

## 4. FUTURE-READY GOVERNANCE FOR SLFRS 17

### 4.1 INTRODUCTION

Building on our ongoing efforts toward SLFRS 17 implementation, we are making steady progress toward full compliance well ahead of the January 1, 2026, effective date. SLFRS 17 replaces SLFRS 4, introducing a more consistent and transparent framework for insurance contract accounting. This new standard enhances comparability across the industry by standardising how insurance contracts are measured and reported, providing stakeholders with greater clarity on financial performance and risk exposure.

As part of our commitment to regulatory compliance and financial reporting excellence, we have made steady advancements in key areas of the project. This update provides insights into our progress, challenges addressed, and the next steps as we move closer to the implementation deadline.

### 4.2 GOVERNANCE STRUCTURE

The SLFRS 17 implementation project at Softlogic Life continues to be overseen by a well-defined governance structure, ensuring effective decision-making, risk management, and accountability. This structure remains consistent with previous years, maintaining strong oversight and strategic direction.

At the core of the governance framework is the Softlogic Life SLFRS 17 Steering Committee, which comprises key senior executives, including:

- Chief Financial Officer (CFO)
- Chief Actuarial Officer (CAO)
- Chief Information Officer (CIO)
- Chief Technical Officer (CTO)

Supporting the Steering Committee is a dedicated working group that includes representatives from all relevant departments.

This group plays a crucial role in executing project-related activities, ensuring alignment with SLFRS 17 requirements, and addressing operational challenges.

The Steering Committee reports directly to the Managing Director while also providing regular updates to the Audit Committee and the Board of Directors. This ensures that key stakeholders are continuously informed on project implementation, financial and operational impacts, and any emerging risk areas, enabling timely decision-making and strategic oversight.

### 4.3 ENHANCED DATA GOVERNANCE AND DISCLOSURE FRAMEWORK

Data governance is crucial under SLFRS 17 to ensure accuracy, consistency, and transparency in handling the highly detailed data required for compliance. To meet these demands, the Company has implemented robust controls, including cohort-level segmentation and profit testing, ensuring data integrity while supporting the long-term sustainability of the business model.

Effective data governance not only ensures compliance with SLFRS 17 but also facilitates the fulfilment of its comprehensive disclosure requirements.

### 4.4 STRUCTURED TARGET OPERATING MODEL

As part of the governance framework under SLFRS 17, the Company is developing a Target Operating Model (TOM) to enhance financial reporting and compliance. This model is designed to standardise processes, improve data accuracy, and ensure alignment with regulatory expectations. Once implemented, TOM will enable the Company to generate detailed financial reports that meet both regulatory and management reporting requirements.

### 4.5 PROGRESS ON SLFRS 17 IMPLEMENTATION

In 2024, Softlogic Life successfully implemented the SLFRS 17 calculation engine following a rigorous vendor selection process to ensure the most suitable system was chosen. Additionally, the Company engaged actuarial and accounting consultants, with Board approval, reinforcing strong governance and strategic alignment.

Key milestones achieved include technical analysis and evaluation of accounting policy choices, shaping a robust financial reporting framework. The finalisation of accounting positions is in progress, establishing policies that will enhance transparency, standardisation, and profit recognition.

Looking ahead, system roll-out, preparation of transition financial statements, and execution of parallel runs remain on track for completion. With major milestones achieved as planned, the Company remains confident in meeting the go-live target of 1st January 2026.

### 4.6 THREE-TIER GOVERNANCE FRAMEWORK

Softlogic Life's SLFRS 17 implementation is guided by a structured three-tier governance framework, ensuring compliance, transparency, and operational efficiency. This framework provides a disciplined approach to managing data, processes, and financial reporting. The approach focuses on:

#### 1. Data, Systems, and Technology Readiness –

Strengthening data governance, system integrity, and technology readiness.

#### 2. Processes and Operational Readiness –

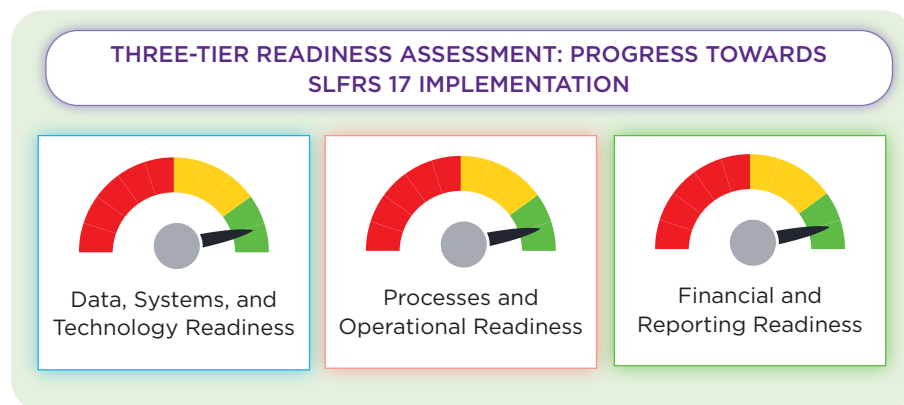
Standardising processes to ensure smooth operational transitions and compliance.

### 3. Financial and Reporting

#### Readiness –

Enhancing financial reporting to meet regulatory and disclosure requirements.

This governance-driven approach addresses compliance challenges and supports long-term sustainability. Additionally, key focus areas and relevant response updates are elaborated separately under the 'Governance and Control Strategies for SLFRS 17' section of this report.



#### KEY FOCUS AREAS AND UPDATES UNDER THE THREE-TIER GOVERNANCE FRAMEWORK OF SLFRS 17

