

BOARD OF DIRECTORS



MR. ASHOK PATHIRAGE
Chairman



MR. IFTIKAR AHAMED
Managing Director



MR. HARESH KAIMAL
Director



MS. FERNANDA LIMA
Director



MR. V. GOVINDASAMY
Director



MR. RAIMUND SNYDERS
Director



MR. SANJAYA MOHOTTALA
Director



MR. LALITH WITHANA
Director

MR. ASHOK PATHIRAGE

Chairman

Skills and Experience

Mr. Ashok Pathirage is recognised as a visionary leader in Sri Lanka's corporate sector. As the founding member and Chairman/Managing Director of Softlogic Group, one of Sri Lanka's leading conglomerates, Mr. Pathirage has been instrumental in driving the Group's remarkable achievements and success. Under his leadership, Softlogic Group has grown to encompass over 50 companies, creating employment opportunities for more than 11,000 individuals across Sri Lanka and Australia, reflecting his steadfast commitment to business excellence. With a strategic and pragmatic vision, Mr. Pathirage guides Softlogic Group's operations across all sectors. The Group has established a dominant presence in three core verticals—Retail & Telecommunications, Healthcare Services, and Financial Services—while also making significant strides in non-core areas such as IT, Leisure, and Automobiles. A key highlight of his leadership is the success of the Asiri Hospital chain, which has emerged as Sri Lanka's leading private healthcare provider. Under his guidance, Asiri Hospitals has set new industry benchmarks in medical innovation, playing a crucial role in advancing the country's private healthcare services.

Other Current Appointments

In addition to his role as Chairman and Managing Director of Softlogic Group, Mr. Pathirage holds several prestigious leadership positions in publicly listed companies. He serves as Chairman/Managing Director of Softlogic Holdings PLC, Softlogic Capital PLC, Softlogic Finance PLC, Asiri Hospital Holdings PLC, Asiri Surgical Hospital PLC, and Odel PLC—all of which are listed on the Colombo Stock Exchange. Moreover, Mr. Pathirage is the Chairman of NDB Capital Holdings Ltd., further cementing his influence across Sri Lanka's business landscape.

Previous Appointments

Mr. Pathirage held the position of Deputy Chairman at National

Development Bank PLC, completing his full tenure in accordance with regulatory guidelines. His experience in governance and corporate responsibility extends to his role as former Chairman of both Sri Lankan Airlines Limited and Sri Lankan Catering Limited, where the Government of Sri Lanka is the principal shareholder.

MR. IFTIKAR AHAMED

Managing Director

Skills and Experience

Mr. Iftikar Ahamed holds over three decades of experience in a wide range of positions within the financial services industry and has extensive banking experience both in Sri Lanka and overseas. He holds a MBA from the University of Wales, UK.

Other Current Appointments

Mr. Ahamed was appointed as Managing Director of Softlogic Life Insurance PLC in January 2014. He is a Director of Softlogic Stockbrokers (Pvt) Limited, Softlogic Corporate Services (Pvt) Limited, Softlogic Asset Management (Pvt) Limited and Softlogic Australia Pty Limited.

Previous Appointments

Mr. Ahamed has previously held senior management positions as Deputy Chief Executive Officer at Nations Trust Bank PLC, and Senior Associate Director at Deutsche Bank AG.

MR. HARESH KAIMAL

Director

Skills and Experience

Mr. Hareesh Kaimal is a co-founder of the Softlogic Group and a Director since its inception. With over 3 decades of experience in IT and Operations, he heads the Group IT division which oversees the entire Group requirements in Information Technology, covering all sectors.

Other Current Appointments

He is an Executive Director of Softlogic BPO Service (Pvt) Ltd, Director of Softlogic Holdings PLC, Softlogic Finance PLC, Odel PLC, Softlogic Capital PLC and many other Group companies.

MS. FERNANDA LIMA

Director

Skills and Experience

Ms. Fernanda Lima has over 20 years of experience in financial services and private equity investing in emerging markets. She has hands-on experience in growing inclusive financial institutions across Asia and has held a number of Board and senior roles in investee companies.

She holds a Master of Science in Environment and Development from the London School of Economics and a Master of Business Administration from the University of London and Imperial College. She was a British Chevening Scholar and speaks fluent Portuguese and Spanish.

Other Current Appointments

Ms. Lima is based in Singapore and a Partner for LeapFrog Investments, the pioneering impact investing private equity firm. LeapFrog has raised over US \$2.5Bn from global institutional investors towards its profit-with-purpose funds to deliver essential financial and healthcare tools in some of the world's fastest growing markets.

She is also a board member of bolttech, Pasar Polis, HDBank (Observer) and Save the Children Global Ventures.

Previous Appointments

Ms. Lima previously spent nine years as Managing Director, Asia for US-based Developing World Markets. Prior to that, she was Vice President for AIG Global Investment Group in London and with venture capital firm AFLA/CVC in Sao Paulo, Brazil having started her career with Brazil-based Unibanco/ITAU, largest financial conglomerate in the southern hemisphere.

MR. V. GOVINDASAMY

Director

Skills and Experience

Mr. V. Govindasamy holds a Bachelor of Science in Electrical Engineering and MBA from the University of Hartford, USA. He is a Fellow Member of the Institute of Certified

BOARD OF DIRECTORS

Professional Managers of Sri Lanka. His international experience coupled with his innate managerial capability and innovative qualities enabled him to transform the plantation business, achieving perceptible improvement in quality, production standards and penetration into new markets.

Other Current Appointments

Mr. V. Govindasamy is the Deputy Chairman of Sunshine Holdings PLC. He pioneered the Group's diversification into newer, but key, economic sectors such as Consumer Business, Healthcare, Plantations, and Dairy. He currently serves as a Member of the Governing Board of the Central Bank of Sri Lanka. He serves as a board member of Sunshine Holdings and its subsidiaries, as well as United Motors Lanka PLC, Dialog Axiata PLC, and Lanka Island Resorts Ltd.

Previous Appointments

He previously held the position of Chairman at the Ceylon Chamber of Commerce (CCC).

MR. RAIMUND SNYDERS

Director

Skills and Experience

Mr. Raimund Snyders holds a Bachelor of Commerce, Bachelor of Laws from Stellenbosch University, as well as Executive Leadership qualifications from the Graduate School of Business, University of Cape Town, and Harvard Business School. He is one of the most seasoned insurance leaders in the industry. His experience in the insurance industry is both vast and deep. Over his career, Raimund has led organic and inorganic expansion, sales, marketing, product development, distribution, bancassurance, investment and wealth management – with responsibilities across retail, institutional and enterprise functions cultivated over 27 years of career with Old Mutual.

Other Current Appointments

Currently, Mr. Snyders sits on the Board of Directors of miLife Insurance

Limited and AIICO Limited, both Africa-based insurers.

Previous Appointments

Mr. Snyders served as the CEO of Mutual and Federal, the 185-year-old insurer in the Old Mutual Group, and he led a turnaround of the Company as part of the Old Mutual Group's strategy to establish itself as a leading financial services group across the African continent. Under his leadership, Mutual and Federal was rebranded to become Old Mutual Insure. Prior to this, Mr. Snyders served in executive leadership positions in the Old Mutual Group, leading large multidisciplinary teams in areas of business such as distribution, bancassurance, investments and wealth management key positions included: COO and Head of Distribution for Old Mutual's African operations; Executive General Manager, Old Mutual Life Assurance Co (South Africa); CEO, Old Mutual Life Assurance Co (Namibia); and Managing Director, Old Mutual Investment Services.

MR. SANJAYA MOHOTTALA

Director

Skills and Experience

Mr. Sanjaya Mohottala is a Partner and Director at Boston Consulting Group. He has extensive experience in strategy, mergers & acquisitions and investments, restructuring, operational improvement, sales and marketing, digitisation and advanced analytics. Mr. Mohottala has led multiple merger discussions and post-merger integration efforts. He has also worked on largescale global transformation efforts. He received his MBA from the UCLA Anderson School of Management (Fulbright Scholar, USA), holds a BSc (Hons) from the University of Moratuwa, Management Accountant - CIMA, Diploma in Marketing - CIM.

Previous Appointments

Mr. Mohottala was the former BOI Chairman, was a board member at the Export Development Board, Sri Lankan Airlines and the International Chamber of Commerce – Sri Lanka.

MR. LALITH WITHANA

Director

Skills and Experience

Mr. Lalith Withana holds a Master of Business Administration (MBA) Degree from the University of Sri Jayawardenepura, Colombo and a Bachelor of Arts (BA) Hons. Degree from the University of Manchester Metropolitan, UK. He is a Fellow Member of both Chartered Institute of Management Accountants (FCMA), UK, and the Institute of Chartered Accountants of Sri Lanka (FCA). He is also a Project Management Professional of the Project Management Institute (PMI), USA.

Other Current Appointments

Mr. Withana is currently serving as the Founder and the Managing Director of Agility Consulting Services (Pvt) Ltd, and as a Director of HNB Finance PLC, Citrus Leisure PLC, Waskaduwa Beach Resort PLC, Hikkaduwa Beach resort PLC, Commercial Development Company PLC and Serendipity Leisure (Pvt) Ltd. He serves currently as a Consultant for Deloitte Consulting Overseas Projects LLC as well as Vice President of the Project Management Institute (PMI), local chapter.

Previous Appointments

Mr. Withana has held management positions in the corporate sector for over 25 years, during which he has held senior management positions in Banking, Manufacturing and Trading for more than 25 years. He has worked with many organisations such as Brandix Group, Ernst & Young, Amsterdam Rotterdam (Amro) Bank, IBM World Trade Corporation & Carson Cumberbatch, Ceylon Tea Services Limited, Yamaha Corporation in (USA), Sri Lankan Airlines and Sri Lankan Catering. He had previously served as an Independent Director on the Boards of Bank of Ceylon, Dankotuwa Porcelain PLC, Merchant Bank of Sri Lanka PLC, and Seylan Bank. Mr. Withana had also been a Commissioner of the Telecommunications Regulatory Commission.

CORPORATE MANAGEMENT TEAM



IFTIKAR AHAMED
Managing Director



INDU ATTYGALA
Deputy Chief Executive
Officer



THILANKA KIRIPORUWA
Chief Corporate Services
Officer



AMAL DHARMAPRIYA
Chief Information Officer



SURANGA WADUGE
Chief Actuarial Officer



NUWAN WITHANAGE
Chief Financial Officer



PRANAMA PERERA
Chief Technical Officer



**PIYUMAL
WICKRAMASINGHE**
Chief Distribution Officer -
Alternate Channel



INDIKA BAMUNUSINGHE
Chief Human Resources
Officer



RUWANTHA ARUKWATTA
Chief Audit And Compliance
Officer



SARANGA WIJAYARATHNE
Chief Digital Innovation
Officer



RUSHIKA BEMUNUGE
Chief Risk Officer



**CHAMINDRI
PILIMATALAUWE**
Head of Marketing

CORPORATE MANAGEMENT TEAM

IFTIKAR AHAMED **Managing Director**

Please refer Profiles of the Board of Directors on Page 177.

INDU ATTYGALA **Deputy Chief Executive Officer**

MBA University of Northampton, UK.
30 years of experience in Insurance.

THILANKA KIRIPORUWA **Chief Corporate Services Officer**

Master's in Business Studies (UOC), CIM (UK), LLB Hons (UK) Diploma in Human Resources and a Diploma in Information Technology.

24+ years' experience in Human Resources, Customer Service, Logistics, Administration, Facilities Management, Retail, General Operations and Micro Insurance.

AMAL DHARMAPRIYA **Chief Information Officer**

B.Sc. in Applied Science, M.Sc. in Computer Science, and an MBA from USJP, along with CISM certification from ISACA.

A seasoned IT leader with 25 years of industry experience, specialising in FinTech, InsurTech, Business Process Automation (BPA), and Digital Transformation (DX) & Customer Experience (CX) solutions.

Former Chair of the Information Technology Committee at the Insurance Association of Sri Lanka (IASL) and recognised among the Top 200 CIOs worldwide in both 2023 and 2024 by the Global CIO Forum.

SURANGA WADUGE **Chief Actuarial Officer**

BSc (Hons), MSc (Mathematics and Statistics), MSc (Actuarial Management).

20 years of experience in the Actuarial and Life Insurance.

NUWAN WITHANAGE **Chief Financial Officer**

Mr. Withanage is a Fellow Member (FCA) of the Institute of Chartered Accountants of Sri Lanka and holds Associate Memberships from ACCA (United Kingdom), CPA Australia, and is a Fellow Member (FCMA) of CMA Sri Lanka. He earned an MBA in Business Administration from the PIM at the University of Sri Jayewardenepura and holds a Bachelor of Business

Management - Finance (Sp.) Degree from the University of Kelaniya, Sri Lanka. He has served as a Governing Council member (elect) at both the CA Sri Lanka and the Open University of Sri Lanka, also chaired the Finance and Technical Committee of the Insurance industry of Sri Lanka (CFO Forum) for five years. He has been honoured with the Best CFO Award and is noted as the youngest CFO recognised by CMA Sri Lanka.

He is actively involved in various committees. His roles include membership in the Financial Reporting Standards Interpretation and Implementation Committee, member in the SLFRS 17 Implementation task force of Sri Lanka, and member of the Sustainability Reporting and Assurance Committee of the South Asian Federation of Accountants (SAFA). He also chairs the Professional Accounting in Business Committee (PAIB) at CA Sri Lanka and contributes to several other committees, including the Task Force to Develop Non-Financial Reporting Practices in Sri Lanka.

With 19 years of experience in finance, insurance, strategy, investor relations, audit, compliance, general management, and overseas business expansion. Mr. Withanage has also authored a research paper titled "Factors to be Considered when Discount Rate is Used for Valuation of Insurance Contract Liability for Financial Reporting Purposes."

PRANAMA PERERA **Chief Technical Officer**

ACII Chartered Insurer, MBA Manipal University India

Over 28 Years of Insurance experience holding managerial positions in local as well as multinational companies. He also hold the position of Specified Officer of the Company.

PIYUMAL WICKRAMASINGHE **Chief Distribution Officer - Alternate Channel**

B.A (Hons) in Business Management - Middlesex University, London MBA- Cardiff Metropolitan University, Cardiff.

