takaful Malaysia Keluarga's comparative group by performing a market benchmarking exercise on an annual basis;	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. The detailed features of the LTIP are set out in Note 14 of the Annual Audited Financial Statements of this Integrated Report

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Takaful Malaysia Keluarga's performance management aligns the employees' actions and behaviours with the Company's strategies and goals which consist of the following:

Key Result Area ("KRA")	KPI	Competencies
Key deliverables that create the greatest impact of the job and reflect the core responsibilities	A specific measure of performance that is quantifiable/measurable	Key behaviours expected to be demonstrated towards achievement of targets or goals

The performance management process covers the following:

A business plan and strategy presentation by division heads to the Board on an annual basis for approval	KRA and KPI of the employees to tie back to business plans and strategies; and
Circulation of approved business plans and strategies to all employees;	Performance of employees to be reviewed during mid-year and a final assessment will be conducted at financial year end.

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:

- 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;
- 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 (CA)			✓	Annually
8	Remuneration for new hires (excluding General Managers and GCEO)			✓	NA

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SHAREHOLDERS

Dialogue between the Company and Investors

Takaful Malaysia Keluarga recognises the importance to keep shareholders well-informed of all major developments of Takaful Malaysia Keluarga on a timely basis. The Chairman and GCEO hold discussions with shareholders at least once a year during AGM. Additionally, various disclosures and announcements made to Bursa Securities including quarterly and annual results facilitate the dissemination of information to shareholders. All these announcements and other information about the Company is available in the Company's website, www.takaful-malaysia.com.my which shareholders, investors and public may access.

AGM

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.

All Directors attended the Company's 39th AGM which was held virtually on 23 May 2024 via Remote Participation and Electronic Voting (RPEV). The AGM was held in accordance with the 'Guidance Note on the Conduct of General Meetings for Listed Issuers' by Securities Commission Malaysia. Various measures were put in place to ensure effectiveness and efficiency of the conduct of 39th AGM where the Company leverage the technology to facilitate the voting system and remote participation by shareholders, which enabled the shareholders to engage and have a robust discussion with the Board and Senior Management during Question and Answer session in line with Practice 13.4 and 13.5 of MCCG. Apart from Directors and Senior Management, the external auditors of the Company also attended the said AGM.

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").

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.

Notice of 39th AGM was dispatched to shareholders within 28 days prior to the meeting pursuant to Practice 13.1 of the MCCG 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. Notice of 40th AGM will also be dispatched at least 28 days prior to the meeting and will be published in a nationally circulated newspaper as required under the Listing Requirements of Bursa Securities and is made available on the Company's website. As for re-election of Directors, the Board will ensure that full information is disclosed through notice of meeting regarding Directors who are retiring and who are willing to serve if re-elected.

Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

In line with the Listing Requirements of Bursa Securities under Paragraph 8.29A(1), the Company has adopted poll voting for all resolutions set out in the notice of general meeting at 39th AGM of the Company held on 23 May 2024. Poll voting reflects more accurately and fairly shareholders' views by ensuring that every vote is recognised, in accordance with the principle of "one share one vote". Polling processes were explained during general meetings and was conducted through electronic voting. Poll Administrator and Independent Scrutineers were appointed to conduct the polling process and verify the results of the poll respectively. The poll results were also announced to Bursa Securities via Bursa LINK on the same day for the benefit of all shareholders. Minutes of AGM including the questions raised at the meeting and answers given were also published in the Company's website at www.takaful-malaysia.com.my, within 30 days of AGM in line with Practice 13.6 of MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board ensures that the annual financial statements and quarterly announcements to shareholders are prepared in accordance with the approved accounting standards and present a balanced and understandable assessment of the Group's position and prospects. AC assists the Board in ensuring the accuracy and adequacy of information by reviewing and recommending for adoption information for disclosure.

Takaful Malaysia Keluarga adopted the integrated reporting for the financial year ended 31 December 2024 as recommended under Practice 12.2 of MCGG.

Statement of Directors' Responsibilities in Relation to Financial Statements

Directors are required under the Companies Act 2016 and the Listing Requirements of Bursa Securities, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the income statement and cash flows for the Company and the Group for the financial year.

Directors consider that, in preparing the financial statements for the year ended 31 December 2024, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. Directors have also considered that all applicable accounting standards have been followed and confirm that the financial statements have been prepared on going concern basis.

Directors are responsible for ensuring that the Company maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Company to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

Directors generally have the duty to take such steps as are reasonably available to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Internal Control and Risk Management

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.

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.

The Group adopts an enterprise-wide Risk Management Framework which embraces the three (3) lines of defence model. BRC support 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.

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed the Statement on Risk Management and Internal Control furnished on pages 167 to 172. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Relationships with Auditors

The role of AC is as stated on pages 165 to 166 in this Integrated Annual Report. Through AC of the Board, the Company has established transparent and appropriate relationship with the Company's auditors, both internal and external.

Internal Auditors

Internal auditors report 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 governance and risk management process, reviews operating effectiveness of internal controls system and compliance control within the Group. The Chief Internal Auditor is invited to attend AC's meetings to facilitate deliberation of audit reports. The minutes of AC 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.

External Auditors

AC and the Board place great emphasis on the objectivity and independence of the Company's auditors, Messrs. PricewaterhouseCoopers PLT, in providing relevant and transparent reports to the shareholders. AC undertakes an independent assessment on the external auditors annually.

To ensure comprehensive disclosure of matters, the Company's auditors are invited to attend AC meetings as and when necessary as well as during AGM. During the financial year under review, AC held a private session with the auditors without the presence of Management to discuss among other things the scope and adequacy of the audit process and audit findings.

This statement is made in accordance with the resolution of the Board of Directors dated 25 March 2025.