20 years of experience in Insurance.

INDIKA BAMUNUSINGHE **Chief Human Resources Officer**

Bachelor of Business- La Trobe University, Australia, Executive Education- The Wharton School, University of Pennsylvania, USA

18 years of experience in Human Resource Management in Insurance and Retail Sectors in Asia pacific region.

He served as the Chair of the HR Sub-Committee of the Insurance Association of Sri Lanka(IASL) from 2022-2024.

RUWANATHA ARUKWATTA **Chief Audit And Compliance Officer**

Mr. Arukwatta is a distinguished Chartered Accountant with over two decades of experience in auditing with a specialisation in financial services, where he has cultivated a profound expertise in financial auditing, regulatory compliance, and risk management. His career commenced at KPMG, where he refined his skills in auditing and compliance, establishing a robust foundation in financial reporting and internal controls.

In 2014, Mr. Arukwatta joined Softlogic Life Insurance PLC, where he currently presides over the audit and compliance functions. His primary responsibilities encompass leading internal audits, conducting comprehensive risk assessments, and implementing effective compliance programs and policies. Through strategic planning and exemplary team leadership, Mr. Arukwatta ensures that the company adheres to the highest standards of financial integrity and regulatory compliance.

SARANGA WIJAYARATHNE **Chief Digital Innovation Officer**

MBCS, PgISM University of Colombo.

25 years of experience in Technology specialised in Artificial Intelligence.

RUSHIKA BEMUNUGE **Chief Risk Officer**

Master's in financial economics, University of Colombo, BSc. Economics, London School of Economics.

16 years of experience in Risk Management with specialist focus on creating value through integrated Risk Management practices in the financial sector.

CHAMINDRI PILIMATALAUWE **Head of Marketing**

ACIM, Master of Science (M.Sc) in Business Psychology, London Metropolitan University, UK

10+ Years experience across the apparel, media, and financial sectors, with a focus on strategic brand development.

SALES MANAGEMENT TEAM



ROSHAN PEIRIS
Senior General Manager –
National Distribution



**SANDAMAL
HETTIARACHCHI**
Senior General Manager -
Agency Transformation



UPUL JAYASEKARA
Senior General Manager



NISHANTHA BANDARA
General Manager



**PRIYASHANTHA
SIRIWARDENA**
General Manager



SUSIL ATAPATTU
General Manager



NISHAN CHAMINDA
General Manager



HIRAN GUNAWARDENA
General Manager



LAHIRU MADURANGA
General Manager



SUMENDRA JAYARAM
General Manager - Sales
Training and Development



LUXMAN PEIRIS
Deputy General Manager



NIHAL PERERA
Assistant General Manager



VIRANGA GUNATHILAKA
Assistant General Manager



CHAMINDA WEERAKKODY
Assistant General Manager



CHAMINDA DISSANAYAKE
Sales Manager

SALES MANAGEMENT TEAM

ROSHAN PEIRIS

Senior General Manager – National Distribution

Master of Business Administration (PIM – SJP), Certified Professional Marketer (AMF), Chartered Insurance Agency Manager (LIMRA – USA), Fellow Life Underwriters Council (LIMRA – USA), Certified Moderator (LIMRA – USA)

30 years in Insurance Industry.

SANDAMAL HETTIARACHCHI

Senior General Manager - Agency Transformation

Diploma in Aviation Maintenance, Diploma in Marketing, Diploma in HR, Higher Diploma in Sales Management

38 years of experience in the Insurance Industry and 5 years in Aeronautical Field.

UPUL JAYASEKARA

Senior General Manager

BSc (Physical Science) at University of Colombo, Diploma in Business Management at NIBM.

25 years of experience in the Insurance Industry.

NISHANTHA BANDARA

General Manager

Master of Business Administration at London Metropolitan University, The Programme of “Middle Level Executives” at National Insurance Academy, Pune, India, The Oriental Life Insurance Seminar 2006 November in Tokyo, OLIS ASIA 2007 - Kuala Lumpur on Marketing at the Malaysian Insurance Institute, The Oriental Life Insurance Seminar 2010 Autumn in Tokyo.

34 years in the Insurance Industry.

PRIYASHANTHA SIRIWARDENA

General Manager

MBA from Buckinghamshire New University of UK, Chartered Insurance Agency Manager Degree from CIAM - LIMRA, Post Graduate Diploma in Service Marketing from Netherlands - Business School of Maastricht, Diploma in Marketing – Sri Lanka Institute of Marketing, Diploma in Business Management – Institute of Management Specialist (UK).

33 years of experience in the Insurance Industry.

SUSIL ATAPATTU

General Manager

Doctor of Humanities (American National Business University), Bachelor of Business Administration - BBA (Central American Business University), Master Management Consultant - MMC (American Academy of Project Management), Master of Business Administration - MBA - Azteca University - Chalco, Mexico, AMTC USA.

30 years of experience in the Life Insurance Industry.

NISHAN CHAMINDA

General Manager

Certified AMTC – USA, LUCTF:UK. SIM. Singapore Completed AMTC Management Training Course Life Insurance Conduct by International (USA).

30 years of experience in the Life Insurance Industry.

HIRAN GUNAWARDENA

General Manager

BA (Defense Studies) - Kothalawala Defense University, CIAM (USA), CFM (USA) LUTCF (USA) Dip in Life Insurance Marketing (USA), Certified NLP Business Practitioner (India).

11 years of experience in Defense services and 28 years in the Insurance Industry.

LAHIRU MADURANGA

General Manager

PG Dip in Marketing (SLIMM), MBA (Cardiff Met University UK), MSC in Strategic Marketing (Queen Margaret University UK).

10 years in Life insurance sales and marketing, 8 years in Life Insurance sales management. MDRT Honor Roll Membership.

SUMENDRA JAYARAM

General Manager - Sales Training and Development

MBA (Sikkim Manipal University of India), Post Graduate Diploma in International Affairs (BCIS), Post Graduate Diploma in Marketing,

Specialist Advanced Diploma in Teaching, Training & assessing Learning (City & Guilds - UK), Fellow Member of The Institute of Chartered Professional Managers of Sri Lanka (CPM).

25+ years of corporate experience. 10 years in Telecommunication industry, international business arena. 14 years management experience in Insurance Industry out of which 05 years as Head of Training.

LUXMAN PEIRIS

Deputy General Manager

LUTC & AMTC

23 years in the Insurance Industry.

NIHAL PERERA

Assistant General Manager

Higher National Diploma in Accountancy, LUTCF (USA), LIM “Dip” (USA).

37 years in the Insurance Industry.

VIRANGA GUNATHILAKA

Assistant General Manager

BA University of Ruhuna

30 years in the Insurance Industry.

CHAMINDA WEERAKKODY

Assistant General Manager

BSc (Sp) Hons AGRIC. - University of Peradeniya, Post Graduate Diploma in Business Management - University of Peradeniya, Diploma in Insurance SLII - Sri Lanka Insurance Institute, MBA London Metropolitan University - UK, CPM - Certified Professional Marketer, AWF - CII.UK - Award in Financial Planning - Chartered Insurance Institute UK.

28 years of experience in the Financial Services Industry comprising 6 years in Investment/ Merchant Banking & Finance, 21 years in Insurance.

CHAMINDA DISSANAYAKE

Sales Manager

Master of Business Administration - Cardiff Metropolitan University (UK), Participated in the insurance Training Program of Indian National Insurance Academy in Pune.

22 years of experience in the Insurance industry.

5. BOARD LEADERSHIP IN GOVERNANCE

BOARD OVERVIEW

The Board of Directors of Softlogic Life Insurance PLC plays a pivotal role in governance and leadership, upholding ethical standards, transparency, and accountability. It is responsible for setting the company's strategic direction, defining risk appetite, and overseeing performance while ensuring effective resource use and compliance with industry standards.

Additionally, the Board supervises internal controls and risk management frameworks, ensuring seamless alignment with strategic goals to maintain operational integrity and resilience. The Board is also committed to sustainability, integrating environmental, social, and governance (ESG) priorities into decision-making.

The Board ensures that Directors act in stakeholders' best interests, acting with integrity while leveraging their deep industry expertise. Through strategic foresight and collaborative leadership, the Board has positioned Softlogic Life as a benchmark for governance excellence in Sri Lanka's insurance sector.

Balanced Governance Structure

The Board is designed to ensure effective and accountable governance. With a majority of Non-Executive Directors (7 out of 8), their views and opinions have significant influence, while one-third of the Board comprises Independent Non-Executive Directors, ensuring impartiality in decision-making. Refer composition of Board on page 196-197

Separation of the Roles of Chairman and Managing Director

The Company maintains governance best practices by clearly separating the roles of Chairman and Managing Director. This distinction enhances balanced decision-making, authority, and accountability, preventing excessive concentration of influence

within the Board. The distinct responsibilities of the Chairman and Managing Director are outlined in detail on page 194.

Dynamic Board Expertise

The Board brings a wealth of knowledge and experience, with Directors offering insights across various industries, as mentioned on page 196-197. This diverse expertise fosters well-rounded discussions, innovation, and informed decision-making. By integrating multiple perspectives, the Board remains agile in navigating complex challenges, driving long-term growth, and ensuring success in a constantly evolving business landscape.

Financial Acumen of the Board

The Board, with a wealth of financial expertise, ensures strong oversight, fostering sustainable growth and investor confidence. The Directors' statement on financial reporting responsibility on pages 229-230 reaffirms their commitment to accountability.

Fit and Proper Assessment

The Board of Softlogic Life Insurance PLC conducts the Fit and Proper Assessment per Section 9 of the CSE Listing Rules, ensuring that all Directors and the Managing Director meet the required standards of integrity, competence, and financial soundness. This reinforces the company's commitment to ethical leadership, regulatory compliance, and strong governance.

Efficient Board Operation

The Board of the Company follows a structured and transparent governance process, supported by a dedicated Company Secretary. Meetings are well-documented, with senior management providing regular strategic insights to ensure informed decision-making. Additionally, a Directors' and Officers' Liability Insurance Policy safeguards against potential risks, reinforcing the Board's effectiveness and confidence in governance.

Seeking Independent Professional Advice

The Board is authorised to obtain independent professional advice from external experts when necessary, ensuring well-informed and objective decision-making. Access to specialised expertise enhances the Board's ability to address complex matters effectively. To support this, the Company fully reimburses any professional service fees incurred, demonstrating its commitment to strong governance, transparency, and sound strategic oversight.

5.1 POWERS, ROLES AND RESPONSIBILITIES OF THE BOARD (PRINCIPLES A.1.2 TO A.1.7)

The Board has been vested with substantial authority by the Company, enabling it to effectively govern the organisation in accordance with its designated roles, responsibilities, and obligations as stipulated in the Articles of Association and the Companies Act No. 7 of 2007. This authority is both significant and carefully regulated, ensuring the Board can fulfil its duties with efficiency and accountability.

Role of the Board

- Safeguard the interests of shareholders by overseeing Company's strategic direction.
- Provide strategic direction to Management to ensure the successful implementation of business strategies.
- Establish and uphold a strong governance structure to maintain and promote sustainable value creation for shareholders and other stakeholders.
- Ensuring adherence to regulatory frameworks and internal policies.
- Regularly evaluate the Company's overall performance to ensure alignment with strategic objectives.



Responsibilities of the Board

The Board of Directors provides strategic leadership within a framework of prudent and effective controls that assess and manage risks. Its key responsibilities align with corporate governance principles and business sustainability, ensuring long-term value creation.

1. Strategic Leadership, Risk, and Governance:

- Drive long-term strategy aligned with ESG risks to secure sustainable value.
- Establish a governance framework with dedicated Sub-Committees for enhanced oversight.
- Implement integrated reporting to boost transparency and stakeholder engagement.
- Maintain resilient systems for data integrity, cybersecurity, business continuity, and risk management.
- Ensure ongoing compliance with legal, ethical, and regulatory standards.

2. Financial Oversight and Performance Monitoring:

- Authorise budgets and capital expenditures to ensure fiscal discipline and strategic investment.
- Define financial authority and enforce robust internal controls.
- Uphold strict compliance with LKAS/SLFRS and accounting standards.
- Approve financial statements that accurately reflect the company's position.
- Monitor performance via KPIs and audits to ensure regulatory compliance.

3. Leadership Development and Succession Planning:

- Appoint and evaluate the MD and senior management for leadership excellence.
- Ensure leaders have the necessary expertise and strategic vision.
- Implement a robust succession plan for key roles to guarantee continuity.

4. Technology, Digital Transformation, and Innovation:

- Align the ICT roadmap with business strategy to drive digital transformation.
- Oversee AI, automation, and digital innovations to maintain a competitive edge.
- Enhance cybersecurity and data privacy to protect critical assets.

5. Stakeholder and Compliance Management:

- Ensure full compliance with IRCSL and relevant regulatory frameworks.
- Integrate ESG risks and sustainability into the core business strategy.
- Maintain transparent, timely disclosures to build stakeholder trust.
- Strengthen operational soundness to safeguard policyholders, shareholders, and other stakeholders.

2024 Update

- The Board has defined and is actively executing a long-term strategy that aligns key initiatives with ESG risks to secure sustainable value. (Detailed measures are outlined on pages 91-96).
- The Board has established a robust governance framework with dedicated Sub-Committees. Refer page 203 for Board Sub-Committee meetings.
- Legal and compliance reviews discussed in Board meetings (Refer Audit Committee Report on pages 235-238).
- In 2024, major capital expenditures, including those incurred for SLFRS 17 implementation and budgets were reviewed and approved through various Board resolutions.
- Conducted Extraordinary General Meeting and passed the resolution of Share repurchase option in 2024.
- The Board approved interim and annual financial statements that accurately reflect the company's financial position.
- Financial Performance, KPI, and budget reviews presented at Board meetings in 2024.
- MD and KMP performance evaluations conducted and documented (Refer page 195).
- Succession planning reviewed and executed by the Nominations and Governance Committee.
- Targeted training programs and leadership development workshops implemented.
- Developed an ICT roadmap aligned with business goals and digital transformation strategies.
- Deployed chatbots and virtual assistants to enhance customer service.

5. BOARD LEADERSHIP IN GOVERNANCE



GRI

2-12

Roles of Key Governance Positions

1

The role of Chairman (Principles A.2 and A.3)

- Provides decisive and impartial leadership to guide the Board effectively.
- Upholds good governance and Board control over company affairs.
- Facilitates the effective discharge of Board duties and responsibilities, ensuring directors fulfil their roles while initiating self-assessment processes to enhance effectiveness and operational efficiency.
- Ensures order and seamless Board operation while presiding over meetings, fostering active participation, and ensuring proper execution of proceedings.
- Encourages director participation, promoting inclusivity while ensuring Board practices align with governance principles to safeguard stakeholder interests.

2

The role of Managing Director (Principles A.2 and A.3)

- Translates Board-approved strategies into actionable plans, ensuring corporate objectives are met.
- Manages daily operations, leads the management team, and optimises resource allocation for efficiency and profitability.
- Oversees risk management, internal controls, cybersecurity, and regulatory compliance, escalating critical issues to the Board.
- Collaborates with the Chairman and Board, providing timely updates on performance, strategy, and key challenges while ensuring effective communication.
- Represents the company to stakeholders, aligning operations with their interests and integrating ESG principles into strategy.
- Fosters accountability, innovation, and ethical conduct, mentoring management and ensuring leadership succession.

3

The role of Independent Non-Executive Directors (Principles A.3.1, A.5 and A.5.1)

- Upholds independence and impartiality, ensuring unbiased objective decision-making.
- Provide neutral perspectives to mitigate conflicts of interest, protecting stakeholder and policyholder interests.
- Offers strategic insights to align business objectives with long-term sustainability.
- Challenges and supports management in performance assessment and accountability.
- Enhances reputation by bringing diverse leadership experience and credibility.
- Elevates governance through active participation in Board Sub-Committees on risk, audit, and compliance.

4

The role of Company Secretary (Principles A.1.4)

- Ensures smooth information flow between the Board, management, and stakeholders.
- Ensures that Board meetings, AGMs, and EGMs are conducted in accordance with the Articles of Association, the Board Charter, and relevant legislation.
- Prepares agendas with the Chairman and MD, aligning discussions with strategic priorities.
- Coordinates Board papers, memoranda, presentations, and accurate recording of meeting minutes.
- Maintains statutory registers and ensures timely filing of statutory returns.
- Communicates with regulators, shareholders, and the CSE, ensuring transparency.
- Oversees related party disclosures and facilitates legal and professional advice.
- Promotes corporate governance best practices and ensures regulatory compliance.
- Manages financial reporting, including Annual and interim reports.



5.2 EVALUATION OF BOARD AND BOARD SUB-COMMITTEE PERFORMANCE (PRINCIPLES A.9)

The Board conducts periodic assessments to ensure its effectiveness and alignment with the responsibilities outlined in the Board Charter, in line with Principle A.9 of the Code of Best Practice on Corporate Governance 2023. This evaluation process includes a formal annual self-assessment, where the Board of Directors evaluates its collective performance, as well as that of individual members, committees, and leadership roles, in compliance with CSE Listing Rule

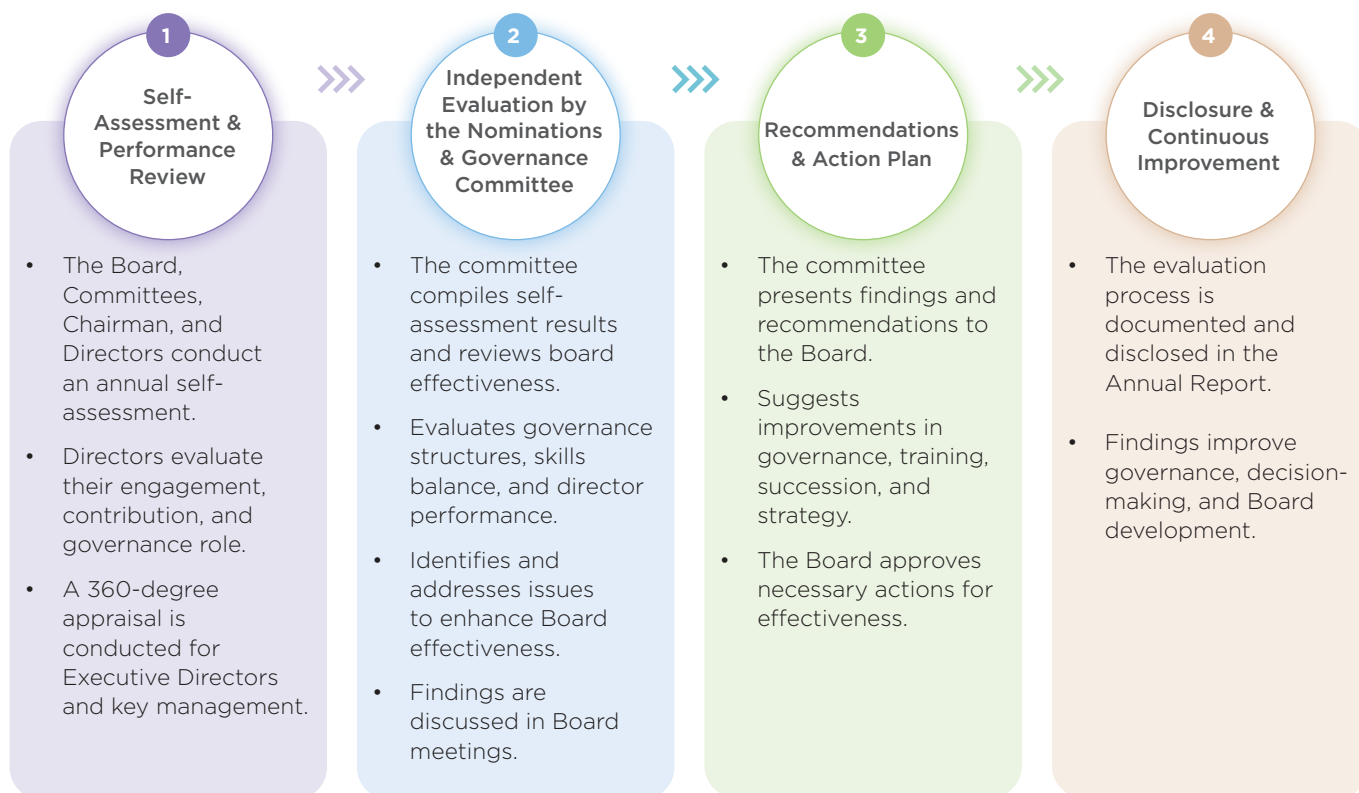
Section 9. Each Director is required to complete Performance Evaluation Forms, incorporating relevant criteria specified in the Board Performance Evaluation Checklist.

The Company Secretary compiles these responses and submits them to the Nominations and Governance Committee for review and recommendations, as per CSE Listing Rule Section 9. The Nominations and Governance Committee, which is responsible for overseeing this process in accordance with its written terms of reference, reviews the results of these self-assessments and compiles the collective

findings. Based on the evaluation outcomes, the Committee provides recommendations to the Board on areas requiring improvement, including skills balance, governance processes, director engagement, and strategic oversight, ensuring that Board composition aligns with the company's needs in compliance with code and listing rules.

This structured review process ensures that the Board maintains accountability, transparency, and continuous development, in line with the company's corporate governance framework.

BOARD EVALUATION PROCESS



5. BOARD LEADERSHIP IN GOVERNANCE

Figure: Board Composition



Mr. Ashok Pathirage
Chairman
Age: 60
(Appointed 9 July 2011)



Mr. Iftikar Ahamed
Managing Director
Age: 62
(Appointed 9 July 2011)



Mr. Haresh Kaimal
Director
Age: 59
(Appointed 7 March 2018)



Ms. Fernanda Lima
Director
Age: 52
(Appointed 21 December 2018)

Sub-Committee Membership

H I N

Skills and Experience:
Experience in managing over 50 companies in Retail, Healthcare, Services, Telecommunications, Financial Services, IT, Leisure, Aviation and Automotive Industry.

I

Skills and Experience:
More than 30 years of experience in Financial Services and Banking industries in Sri Lanka as well as overseas.

R I

Skills and Experience:
His experience spans over 30 years in ICT sector in Management of IT and Operations.

Skills and Experience:
Her experience includes Financial Services and investment in emerging markets for over 20 years.

A Audit Committee R Risk Committee H Human Resource and Remuneration Committee

POWER BALANCE

8 Members



1

Executive Director



4

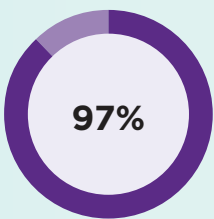
Non-Executive Directors



3

Independent Non-Executive Director

Board Meeting Attendance



Gender



Male



Female

7

1

Skills and Experiences / No. of Directors



Insurance

4



Accounting and Finance

6



Risk Management

5



Economics

2



Banking

6



Corporate and Commercial Law

2



GRI

2-9

2-12

**Mr. V. Govindasamy**

Director

Age: 60

(Appointed 16 January 2020)

**Mr. Raimund Snyders**

Director

Age: 60

(Appointed 2 May 2020)

**Mr. Sanjaya Mohottala**

Director

Age: 48

(Appointed 01 July 2021)

**Mr. Lalith Withana**

Director

Age: 63

(Appointed 01 July 2021)

A H I T N

Skills and Experience:

He has experience in management in the sectors of Plantations, FMCG, Renewable Energy.

A R I T

Skills and Experience:

He has management experience of over 28 years in Financial Services, Wealth and Investment Management.

I

Skills and Experience:

He has experience in Corporate Finance, Automation, Digitisation, Sales and Marketing.

A H T N R

Skills and Experience:

He has management experience of over 25 years in Banking, Manufacturing & Trading sectors.

I Investment Committee

T Related Party Transactions Review Committee

N Nominations and Governance Committee

**Age**

Below 55

2



Above 55

6

TenureBelow 8
Years

6

Above 8
Years

2

Nationality

Local

6



Foreign

2

Information
Technology

2

International
Experience

2

General
Management

8

Executive
Leadership

1

Sales and
Marketing

2

Project
Management

1

5. BOARD LEADERSHIP IN GOVERNANCE



GRI

2-19

2-20

Evaluation of Board Sub-Committees (Principle A.9.2)

The Company conducts an annual evaluation of its Board Sub-Committees to ensure they function effectively and efficiently, in compliance with Code of Best Practice on Corporate Governance 2023 and CSE Listing Rule Section 9. This evaluation assesses the structure, composition, performance, and effectiveness of each Sub-Committee in discharging its responsibilities as outlined in its respective Charter.

Additionally, the results of the assessment are reviewed by the Nominations and Governance Committee, which provides recommendations for enhancements to the Board.

The Board Sub-Committee evaluations for the year 2024 are detailed on pages 235–248 of this report, ensuring transparency and accountability in the corporate governance framework.

Evaluation of the Managing Director (Principles A.11)

At the beginning of each fiscal year, the Board, in consultation with the MD, sets financial and non-financial targets that align with the company's short, medium, and long-term objectives. These targets encompass key areas, including financial growth, operational efficiency, regulatory compliance, customer satisfaction, innovation, and sustainability (ESG initiatives), all of which are essential to the success of the company.

At the end of the fiscal year, the Board formally evaluates the MD's performance against these targets. If any objectives are not met, the Board reviews the circumstances to determine whether the shortfall was reasonable and justifiable, considering external market conditions and internal business challenges.

Following this evaluation, in line with Listing Rule, the HR and Remuneration Committee reviews

and recommends the remuneration payable to the MD, including performance-based incentives and variable pay components. The HR and Remuneration Committee ensures that the MD's compensation structure aligns with performance outcomes, corporate strategy, and shareholder expectations, as per CSE Listing Rule Section 9.

5.3 BOARD REMUNERATION (PRINCIPLES A.9)

The Company has established a formal, structured, and transparent remuneration procedure that ensures the attraction and retention of high-performing, qualified, and experienced directors who possess the expertise necessary to drive corporate strategic goals.

The Human Resource and Remuneration Board Sub-Committee structures the remuneration framework for both Executive and Non-Executive Directors, benchmarking it regularly with the market to ensure remuneration levels including performance-based incentives and post-employment benefits to remain competitive and aligned with industry best practices. The committee operates under clearly defined terms of reference and follows structured, objective, and transparent procedures in determining remuneration.

The HR and Remuneration Committee consults the Chairman, Managing Director (MD), and other key stakeholders when structuring executive remuneration. The committee has access to both internal and external professional expertise to ensure that remuneration structures are properly benchmarked, performance-linked, and aligned with corporate goals.

The committee is chaired by an Independent Non-Executive Director and consists entirely of Non-Executive Directors, with a majority (2/3) being independent.

Level and Structure of Remuneration

The remuneration of HR and Remuneration Committee members is determined by the Board ensuring that no director participates in setting their own remuneration, thereby mitigating potential conflicts of interest.

Remuneration is structured to reflect directors' skills, experience, responsibilities, and strategic contributions to the Board. The Company recognises all Directors as Key Management Personnel (KMPs), with their remuneration determined in alignment with corporate performance and long-term sustainability objectives in accordance with the remuneration policies of the Company.

Disclosure of Remuneration (Principles B.3)

The breakdown of remuneration paid to Directors is disclosed among the other disclosures regarding remuneration on page 298 in the Annual Report. Remuneration Policy and other key aspects relating to the remuneration of the Directors, senior Management and all employees. Please refer to the Human Resources and Remuneration Committee Report on pages 241–242.

5.4 MAINTAINING THE INDEPENDENCE OF THE BOARD (PRINCIPLES A.5.4 TO A.5.7)

Criteria in Determining the Independence of the Board of Directors

Independence of the Board members are determined based on the CSE listing rule Section 9 and CA Corporate Governance Code 2023.

The analysis of independence criteria for each Director is presented on page 199.

Submission of Independence Declaration

In 2024, all Directors have submitted their formal annual declarations of independence applicable regulations in compliance with CSE Listing Rule Section 9 and Code of Best Practice

on Corporate Governance 2023 issued by CA Sri Lanka.

The Board has thoroughly evaluated these declarations along with other relevant information at its disposal to determine each director's independence in character and judgment. This assessment ensures adherence to the established independence criteria, including potential relationships or circumstances that may affect, or appear to affect, a director's judgment.

All directors' independence has been determined strictly in accordance with the conditions set out in the Listing Rules and the CA Governance Code, with no exceptions applied.

Assessment of Independence

Directors are required to conduct a self-assessment to identify any potential or actual compromises to their independence. This assessment includes evaluating any personal or professional relationships or material interests that may create, or appear to create, a conflict of interest or impair their ability to exercise unbiased judgment.

As part of the Board's oversight process, these self-assessments are reviewed alongside other relevant information to ensure full compliance with the independence criteria outlined in the Code of Best Practice on Corporate Governance 2023 and applicable regulations.

Availability of Information on Board Independence

Shareholders have the right to request and inspect details of companies where Board members hold directorships or Board Committee positions. These records are maintained by the Company Secretary and are made available for shareholder review upon request, ensuring transparency and accountability in corporate governance.

This process reinforces the company's commitment to good governance practices by allowing shareholders to assess potential conflicts of interest and the independence of Board members.

Independence of Directors as at 31st December 2024

Name of the Director	Employment by the Company	Material Business Relationship	Close family member is a KMP	Significant Shareholding	Consecutive service of nine or more years	Business Relationship	Director of another Company	Shareholder in another Company	70 Years of Age
	1	2	3	4	5	6	7	8	9
Mr. Ashok Pathirage	✓	✓	✓	✗	✗	✗	✗	✗	✓
Mr. Ifthikar Ahamed	✗	✓	✓	✓	✗	✗	✗	✓	✓
Mr. Haresh Kaimal	✓	✓	✓	✓	✓	✓	✗	✗	✓
Mrs. Fernanda Lima	✓	✓	✓	✓	✓	✓	✗	✓	✓
Mr. V. Govindasamy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Raimund Snyders	✓	✓	✓	✓	✓	✓	✗	✓	✓
Mr. Sanjaya Mohottala	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Lalith Withana	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Independence Criteria are met ✗ Independence Criteria are not met

Review and Dealing with Conflict (Principle D.6)

The Board of Directors is responsible for reviewing and assessing each case of conflict of interest, ensuring that the independence of character and judgment of the Director concerned remains uncompromised.

To uphold Director independence and mitigate conflicts of interest, the Company has implemented a Three-Way Approach, which ensures continuous oversight at key stages:

Three-way Approach to Eliminate Conflict of Interest

Pre-Appointment Review

Initial assessment of potential conflict before appointment

Ongoing Assessment

Continuous disclosure of emerging conflict during tenure.

Board Meeting Oversight

Regular reviews conducted in Board Meetings to address new conflict

5. BOARD LEADERSHIP IN GOVERNANCE

5.5 PROFESSIONAL DEVELOPMENT OF THE BOARD

The Board recognises the importance of continuous professional development to enhance its knowledge, expertise, and effectiveness in governing the Company. Regular reviews are conducted to assess the learning and development needs of Directors, ensuring they are well-equipped to fulfil their fiduciary responsibilities and contribute effectively to strategic decision-making (Principle A.1.5 and A.1.8).

To support this, Directors have access to:

Independent Professional Advice: Directors may seek independent professional advice at the Company's expense whenever deemed appropriate and necessary to support their decision-making and governance responsibilities (Principle A.1.3).

Internal and External Resources: The Board has direct access to Company Secretaries, Corporate and Sales Management, External and Internal Auditors, industry experts, and other external professional service providers for insights and guidance (Principle A.1.4, A.6.1).

Financial and Performance Information: Directors receive regular updates on financial plans, including budgets, forecasts, and periodic performance reports, enabling informed decision-making and oversight (Principle A.6.1, A.6.2).

Regulatory and Best Practice Updates: The Company ensures Directors are kept informed of changes in relevant regulations, corporate governance best practices, risk management principles, and emerging industry trends that require Board attention (Principle A.1.2, A.1.8).

Ongoing Training and Business Insights: The Board participates in regular training programs, workshops, and presentations conducted by Corporate Management and external subject matter experts, covering key aspects of the business environment, risk landscape, and strategic opportunities (Principle A.1.8).

Latest Professional Development Events Held

The Board received an overview of SLFRS 17 design and implementation, including key actions for a smooth transition. Members also participated in a demonstration of diverse insurance products, assessing their financial and operational impact post-implementation. Additionally, the Board was briefed on the share repurchase option, its implications, benefits, and relevant regulatory requirements.

Empowering the Board through Continuous Learning

At our Company, we foster a culture of continuous learning and strategic growth to ensure the Board remains well-equipped to navigate an ever-evolving business landscape.

The Management regularly updates the Board on major economic shifts, regulatory changes, and governmental policies that may impact business operations and actively participates in brainstorming sessions, exploring emerging business opportunities, innovative risk management strategies, and competitive market trends.

As regulatory environments evolve, the Management ensures that the Board is promptly informed of any new laws, directives, or governance best practices, enabling proactive compliance and strategic decision-making.

5.6 APPOINTMENT, RE-ELECTION AND RESIGNATION OF DIRECTORS

Appointment (Principle A.7.1)
New Board appointments follow a formal, transparent, and structured process, governed by the Articles of Association and the Company's corporate governance policies, ensuring compliance with best practices in corporate governance and regulatory requirements. This process aligns with CSE Listing Rule Section 9, which mandates that Listed Entities maintain a formal procedure for the appointment of new Directors through the Nominations and Governance Committee.

The appointment process is conducted in the following steps:

- Step 1: Board Assessment –**
Evaluate Board expertise, experience, and diversity.
- Step 2: Requirement Determination –**
Identify the need for new skills or expertise.
- Step 3: Candidate Evaluation –**
Assess qualifications, experience, and compliance.
- Step 4: Board Recommendation –**
Submit shortlisted candidates for approval.
- Step 5: Selection & Approval –**
Finalise appointment with Board and shareholder consent.
- Step 6: Public Disclosure –**
Announce the appointment to the market and stakeholders.

Reasoning Behind New Board Appointments:

Strategic Expertise Alignment:

Ensuring the Board possesses the skills, expertise, and industry experience necessary to drive the Company's long-term strategic vision and enhance decision-making capabilities.

Enhancing Board Performance and Effectiveness:

Strengthening the Board's overall governance, leadership, and risk oversight to improve corporate performance and responsiveness to emerging market challenges.

Addressing Skill Gaps and Diversity Needs:

Identifying and appointing Directors with specialised knowledge or expertise that may be underrepresented on the Board, such as financial, regulatory, digital transformation, or risk management expertise.

Ensuring a Rigorous Selection Process:

Implementing a comprehensive evaluation to identify candidates who demonstrate integrity, independence, and strategic insight, ensuring alignment with the Company's governance framework and stakeholder interests.

Resignation (Principle A.8.3)

In the event that a Director resigns before completing their appointed term, the resigning Director must submit a formal written communication to the Board, stating their decision to resign and providing a clear justification for the resignation. The Board shall review and document the resignation, ensuring that any governance, regulatory, or succession planning implications are addressed, and the resignation will be promptly disclosed to relevant stakeholders, including the Colombo Stock Exchange (CSE), shareholders, and regulatory bodies, as required.

Summary of Board Appointments, Retirements and Resignations During 2024

No Board appointments, retirements and resignations were reported during 2024.

Re-election of Directors (Principle A.8)

The re-election of Directors is conducted in accordance with the Articles of Association and the Code of Best Practice on Corporate Governance 2023 ensuring a transparent and structured process that upholds shareholder rights and governance integrity.

Re-Election Process:

All Directors, including the Chairman, are subject to election or re-election by shareholders at the first opportunity following their appointment. Thereafter, they must stand for re-election at intervals not exceeding three years.

Rotation and Re-Election of Non-Executive Directors:

The longest-serving Non-Executive Director will offer themselves for re-election by shareholders, based on their tenure since the last appointment or re-election.

This re-election is subject to Board approval to ensure continued alignment with the Company's strategic needs, governance requirements, and performance expectations.

Newly Appointed Directors:

Any Director appointed during the year will step down at the first AGM following their appointment and shall be available for re-election by shareholders at the same meeting.

Disclosure of Directors for Re-Election:

Details of Directors seeking re-election at the AGM on 28th March 2025 are provided in the Notice of the Meeting (page 414).

Board Induction (Principle A.1.8)

A comprehensive induction program is in place for all newly appointed Directors, ensuring they gain a deep understanding of the Company's governance framework, strategic direction, operations, and responsibilities which is facilitated by the Company Secretary.

Below five-step induction framework ensures that Directors integrate effectively into the Board, enabling them to uphold strong governance practices, strategic leadership, and informed decision-making in line with the Best Practice.

Step 1: Introduction to Business & Leadership (A.1.8, A.1.2)

- Newly appointed Directors are introduced to the Company's business model, industry landscape, and Senior Management team.
- Overview of key strategic objectives, financial position, and market positioning.

Step 2: Corporate Values & Ethical Framework (A.1.3, A.1.5)

- Directors are familiarised with the Company's values, corporate culture, and ethical expectations.
- Detailed briefing on the Code of Conduct, conflict of interest policies, and governance best practices.

Step 3: Governance Framework & Regulatory Compliance (A.1.4, A.7.1)

- Introduction to regulatory directions of the IRCSL.
- Explanation of the Company's governance framework, Articles of Association, Board Charters and Corporate governance procedures.

5. BOARD LEADERSHIP IN GOVERNANCE

Step 4: Director Responsibilities & Legal Obligations (A.1.2, A.1.6)

- Overview of Directors' fiduciary duties, legal obligations, and governance responsibilities.
- Explanation of the legislative and regulatory environment, including risk management, compliance, and financial reporting standards.

Step 5: Operational & Strategic Familiarisation (A.6.1, A.6.2)

- Directors gain in-depth insights into the Company's operations, business strategy, and internal control mechanisms.
- Detailed briefing on risk management frameworks, audit functions, and financial oversight processes.

In addition to the Board Induction Program, newly appointed Directors will actively participate in Company Strategy Meetings, where the Management provides insights into key business areas, strategic priorities, and operational challenges. These sessions enhance the new Director's understanding of the Company, fostering a stronger engagement with leadership and enabling them to contribute informed perspectives and strategic insights with confidence.

5.7 BOARD MEETINGS

The Board of Directors convenes at the Board Meetings where they may bring their diverse knowledge and experience to bear on various topics under discussion.

The Board is informed about all Board Meetings at the beginning of each year and every Director is given the opportunity to include matters of concern in the agenda.

Information Supply to the Board

Information provided to the Board is of required quality and substance that will enable them to adequately execute their duties.

Information for the Board is uploaded into a mobile application, on a monthly basis, through which Directors are able to view the Board packs and Board papers provided by the management, request additional information and provide their comments and feedback.

All Directors have independent access to the Company Secretary and the discretion to obtain external advice.

The Board Meeting Preparation Process

The Company maintains an efficient and effective process in preparing the Board members for the Board meetings of the Company. In certain situations, where additional Board meetings are required for the discussion of specific issues or topics for urgent matters, these papers are submitted at short notice as an exception to the ordinary Board meeting process.

1. The Chairman prepares the agenda for the meeting in consultation with the Managing Director, Directors and Company Secretary.

2. The Notice of Meeting, Agenda and Board Papers are circulated among the Board members, 07 days in advance by the Company Secretary.

3. Board members utilise the period of the advance notice to review the information, request additional information, study the agenda and prepare for the Board meeting.

Meeting Agenda Circulation

Board meetings and all Sub-Committee meetings receive their agendas one week prior to the meeting date with the exception of the Board Risk Sub-Committee meeting, for which, agendas are given two weeks in advance.

Activities during the Board Meeting

The Board takes on issues under consideration and has access to Key Management Personnel during the

Board meeting, who are called in by the Board for matters relating to their respective areas.

The Directors are also able to join virtually via telephone or video conference calls.

- **The Chairman** facilitates constructive communication between all Directors at Board meetings while maintaining a balance of power between Executive and Non-Executive Directors. He also ensures effective participation and contribution from all the Directors within their respective capabilities.
- **The Sub-Committee Chairman** provide updates on the matters discussed at the Sub-Committee meetings.
- **The Managing Director** gives a complete and comprehensive update on the operations and financial performance of the Company as well as on industry trends and developments, as required.
- **The Company Secretary** attends the Board meetings, ensures that the applicable rules and regulations are complied with and records the Board meeting Minutes.

Activities after the Board Meeting

The Board follows up and demands information on issues that were brought up at the Board minutes. The information is shared through the Company Secretary by the KMPs of the relevant areas as well as the Directors will be familiarised in any

areas of the business operation if the requirement arises.

Any absentee for a meeting would be briefed on the meeting proceeds via circulation of the Board meetings which is done two weeks after the Board meeting took place, by the Company Secretary.

Board Attendance During 2024

The Board met four (4) times during the year. The Board is aware of its Directors' other commitments and is satisfied that all Directors allocate sufficient time to enable them to discharge their responsibilities at Softlogic Life effectively.

Table: Director Participation in Board Meeting and Sub-Committee Meetings ("Attended/Eligible" basis)

	Board Meetings	Audit Committee	Risk Committee	HR and Remuneration Committee	Related Party Transactions Committee	Investment Committee	Nominations and Governance Committee
Independent Non-Executive Directors							
Mr. Sanjaya Mohottala	1/4					1/4	
Mr. Lalith Withana	4/4	4/4	4/5	2/2	4/4		1/1
Mr. V. Govindasamy	4/4	4/4		2/2	4/4	4/4	1/1
Non-Executive Directors							
Mr. Ashok Pathirage	4/4			2/2		4/4	1/1
Mr. Haresh Kaimal	4/4						
Mrs. Fernanda Lima	4/4		5/5			4/4	
Mr. Raimund Snyders	4/4	4/4	5/5		4/4	4/4	
Executive Directors							
Mr. Ifthikar Ahamed	4/4					4/4	
Total Meeting Attendance	97%	100%	93%	100%	100%	88%	100%

Key Activities of the Board During 2024

Key activities carried out by the Board during 2024 has been discussed on page 193.

5.8 BOARD SUB-COMMITTEES

The Company maintains six Board Sub-Committees consisting delegated functions, responsibilities and powers of the Board. The Sub-Committee Chairman is accountable for effective functioning and report to the Board.

Functioning of Sub-Committees

Through the Sub-Committees, the Board is able to deal effectively with complex or specialised issues with strong governance. These issues are researched thoroughly and analysed by the Sub-Committees.

This frees up more time at Board meetings for regular business and enable better communicate between committee members and staff as well as community members on specific topics.

Each Sub-Committee has its own terms of reference and activities included in Sub-Committee reports from pages 235-248.

The Board Secretary acts as the Secretary to each of the Sub-Committees.

5. BOARD LEADERSHIP IN GOVERNANCE



GRI

2-10

Figure: Board Sub-Committee Details

AUDIT COMMITTEE

Members	Number of Meetings
Mr. Lalith Withana ✓	4/4
Mr. V. Govindasamy	4/4
Mr. Raimund Snyders	4/4

Committee Objectives

Provide assistance to the Board in overseeing the Governance, Financial Reporting, Internal Audit, External Audit, Accounting Policies and Internal Control aspects of the Company.

Committee Attributes

• 100% Attendance

• 67% Independent Directors Representation

• Refer pages 235-238 for details

RISK COMMITTEE

Members	Number of Meetings
Mr. Raimund Snyders ✓	5/5
Ms. Fernanda Lima	5/5
Mr. Lalith Withana	4/5

Committee Objectives

Design and implementation of an effective Risk Management Framework, Risk measurement, monitoring and management, Compliance with regulatory and internal prudential requirements.

Committee Attributes

• 93% Attendance

• 100% Non-Executive Directors Representation

• Refer pages 239-240 for details

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Members	Number of Meetings
Mr. V. Govindasamy ✓	2/2
Mr. Lalith Withana	2/2
Mr. Ashok Pathirage	2/2

Committee Objectives

Organisation values and code of conduct, Compliance with labour laws, Organisational Structure, HR policies on recruitment, remuneration, benefits and talent management of the Company's employees.

Committee Attributes

• 100% Attendance

• 67% Independent Directors Representation

• Refer pages 241-242 for details

INVESTMENT COMMITTEE

Members	Number of Meetings
Mr. Ashok Pathirage ✓	4/4
Mr. Sanjaya Mohottala	1/4
Mr. V. Govindasamy	4/4
Ms. Fernanda Lima	4/4
Mr. Raimund Snyders	4/4
Mr. Iftikar Ahamed	4/4

Committee Objectives

Design an appropriate investment strategy, monitor investment performance and ensure compliance with investment regulations.

Committee Attributes

• 88% Attendance

• 83% Non-Executive Directors Representation

• Refer pages 243-244 for details

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Members	Number of Meetings
Mr. Lalith Withana ✓	4/4
Mr. V. Govindasamy	4/4
Mr. Raimund Snyders	4/4

Committee Objectives

Ensure that all related party transactions of the Company and its Group are consistent with the regulatory provisions laid out under LKAS 24, the Corporate Governance Directions and Listing Rules issued by the Colombo Stock Exchange.

Committee Attributes

• 100% Attendance

• 67% Independent Directors Representation

• Refer pages 245-246 for details

NOMINATIONS AND GOVERNANCE COMMITTEE

Members	Number of Meetings
Mr. V. Govindasamy ✓	1/1
Mr. Lalith Withana	1/1
Mr. Ashok Pathirage	1/1

Committee Objectives

Selection and appointment of Directors and KMPs as well as maintaining gender diversity, identifying expertise gaps and succession planning.

Committee Attributes

• 100% Attendance

• 67% Independent Directors Representation

• Refer pages 247-248 for details

✓ Committee Chairman

5.9 BOARD INVOLVEMENT IN SUSTAINABILITY MANAGEMENT ESG RISK AND OPPORTUNITY REPORTING

Integrating Sustainability into Corporate Strategy

The Board of Softlogic Life recognises sustainability as a fundamental aspect of corporate strategy and long-term value creation. By taking an active role in sustainability governance, the Board ensures that Environmental, Social, and Governance (ESG) considerations are integrated into all levels of decision-making. The Management Committee, consisting of the Managing Director and key corporate management personnel, plays a vital role in executing sustainability-driven initiatives across the organisation. This leadership-driven approach reinforces sustainability as a core business priority rather than an isolated function.

Implementation of SLFRS S1 and S2

Softlogic Life has successfully implemented SLFRS S1 and S2, introduced by the International Sustainability Standards Board (ISSB), reinforcing its commitment to sustainability-driven financial disclosures. The structured implementation of these standards is supported by a two-pronged approach, where both the Sustainability Committee and the Risk Committee play a crucial role in identifying risks and opportunities related to sustainability. This integrated governance model ensures that sustainability-related financial information is captured through a comprehensive risk assessment while also leveraging opportunities for long-term value creation. By embedding SLFRS S1 and S2 within its corporate reporting framework, the Company enhances transparency, comparability, and strategic alignment between sustainability performance and financial reporting. This approach strengthens Softlogic Life's ability to provide decision-

useful information to stakeholders while meeting the evolving regulatory and investor expectations.

Managing Risks and Creating Opportunities in Sustainability

The Company follows a strategic approach to managing sustainability risks and leveraging them as opportunities for long-term growth. An Environmental and Social Risk Policy has been established to assess and mitigate potential risks affecting business sustainability. Carbon footprint reduction initiatives have been implemented to improve operational eco-efficiency while minimising environmental impact. The Company also aligns Corporate Social Responsibility (CSR) efforts with business strategy to maintain a balance between profitability and social impact. By fostering a culture of sustainability, Softlogic Life ensures that employee engagement in sustainability initiatives contributes to a responsible and forward-thinking corporate environment.

Transparency and Stakeholder Engagement

A strong emphasis is placed on transparency and stakeholder engagement in Softlogic Life's sustainability journey. To uphold high reporting standards, the Company has obtained external assurance from Messrs. KPMG on the ESG factors reported in the annual report. This report complies with the Sustainability disclosures follow the Global Reporting Initiative (GRI) standards and align with the Integrated Reporting (IR) Framework, ensuring connectivity between financial and non-financial information.

The Company is also committed to the United Nations Sustainable Development Goals (SDGs), integrating sustainability principles into business operations. Stakeholder feedback mechanisms have

been strengthened to ensure an open and inclusive approach to corporate governance, reinforcing the IR Framework's emphasis on stakeholder relationships and long-term value creation.

Ensuring Long-Term Stability through Sustainability Governance

Softlogic Life adopts a precautionary approach to sustainability management, ensuring that economic, environmental, and social risks are proactively addressed. The Company operates on the principle of "Open, Informed, and Democratic" decision-making, ensuring that affected parties are considered in all sustainability initiatives. The implementation of SLFRS S1 and S2 further reinforces this commitment by providing a structured framework for measuring and reporting sustainability-related impacts. As a responsible corporate citizen, Softlogic Life remains dedicated to sustainability-driven growth, reinforcing its position as a leader in corporate responsibility and long-term value creation for all stakeholders.

5.10 CORPORATE MANAGEMENT

The Corporate Management Team of Softlogic Life Insurance operates under the authority delegated by the Board of Directors and Shareholders, ensuring the effective execution of the Company's strategic objectives and operational functions (Principle A.1.1 and A.1.7).

This team holds executive power and is responsible for:

- Overseeing the Company's daily operations while ensuring alignment with the Board-approved strategic direction.
- Managing key business functions and driving performance, compliance, and risk management in accordance with Governance Best Practices.

5. BOARD LEADERSHIP IN GOVERNANCE

- Providing strategic leadership and ensuring that business activities adhere to regulatory frameworks, internal controls, and corporate governance principles.
- Reporting to the Board of Directors, ensuring transparency and accountability in corporate decision-making.

The organisational structure is available on page 28.

The profiles of Corporate Management team are available on pages 179-180.

Performance Evaluation of the Managing Director and Corporate Management team (Principle A.9.1 and A.9.3)

The Managing Director’s Performance Evaluation is available on Page 198.

The Corporate Management Team follows a structured and transparent process, ensuring alignment with the Company’s strategic objectives and governance principles. The Corporate Management Team’s performance is evaluated by the Managing Director, in accordance with the performance objectives set at the beginning of the year. These objectives are established to align with the strategic targets approved by the Board. Performance assessments consider the achievement of key business objectives, while factoring in external influences such as economic conditions and the operating environment. The evaluation process ensures that corporate leadership remains accountable, fosters continuous improvement, and supports the long-term sustainability and growth of the Company.

Setting Annual Targets for the Managing Director

The Board of Directors, in consultation with the Managing Director (MD), establishes financial and non-financial performance targets that align with the Company’s short-term, medium-term, and long-

term strategic objectives. These corporate objectives are incorporated into the Company’s Annual Corporate Plan, which undergoes review and approval by the Board to ensure alignment with the overall business strategy and governance framework. The Managing Director is responsible for executing the Corporate Plan and achieving the set performance benchmarks, which serve as the basis for annual performance evaluations. The Board continuously monitors progress against these objectives, considering both internal business performance and the external economic environment.

Key Focus Areas of the Annual Corporate Plan:

- Market Share Growth
- Enhancing revenue generation (GWP) through effective underwriting and market expansion.
- Profitability
- Dividend Payout
- Employee Remuneration
- Integrating ESG principles into corporate strategy.

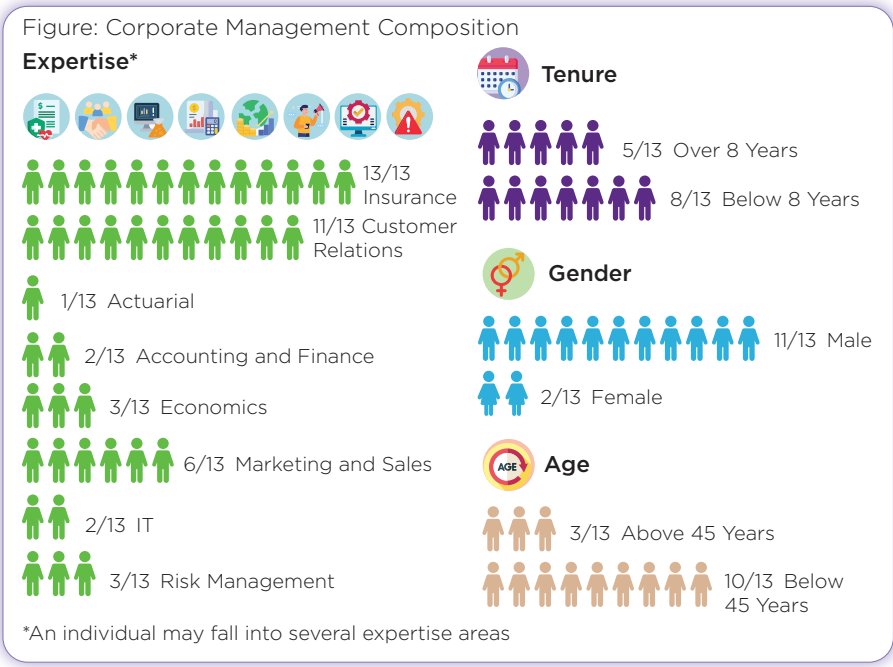
Code of Conduct for Corporate Management

The Corporate Management Team is required to adhere to the Company’s Code of Conduct, which outlines the ethical standards, governance principles, and professional responsibilities expected of them. A detailed description can be found on page 208.

Remuneration of the Corporate Management Team.

Diversity is a key driver of sustainable growth and innovation at Softlogic Life, ensuring a well-rounded leadership approach. The Corporate Management Team embodies this diversity across multiple dimensions, including industry expertise, age, tenure, and gender, contributing to a dynamic and forward-thinking leadership structure.

The composition of the Corporate Management Team, as illustrated in the figure below, reflects the Company’s commitment to inclusivity and strategic leadership, fostering a resilient and high-performing organisation





Corporate Management Committees

In pursuit of its strategic objectives, the Company has formed various Management Committees to maintain and enhance performance and governance under the leadership of the Managing Director. A summary of the key objectives, members and frequency of these meetings is shown below.

ACTUARIAL COMMITTEE

Members

Managing Director
Consultant Actuary
Chief Technical Officer
Chief Actuarial Officer
Chief Financial Officer

Committee Objectives

Continuously monitor performance of the life fund, product portfolio, and valuation of life fund, expense allocation and regulatory requirements.

Meeting Frequency: Monthly
Meetings Held/Planned: 12/12

PRODUCT DEVELOPMENT COMMITTEE

Members

Deputy Chief Executive Officer
Chief Distribution Officer - Alternate Channel
Chief Actuarial Officer
Chief Technical Officer
Chief Financial Officer
Chief Corporate Services Officer

Committee Objectives

Focus on revamping SLI's existing products in order to compete with prominent products in the industry. Suggestions for new product development are analysed, acting as a medium to convey information from sales.

Meeting Frequency: Quarterly
Meetings Held/Planned: 4/4

SUSTAINABILITY COMMITTEE

Members

Managing Director
Deputy Chief Executive Officer
Chief Financial Officer
Chief Corporate Services Officer

Committee Objectives

Communicate our responsibilities with regards to the policies and practices that relate to the sustainable and holistic growth of the Company, to our stakeholders.

Meeting Frequency: Monthly
Meetings Held/Planned: 12/12

ASSET AND LIABILITY MANAGEMENT COMMITTEE

Members

Managing Director
Chief Financial Officer
Chief Actuarial Officer
Chief Technical Officer
Chief Risk Officer
Head of Investment (Group)

Committee Objectives

To align the Company's Investment Strategy with its Business and Financial Objectives. It also defines the methodologies to assess, monitor and mitigate; Interest Rate Risk, Reinvestment Risk, Maturity, Mismatch Risk, Cash flow Risk and Liquidity Risk.

Meeting Frequency: Monthly
Meetings Held/Planned: 12/12

IT STEERING COMMITTEE

Members

Managing Director
Deputy Chief Executive Officer
Chief Financial Officer
Chief Distribution Officer - Alternate Channel
Chief Information Officer

Committee Objectives

Continuously monitor the progress and productivity of IT and MIS of the Company and designing IT policies with a view to making recommendations to the Board on IT capital expenditure.

Meeting Frequency: Monthly
Meetings Held/Planned: 12/12

SUPPLIERS COMMITTEE

Members

Deputy Chief Executive Officer
Chief Financial Officer
Chief Corporate Services Officer

Committee Objectives

Selecting the right supplier after considering the quality, price and delivery date.

Meeting Frequency: Bi-Annually
Meetings Held/Planned: 2/2

6. ETHICAL GOVERNANCE EXECUTION



GRI

2-15

PROMOTING AN ETHICAL GOVERNANCE EXECUTION

A company's ethics and integrity practices are the cornerstone of its corporate culture, ensuring that all business operations are conducted with honesty, fairness, and responsibility. Through effective governance execution, these principles are systematically integrated into leadership, policies, and daily operations, fostering accountability at all levels.

To successfully implement the Company's strategy and sustain resilience, fostering a strong ethical culture is imperative. The Board collectively establishes the ethical tone from the top, guiding all Directors/Key Management Personnel (KMPs), and employees to uphold integrity, transparency, and the highest ethical standards in their actions and decision-making.

Key elements of the company's ethical governance execution includes



A commitment to strong ethics and integrity is vital for a company's long-term success and reputation. By embedding these principles into daily operations, businesses can build trust with employees, customers, and stakeholders, fostering sustained growth and credibility.

6.1. CODE OF BUSINESS CONDUCT & ETHICS OF THE COMPANY (PRINCIPLE D.6)

All Directors/Key Management Personnel, Corporate Management and employees of Softlogic Life Insurance PLC must adhere to the Code of Business Conduct and Ethics (The Code) during official duties, whether at the workplace, external events, or public settings where their actions may impact the Company's reputation. Violations may result in disciplinary measures, including legal action, termination, or other appropriate consequences.

The code:

- Work in an ethical manner at all times, protecting the interest and the image of our company
- Work in the best interest of all our stakeholders
- Safeguard our company assets to the fullest extent
- Comply with laws, rules and regulations of the country in which we operate

The Chairman of the Board officially declares the Board's compliance with the Code of Conduct on page 183.

How Softlogic Life Comply with the Code of Business Conduct & Ethics

Topic	Key policies, Documents and guidelines
Conflict of Interest	• Code of Conduct
Bribery and Corruption	• Anti-Money Laundering & Counter Terrorist Financing Policy
Entertainment and gift	• Code of Conduct
Accurate accounting and record-keeping	• Accounting Policies and Accounting Manuals • Manual of Financial Authority (MOFA)
Fair & transparent procurement policies	• Manual of Financial Authority (MOFA) • Manual of Supplier Evaluation Committee
Corporate Opportunities	• Code of Conduct
Confidentiality	• Privacy Notice Policy • Code of Conduct
Fair Dealing	• Code of Conduct
Protection and proper use of company assets including information assets	• IT Asset Management Policy • Computing Devices Usage Policy • Code of Conduct
Sexual harassment, discrimination and abuse	• Employee Grievance Handling Policy • Whistleblowing Policy
Compliance with laws, rules and regulations (Including insider trading law)	• Code of Conduct
Encouraging the reporting of any illegal, fraudulent or unethical behaviour	• Whistleblowing Policy

Whistleblower Policy (Principle D.6.4)

Purpose of the Policy - Softlogic Life's policy empowers stakeholders to voice concerns or ask questions confidently, ensuring protection from retaliation. Secure and confidential channels are in place for discreet and fear-free reporting.

Methods of Communication - Stakeholders can submit their concerns or complaints through letters, email, or the dedicated 24/7 Whistleblower hotline, which supports voice calls, SMS, WhatsApp, and Viber. Whistleblowers are encouraged to direct their concerns to the designated officers below.

INDEPENDENT RESOURCES:

The Chairman of the Board Audit Committee

Group Director - Human Capital & Taxation

OFFICERS OF SOFTLOGIC LIFE INSURANCE PLC:

Managing Director

Deputy CEO

Chief Corporate Services Officer

Chief Human Resources Officer

Chief Risk Officer

Chief Audit and Compliance Officer

Investigation Process - The Chief Audit and Compliance Officer leads independent investigations with support from Department Heads as needed. The final report is submitted to the Audit Committee Chairman or Corporate Management Team for a decision. If misconduct is confirmed, the Management Committee enforces disciplinary actions per the Company's Code of Conduct and policies.

New Initiatives for the Whistleblower Policy during the year 2024

- Employee Awareness Survey for all employees.
- Distribution of Whistleblowing Awareness SMS.
- E-Advisor App Pop-up Poster for all sales advisors.
- Email Flyer Distribution for covering all employees.
- Staff Computer Wallpaper Update regularly.

As part of the established procedure, the Audit Committee conducts an annual review of the Whistleblower Policy to address and enhance relevant matters. Based on the issues identified, the committee ensures that information about the Whistleblower hotline is incorporated into the Company's website.



Secure the Personal Data of the Company's Stakeholders

Privacy Notice Policy (Personal Data Protection Act, No. 9 of 2022)

Privacy Notice Policy is established as per the recently enacted Personal Data Protection Act No 9 of 2022. The purpose of this policy is to inform you about our practices relating to the collection, use, maintenance, disclosure and other processing and storage of personal data that may be provided through access to or use of this website or that may otherwise be collected by us.

We collect personal data such as name, contact details, profession, and financial information. As an insurer, we may also process sensitive data, including medical records, claim history, criminal convictions, and biometric data. Additionally, website visits generate technical data, including IP address, browser type, and visit details. Providing this information is voluntary.

Following actions are taken during the year,

- Officially appointed the Data protection officer.
- Privacy notices were implemented across key digital and customer interaction points.

Policies Implemented to Combat Corruption and Bribery.

The Company is dedicated to preventing corruption and bribery by establishing a framework through comprehensive policies and guidelines.

Fraud Risk Management Policy -

This policy clarifies that the Company holds a zero tolerance on any fraudulent activity (Corruption, Bribery or Theft) and confirms the management actions.

6. ETHICAL GOVERNANCE EXECUTION

Manual of Financial Authority (MOFA) - The scope and extent of responsibility and accountability relating to maintaining satisfactory financial controls and procedures.

Manual of Supplier Evaluation Committee (MOSEC) - MOSEC is a guideline to “How to proceed” its supplier evaluation & selection process and best practices. The processes and methods described under MOSEC must be strictly adhered and practiced during the cause of business.

Anti-Money Laundering and Counter Terrorist Financing Policy

Softlogic Life is dedicated to ensuring that its business is not used for money laundering or terrorist financing activities. This policy provides a framework of guidelines and regulations for Anti-Money Laundering and Counter-Terrorist Financing (“AML/CTF”) in accordance with its regulatory obligations. The AML/CTF policy is mandatory for all Softlogic Life entities and mandates full compliance with all relevant AML/CTF laws and regulations.

New Initiatives for AML/CTF policy during the year 2024.

100 % training provided to new employees.

Additional targeted training provided staff who are dealing directly with the public.

Develop a continuous Learning culture through Digital Learning.

6.2. GOVERNANCE & ETHICAL ENVIRONMENT FOR POLICY HOLDERS, EMPLOYEES & SALES FORCE

The company has implemented various measures to uphold strong governance for its valued internal stakeholders at Softlogic Life Insurance PLC, ensuring transparency and integrity while delivering optimal outcomes.

Policy Holder Governance

The company has fully complied with all regulatory requirements concerning the policyholder, as mandated by the Insurance Regulatory Commission of Sri Lanka (IRCSL). In addition, the company has undertaken certain voluntary actions on behalf of the policyholder.

Maintaining integrity & Transparency of Policy Holders

The Company's investment portfolio supports insurance benefits for long-term policyholders, maintaining a clear separation between Treasury and Risk Management functions. This structure ensures strict adherence to policies and compliance requirements, safeguarding Policyholder funds from any improper use in line with the Direction # 15 issued by IRCSL.

- Internal Treasury Middle Office Investment Policy
- Regulatory guidelines and compliance requirements published by IRCSL

Fair Bonus Allocation to Policyholders

The company has established clear guidelines for distributing bonuses to eligible policyholders, along with strong protocols to guarantee that policyholders receive the full benefits of their policies.

Proper Expense Allocation Using Expense Allocation Framework

This process ensures the fair distribution of benefits across different insurance funds for

policyholders over the long term. At the same time, it has improved the transparency in calculating insurance contract liabilities.

Valuation of Insurance Contract Liabilities

Softlogic Life performs quarterly actuarial valuations to determine the total reserves required for future policyholder benefit payments. Certification from the appointed independent actuary is obtained for each of the four quarterly evaluations.

Quarter	Quarter Certified Date
Q1	30-04-2024
Q2	30-07-2024
Q3	30-10-2024
Q4	30-01-2025

Managing the Long-term Solvency Position of the Company

Softlogic Life has implemented a Capital Projection Framework to forecast the long-term Capital Adequacy Ratio (CAR) using scenario-based and stress testing methodologies, enabling more informed decision-making. Softlogic Life Insurance has maintained the stable CAR ratio of 298% compared to required rate of 120%.

The model is validated by the appointed Actuary from Willis Towers Watson India Private Limited.

Asset and Liability Management Framework

The purpose of this framework is to effectively manage overall risk tolerance, risk-return requirements, solvency position, and liquidity needs. As a result, it achieves a harmonious balance between shareholder profitability and enhancing the long-term solvency standing of the Company.

The company has formed the Asset and Liability Management Committee (ALCO) to oversee and manage this

framework effectively. The committee convenes monthly to monitor and mitigate risks associated with the investment strategy. Refer page 207 for details.

Employee Governance.

Employee governance refers to the structured policies, ethical guidelines, and regulatory frameworks that govern the relationship between an organisation and its employees. It ensures fairness, transparency, compliance, and accountability in all employee-related matters, fostering a positive and ethical workplace culture.

Equally Treatment to All Employees

The Company has implemented well-defined policies covering key areas such as recruitment, training and development, transparent communication, reporting structures, performance evaluation, equal career advancement opportunities, talent management, and succession planning.

- Code of Conduct
- Remuneration Policy
- Recruitment & Selection Policy
- Learning & Development Policy
- Employee Grievance Handling Policy
- Disciplinary Policy
- Absence Management Policy
- Study Leave Policy

Creating a Performance-Driven Culture with Transparency.

Performance is a key factor in determining remuneration and career advancement for all employees, from the sales force to executive management members and Managing Director of the Company.

The Human Resource and Remuneration Committee holds the authority to set compensation and benefits for the Managing Director,

Executive Management Committee and all the employees based on target achievement.

Additionally, the committee is responsible for approving variable bonuses. The Company fully disbursed these payments in 2024 in accordance with the Target Achievement Matrix. As a result, a robust culture of performance governance has been established at the Board level within the Company.



Recruiting Top Talent and Promoting Equitable Compensation.

The Company has established key policies, including the Remuneration Policy and the Recruitment & Selection Policy, to promote a fair and transparent compensation process and a structured hiring framework. The Internal Audit Department has

been performing an annual audit of the company's HR policies in collaboration with an outsourced consultancy firm to confirm compliance.

Its remuneration structure is founded on the principle of fairness, considering factors such as the cost of living, industry standards, internal pay scales, business performance, and both individual and team contributions. This approach fosters a culture of performance excellence within the organisation.

The Human Resource and Remuneration Committee oversees salary and benefits determinations, ensuring equitable compensation. This comprehensive framework includes fixed and variable components, along with additional benefits including followings.

- Fixed Components
- Employee Share Schemes
- Variable Components
- Retirement Benefit
- Other Employee Benefits

Governance for Sales Force

A strong and motivated sales force is essential for business growth, and Softlogic Life ensures their team operates within a high-performance culture. By providing competitive incentives and fostering a results-oriented environment, the company drives continuous success and market leadership.

Fostering a Performance-Oriented Sales Culture.

Softlogic Life's sales force operates under a performance-driven incentive structure and a well-defined career development framework.

We have established comprehensive guidelines for recruiting skilled sales advisors, training and knowledge management, performance-based compensation, and handling

6. ETHICAL GOVERNANCE EXECUTION

investigations and complaints. Sales incentives are structured within predefined schemes aligned with corporate objectives set at the beginning of each year, ensuring both motivation and value addition to the Company.

Our sales force operates entirely on a virtual platform, facilitating seamless sales operations. They undergo virtual training and development programs to uphold professionalism, enhance knowledge, and deliver exceptional client service.

6.3. SOUND SYSTEM OF INTERNAL CONTROL FRAMEWORK FOR AN ETHICAL ORGANISATION

Maintaining a robust internal control system to safeguard shareholders' investments and company assets is a key responsibility of the Board and Top Management of Softlogic Life Insurance PLC.

Management is responsible for designing, implementing, operating, and monitoring an effective internal control system in accordance with the policies set by the Board. In Accordance with, The Board and Top Management of Softlogic Life Insurance PLC is established a comprehensive control environment to maintain the internal control an ethical environment.

Board of Directors' Evaluation of the Internal Control Process (Principle D.2.2.1)

The company's Board of Directors is responsible for ensuring the establishment of an effective internal control system covering financial, operational, and compliance processes and practices, with regular monitoring.

As outlined in the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka, the Softlogic Life Board of Directors reviews the company's internal

control processes on a quarterly basis and implements appropriate measures to maintain effective and efficient controls.

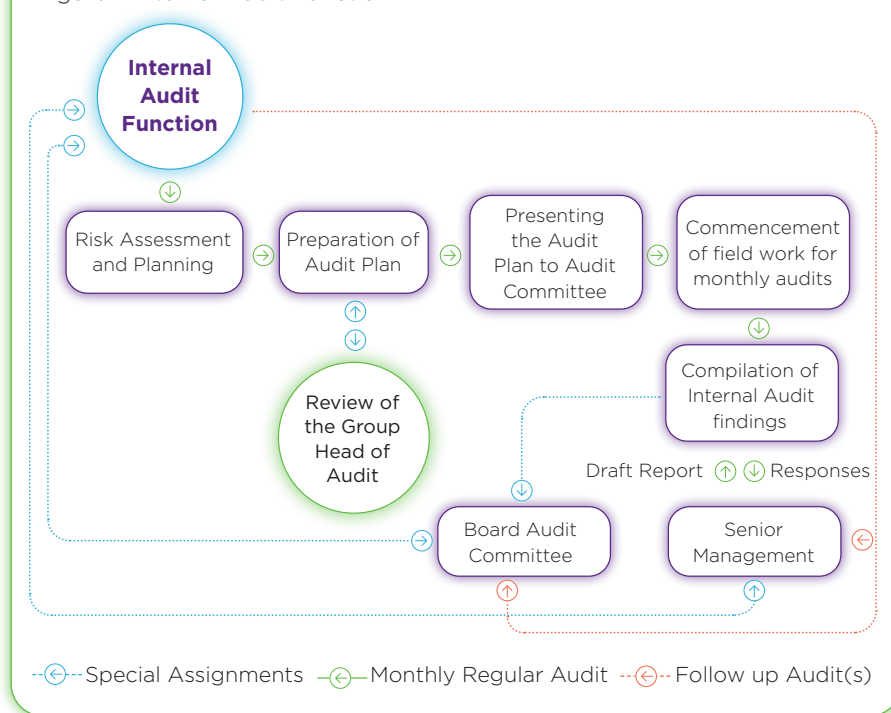
The company's audit committee conducts quarterly reviews of the Internal control process, if any violations are observed, the committee will immediately take the necessary actions to prevent them.

Internal Assurance (Internal Audit)

The Internal Audit Function of Softlogic Life Insurance PLC operates with several objectives; (Principle D.2.2.2)

- Review of the accounting and internal control systems
- Examination of financial and operating information
- Review of the economy, efficiency and effectiveness
- Review of compliance
- Review of the safeguarding of assets
- Review of the implementation of corporate objectives
- Special investigations

Figure : Internal Audit Function



The Internal Audit Strategy

The Internal Audit Function prepares a risk-based Internal Audit Strategy defining the planned approach of the internal audit function determined based on the risks embedded in each process that contributes towards the strategic objectives of the Company. The strategy primarily focuses on the following

- Audit & Assurance reviews.
- Review of areas susceptible for fraud.
- Multi-location reviews.
- Other initiatives to strengthen the internal controls environment

A strong indicator of an effective internal control environment is the timeliness with which management takes action to address reported control deficiencies. For this reason, SLI's Internal Audit has implemented a follow up process in conformance with the International Standards for the Professional Practice of Internal Auditing, to ensure internal audit findings and the related recommendations are properly addressed on a timely basis.

Reporting Structure

The Internal Audit Function operates independently under the oversight of the Audit Committee. Employees within this function report directly to the Chief Audit and Compliance Officer, ensuring autonomy from front-line units and Senior Management.

This function provides the Audit Committee with independent and objective assurance on the appropriateness, effectiveness, and sustainability of the company's internal control system for risk mitigation. Serving as the third line of defense, it conducts independent reviews based on a risk-based audit plan and methodology approved by the Audit Committee.

Through risk-based internal auditing, the function assures the Audit Committee that the company's risk management processes are both effectively designed and properly implemented.

Internal Audit Operating Methodology

Softlogic Life's Internal Audit Function operates through two key units: The Audit and Assurance Unit and the Fraud and Forensic Unit.

Audit & Assurance Unit

OBJECTIVE - Softlogic Life conducts planned reviews to assess the effectiveness of internal controls, ensure reliable financial reporting, and maintain compliance with laws and regulations. These reviews enhance governance, mitigate risks, and promote operational excellence.

Fraud and Forensic Unit

OBJECTIVE - Softlogic Life's Internal Audit function conducts spot and surprise reviews to help management detect and prevent fraud and misappropriations. Utilising Computer-Aided Auditing Techniques (CAAT) and specialist software, the team ensures efficient and technology-driven audits.

Additionally, they provide value-added services, including internal control advisory, branch reviews, and promoting whistleblowing and fraud awareness.

External Assurance (External Audit)

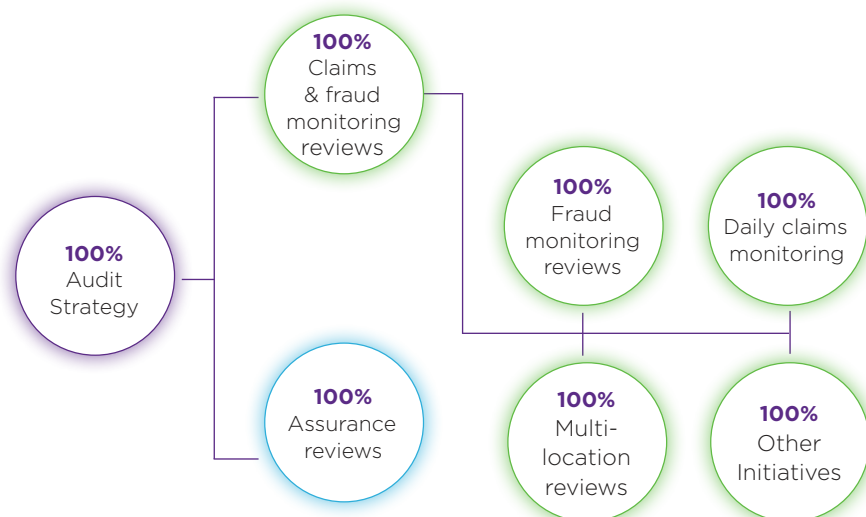
Appointment of Auditors and their Responsibilities

The Company's External Audit function is carried out by Messrs. KPMG, Chartered Accountants. The Audit Committee recommends the appointment, Re-appointment and removal of the External Auditors. Furthermore, the Audit Committee approves the remuneration and terms of engagement of the External Auditors.

The External Auditors are responsible for reporting to the Board Audit Committee on whether the Financial Statements prepared by the Management are fairly presented in conformity with SLFRS and LKAS and also prescribe any corrective measures that need to be taken by the Company, based on the audit findings.

The Board re-appointed Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and authorised the Directors to determine their remuneration at the 2024 AGM.

Internal Audit Highlights & Completeness in 2024



Independence of the External Auditors

As of the reporting date, no threats compromising auditor independence have been identified. Appropriate measures have been implemented or recommended to mitigate any potential risks to an acceptable level. The engagement team, the firm, and, where applicable, Messrs. KPMG, Chartered Accountants, have complied with all relevant ethical requirements regarding independence.

6. ETHICAL GOVERNANCE EXECUTION

All auditing practitioners are required to adhere to ethical standards, ensuring compliance with relevant ethical codes and implementing necessary safeguards to effectively mitigate any potential threats.

Evaluation of the Independence of External Auditors

The Board Audit Committee conducts an annual assessment to evaluate the independence and objectivity of the External Auditors. Additionally, the Audit Committee establishes guidelines for recommending the engagement of External Auditors for non-audit services.

Quarterly External Audit Assurance Performed by the Company

The Company has declared the surplus for every quarter in 2024 and as a part of the surplus declaration process the Company obtained the relevant figure certification from the external auditor Messrs. KPMG and published the financial statements in CSE.

The Company wishes to bring greater transparency to its Financial Reporting process by doing quarterly audits and expects a positive impact on best governance practices in the long run.

All audit findings and developments are reported to the Audit Committee on a quarterly basis. The Audit

Committee reviews the findings of the External Auditors and takes appropriate measures to enhance the company's financial and internal controls.

6.4 REGULATORY AND STATUTORY GOVERNANCE

Softlogic Life Insurance PLC operates within a strong regulatory and statutory framework, ensuring compliance with all applicable laws, regulations, and industry best practices. The company adheres to the governance guidelines set by regulatory bodies, including the Insurance Regulatory Commission of Sri Lanka (IRCSL), the Colombo Stock Exchange (CSE), and other relevant authorities.

Reporting Structure

The Compliance Officer has a direct line of reporting to the Managing Director and a dotted line reporting to the Group Head of Compliance. This process also fulfils the requirements of the Financial Transaction Reporting Act No. 6 of 2006.

Compliance Certification

A quarterly certification is done by the Principal Officer, Chief Financial Officer, Chief Technical Officer and Compliance Officer to the Insurance Regulatory Commission of Sri Lanka ("IRCSL") in accordance with the determinations issued by "IRCSL".

Compliance Certification 'A' Certifies Compliance With:

Softlogic Life complies with Act No. 43 of 2000 and all regulations, determinations, and directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL). This includes orders from the Ministry of Finance and Planning, guidelines on reinsurance placements (Section 31(1)), conditions for co-insurance, and all applicable circulars issued by IRCSL. These regulations ensure compliance, transparency, and stability within the insurance industry.

Compliance Certification 'B' Certifies Compliance With:

Softlogic Life adheres to the Financial Transactions Reporting Act No. 6 of 2006, including all provisions related to financial reporting and compliance. The company follows Know Your Customer (KYC) and Customer Due Diligence (CDD) rules issued by the Financial Intelligence Unit (FIU) and complies with Anti-Money Laundering (AML) guidelines set by IRCSL. These measures help ensure regulatory compliance, financial transparency, and fraud prevention in the insurance industry.

Summary of Compliance Requirements and Compliance Status of the Company.

Category	Compliance Requirement	2024 Highlight	2023 Highlight	Status
Investment Governance	Investment in Government Securities should be a minimum of 30% of the Long-Term Insurance Fund.	71% invested in government securities	96% invested in government securities	✓
	Regulatory Determination ratio should be a minimum of 100%	114% in 2024	140% in 2023	✓
Meeting Policyholder Obligations	Maintain a Capital Adequacy Ratio ("CAR") of a minimum of 120%	298% in 2024	367% in 2023	✓
	Life Insurance liabilities should be validated by an independent external actuary in accordance with the Regulation of Insurance Industry Act	The Actuary's Report is available on page 268.	The Actuary's Report is available on page 264 in Annual Report 2023.	✓

Category	Compliance Requirement	2024 Highlight	2023 Highlight	Status
Risk Assessment	The Risk Assessment Report should be submitted on or before 30th April each year to the Insurance Regulatory Commission of Sri Lanka	Submitted before 30th April 2024.	Submitted before 30th April 2023.	✓
Reinsurance Agreement	Insurance companies must enter into reinsurance arrangements with companies which at a minimum have a rating of BBB	All placements are rated above BBB.	All placements are rated above BBB.	✓
Rules on Treatment of One-off Surplus	*"Restricted Regulatory Reserve" must be matched with the specified class of assets (at market value) equal to the said reserved amount on a continuing basis.	Restricted Regulatory Reserve of Rs. 798 Mn and Corresponding Assets are Rs. 1,356 Mn.	Restricted Regulatory Reserve of Rs. 798 Mn and Corresponding Assets are Rs. 1,251 Mn.	✓

*Rules regarding a one-off surplus arising from changes in the regulatory framework.

✓ Complied

Compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange

The CSE has revised the Corporate Governance rules for listed entities, previously in Rule 7.10 and Section 9, consolidating them into a single framework under the updated Section 9 on Corporate Governance in the Listing Rules. Mandatory compliance is required in 2024, with certain provisions implemented in phases.

Softlogic Life Insurance PLC has early adopted the new listing rules issued by the Colombo Stock Exchange (CSE) ahead of schedule last year. During the year 2024, Company has fully complied with the amendments of the Rule 7.10 and Section 9 of the CSE Listing Rules. Detail breakup references in the page no 250-255.

Process for New Regulations and Monitoring of Compliance at Softlogic Life

Softlogic Life's compliance mechanism is built on two key processes. The first involves analysing new statutory and regulatory requirements to assess their impact on the company. The second focuses on monitoring and ensuring the timely fulfilment of statutory and regulatory deadlines.

Together, these processes enable Softlogic Life to effectively manage compliance obligations, stay updated on regulatory changes, and mitigate compliance risks. By conducting thorough regulatory analysis and maintaining strict adherence to deadlines, the company safeguards its reputation, protects stakeholders' interests, and ensures operations remain within legal parameters.

Process for New Regulation

- Compliance Officer obtains information on new regulations
- Assesses the impact analysis from new regulations
- Informs relevant department head and Managing Director
- Provides update on all the new regulations to the Audit Committee on a quarterly basis.

Process for Monitoring the Compliance Status

- Compliance Officer maintains the regulatory requirements and respective deadlines.
- Informs relevant departments on the regulatory requirement in advance.
- Coordinate with the relevant department heads and ensures the deadlines are met.

- Provides an update on a monthly basis to the Managing Director.

6.5 INTERNET OF THINGS AND CYBER SECURITY GOVERNANCE.

At Softlogic Life, the Board has established a comprehensive process to assess how IT devices, both internal and external to the organisation, connect to its network for data transmission and reception. This process includes evaluating potential cybersecurity risks associated with these connections and their impact on business operations.

With the growing use of interconnected devices, Softlogic Life recognises that both internal and external parties may utilise computing systems embedded in everyday objects that can access the company's network. Whether authorised or unauthorised, such connections pose cybersecurity risks that require continuous monitoring and proactive management. By implementing robust security measures and stringent access controls, Softlogic Life ensures the protection of sensitive data, mitigates cyber threats, and upholds the integrity of its business operations.

6. ETHICAL GOVERNANCE EXECUTION

Objectives

Operational Focus -

Improve Company operations via IT integration, management and development.

Risk Management Focus -

To manage all cyber security threats and risks faced.

Board Involvement in IT Governance

The Board has delegated IT Governance related matters to the Board Risk Committee.

Mainly, there will be division into two categories comprising Strategic Focus and Operational Focus. In addition to that, the board will delegate based on the following criteria;

- Risk Management
- Performance Monitoring
- Resource Allocation
- Compliance
- Cybersecurity Oversight

Board Responsibility on IT Security (Principle A 1.2)

The Board of Directors is responsible for maintaining an effective system that secures the integrity of information and manages cyber security risks. To ensure this, the Board will implement appropriate cyber security controls for the company and will monitor the process regularly.

Establishing a dashboard to track the implementation of IT development policies in alignment with the company's business strategies is essential to ensuring that IT initiatives effectively support organisational objectives.

Involvement of the Board and KMPs (Principle G.3)

All IT Policies are reviewed and signed off by the IT Steering Committee and Audit Committee

depending on the relevance to each committee.

- The Chief Information Officer (CIO) leads the IT Steering Committee which is a dedicated Management Committee, focused on improving and managing IT interests of the Company.
- The IT Steering Committee is delegated with the authority to ensure the proper implementation of the IT Governance Framework.
- Further, the CIO reports to the Risk Committee with regular updates on IT related issues and material IT projects including governance-related matters.
- The Risk Committee in turn ensures that the risk monitoring and assurance procedures have the capacity to adequately address the risks.

Impact on Group IT

Group IT Risk department is independently involved in evaluating applicable security threats and possible mitigating strategies periodically.

Development of IT Policies

All the IT Policies, Standards, Procedures and Guidelines are developed as per the ISO 27001:2013 Standard and company newly implementing ISO 27001:2022 standard to improve the IT security Governance.

Annually, improving information security policies, procedures and guidelines considering the standard, regulatory requirements, and dynamic threat landscape.

Prudent Expenditure

All IT expenditure falls within the approved budget and in line with the strategic objectives of the business.

Machine Learning, Artificial Intelligent and Data Analytics

The Governance framework also encourages the use of data for

improved analysis and forecasting activities, which will contribute to the automation and digitalisation of operations. Company has upgrade the cyber security policy framework to handle the risk related to the artificial Intelligence.

In order to focus on latest technology trends and its best possible adoption to the business, Digital innovation unit was established mainly focusing on the following areas.

- Robotic Process automation – RPA
- AI & Machine Learning algorithm development.
- Data analytics & Business Insights Generation.
- Large Language Models (LLM).

System Development and Modification

All in-house system developments and modifications are made according to well-defined change management procedures. "Softlogic Life Insurance PLC Software Development Policy" contains the procedures to be followed during software development, software change management, software testing and live deployment.

Certain security measures have been taken to improve DevSecOps and have introduced a release-based security testing process.

Cyber Security Risk Management Focus (Principle G.3)

Life Insurance companies generally deal with vast amounts of confidential data belonging to policyholders such as their health-related information and financial information.

Risk Management focus of IT Governance is therefore ensuring the security of the sensitive data of policyholders as well as security of information systems and the digital

devices of the organisation. Privacy Notice Policy covers the security of the sensitive data of the policy holders relating to the IT systems. Refer page 209 for details.

Communication and Awareness

All the Softlogic Life IT Security policies, standards, procedures and guidelines are published on the Company intranet and users have been requested to read and comply with them.

Regular emails are circulated to the employee base creating awareness of cyber security threats. Following policies are implemented to govern communication methods.

- E-mail Usage Policy
- Internet Usage Policy

In the event of a cyber security risk emerges, the IT security division:

- Takes necessary preventive actions to send a special communication across the Company-wide employee base to enhance awareness.
- Informs the precautionary actions that are needed to be followed by each individual to safeguard the integrity of data and the continuity of operations.
- Parallel to that, necessary IT security mitigation actions are exercised by the IT Security unit in coordination with the IT technical teams.

Independent Periodic Review of Cyber Security Risk. (Principle G.4)

- The Company annually gets security assessments from 3 third-party independent consultancy firms. Based on the consultancy reports provided by these 3 firms, the IT department along with their technical and security units takes remedial actions.

- A post-implementation review is also carried out by these firms which is presented to the Management regarding the progress of the remedial actions taken.
- A strategic partnership is established with a leading cyber security vendor to ensure the implementation of industry best practices, fostering customer trust, compliance with regulations, and safeguarding sensitive information.
- Over the past two years, we have successfully enhanced our Vulnerability Management Program. We were able to bring our vulnerability rate down and have made security an essential part of the development process.

Data Backup and Disaster Recovery (DR)

Softlogic Life prioritises data security and business continuity through periodic data backups, real-time data replication at SLT-IDC, and regular business continuity testing to minimise disruptions. Key initiatives include implementing an SD-WAN solution for enhanced branch security, strengthening information security policies, continuously assessing security risks, and providing staff training on security best practices. These measures ensure robust protection of digital assets and compliance with evolving security standards.

Future Development Plan for the Cyber Security Risk Management.

Softlogic Life Insurance IT department has developed the Cyber security measurements plan for year 2024 to 2026.

Goal 01

Security Governance:

Ensuring compliance with globally accepted security standards and regulatory requirements, while optimising resource allocation and enhancing performance monitoring.

Goal 02

Effective Information Security Risk Management:

A structured risk management program with clear roles ensures effective oversight and risk-based decision-making. Proactive measures help mitigate threats, minimising financial losses and operational disruptions.

Goal 03

Aligning Information Security with Business Operations :

Information security is integral to business operations, enhancing resilience, operational efficiency, and strengthening incident response and recovery.

Goal 04

Ensuring Data Privacy and Compliance with Industry Standards :

Ensuring compliance with regulatory requirements strengthens data privacy, enhances customer trust and reputation, and optimises costs by mitigating risks and improving data protection measures.

Goal 05

Secure Software Development with DevSecOps and Cloud Adoption :

Embedding security in the SDLC reduces vulnerabilities, ensures compliance, enhances reputation, and accelerates time-to-market.

7. SHAREHOLDERS ENGAGEMENT

7.1 GOVERNANCE OF SHAREHOLDERS ENGAGEMENT

Relations with Shareholders

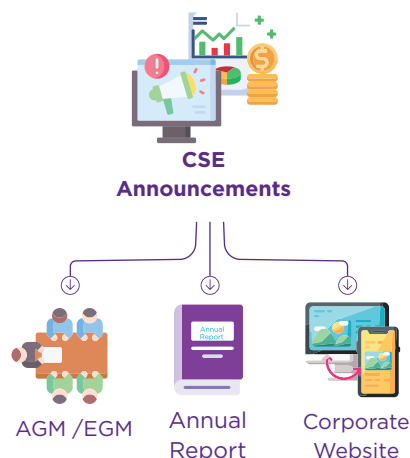
The Board and the Senior Management acknowledge their responsibility to represent the interests of all shareholders and to maximise shareholder value of the Company. Shareholders expect the Board and Senior Management to:

- Create sustainable return on their investment
- Adequate and timely communication
- Comply with statutory and regulatory requirements concerning shareholders
- Manage risk, facilitate transparency, maintain fairness and protect the rights of shareholders.

Details on how the Company addresses shareholder expectations can be found on pages 97-100.

Communication with Shareholders

The Company has implemented multiple methods of communication to maintain an effective relationship with the shareholders of the Company.



Process Established to Make the Board Aware of Major Issues and Concerns of Shareholders

The Company Secretary brings any significant concerns raised by shareholders to the attention of the Board.

Shareholders are encouraged to maintain direct communication with the Board of Directors by contacting the Company Secretary, Softlogic Corporate Services (Pvt) Ltd, through the following channels:



+94 11 5575027
+94 11 5575123



corporateservices@softlogic.lk



Softlogic Corporate Services
(Pvt) Ltd,
No 14, De Fonseka Place,
Colombo 05

In Terms of Section 08 of the listing rules, Softlogic Corporate Services (Pvt) Ltd, No 14, De Fonseka Place, Colombo 05 has been appointed as the Company Secretaries of the Company with effect from 01st January 2024 in place of P R Secretaries Services (Private) Limited and communicate to the shareholders on 02nd February 2024 by publishing on CSE website.

Access to Company Financial Reports

Annual and Quarterly reports are available on the Company website as well as the CSE website.

Institutional Shareholders (Principle E-1)

The Company endeavours to foster consistent and organised communication with institutional investors, brokers, and financial analysts. This effort aims to

enhance their comprehension of our operations, strategy, and plans, thereby facilitating their increased engagement. By encouraging them to voice any concerns that may impact their perception of the Company's value, we strive to promote transparency and constructive dialogue.

The Board and Management rigorously adhere to statutory and ethical guidelines concerning the confidentiality of price-sensitive information, fulfilling their responsibility to maintain its secrecy.

Individual Shareholders (Principle F.1)

Individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions. Furthermore, Individual shareholders are encouraged to participate in the AGM and exercise their voting rights.

Annual General Meeting (AGM) (Principle F.2)

The AGM provides a forum for all shareholders to directly communicate with the Board of the Company and participate in the decision-making process reserved for the shareholders.

This typically includes proposals to adopt the Annual Report and Accounts, appointment of Directors and Auditors and other matters requiring special resolutions as defined in the Articles of Association or the Companies Act No. 07 of 2007.

The Chairman makes sure that the Chairmen of Board Sub-Committees such as the Audit, Nominations and Governance, HR & Remuneration Committee as well as the Senior Independent Director be present at the AGM, to respond to any inquiries made by the shareholders.

Shareholder Notice

Notice of AGM is circulated to all shareholders 15 working days ahead in compliance with the Companies Act, along with instructions on the voting procedure, including the process for voting via a proxy.

Voting Process at the AGM

Separate resolutions are proposed for each substantially separate issue.

Shareholders can vote, “for”, “against” or withhold the vote. Votes withheld are not counted as votes for the calculation.

Voting via Proxy

Each resolution will carry a proxy appointment form, which the shareholder can utilise for voting decisions. The Company makes arrangements to ensure that each valid proxy vote is collected, counted and recorded.

Shareholder Feedback

The Company has provided the shareholders an “Investor Feedback Form” which provides the opportunity for shareholders to comments on their Company. Refer “Annexure 2” on page 419-420 for the feedback form.

25th AGM held in 28th March 2024

The Company held a virtual AGM on the 28th March 2024 via an online platform at Level 16, One Galle Face Tower, Colombo 02.

Matters discussed at the AGM included:

- To receive and consider the Report of the Directors on the State of Affairs of the Company and the Statement of Audited Accounts for the year ended 31st December 2023 and the Report of the Auditors thereon.
- To re-elect Mr. P.L.P. Withana who retires by rotation in terms of Articles 98 (a) of the Articles of Association of the Company as a Director of the Company.

- To re-appoint Messrs. KPMG, Chartered Accountants as Auditors of the Company for the ensuing year and to authorise the Directors to determine their remuneration.

All resolutions in the agenda as detailed above were unanimously passed at the AGM held on 28th March 2024.

Extraordinary General Meeting 2024

In terms of section 7.2 of listing rules, company held Extraordinary Meeting on 17th July 2024 at the auditorium, Central Hospital Limited, 4th Floor, No. 114, Norris Canal road, Colombo 10 to passed the resolution of Share repurchase option. On that date, Companies Shareholders were approving the resolution of Repurchase of shares.

Shareholder Communications during 2024 (Principle E.1.1)

February 2024

- Change of Company Secretary/ Registrar

March 2024

- Interim Dividend for the Financial Year 2023

- Circular to Shareholders - Annual General Meeting

June 2024

- Extraordinary General Meeting - Repurchase of Shares

July 2024

- Announcement of Extraordinary General Meeting

November 2024

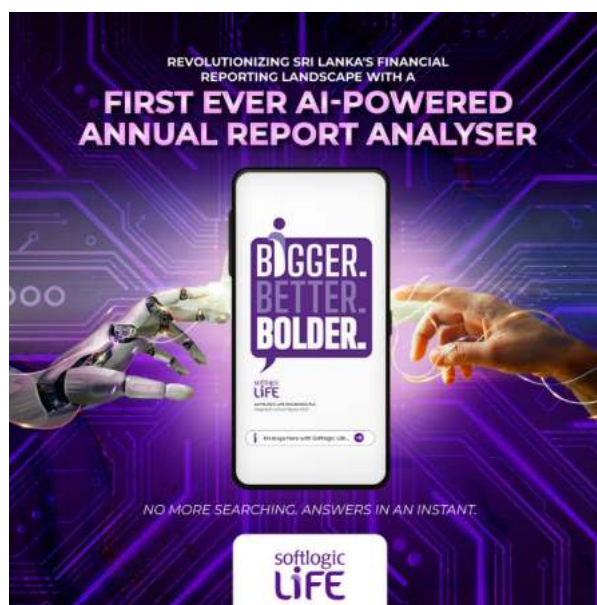
- Interim Dividend for the nine months ended 30th September 2024

Artificial Intelligent (AI) Powered Annual Report Analyser

“NO MORE SEARCHING, ANSWERS IN AN INSTANT”

The company launched its inaugural Annual Report Analyser, an AI-powered tool designed to provide shareholders with seamless access to financial data. This innovative tool enables shareholders to submit requests for financial information, which are efficiently processed by the AI system.

During the period, the BOT successfully handled and processed 6,337 requests, ensuring accurate and timely delivery of the requested data.



ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

1. PREFACE

The Directors have pleasure in presenting to the shareholders the Integrated Annual Report of Softlogic Life Insurance PLC (“the Company”) together with the Audited Financial Statements for the year ended 31st December 2024 and the Independent Auditors’ Report on those Financial Statements conforming to all relevant statutory requirements.

Annual Report has been prepared in accordance with SLFRS S1 and S2, for which assurance reports have been obtained. Furthermore, the report aligns with the Global Reporting Initiative (GRI) framework, which has also been externally assured.

The Company has introduced multiple digital formats for the Annual Report, including an HTML version, an interactive PDF, and AI-powered tools. These enhancements improve accessibility, cater to diverse user needs, and leverage modern, interactive methods for information sharing.

2. STRATEGIC THINKING AND REPORTING FRAMEWORK

The Board has established strategic imperatives through its annual strategic planning exercise and continued to execute the required strategies to mitigate risks and exploit opportunities. The Board of Directors reviewed the Company’s business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future.

This Report, where applicable is presented in accordance with the Guiding Principles and Content elements as stipulated by the Integrated Reporting (IR) Framework issued by the International Integrated Reporting Council (IIRC) and GRI Standards published by the Global Reporting Initiative, reflecting our commitment to transparent and objective reporting towards shareholders and other key stakeholders.

The Company effectively communicates its commitment to long-term value creation for all stakeholders through

the Business Model. The assessment of ESG factors, including both Risks and Opportunities, plays a central role in evaluating their impact on the Company and its stakeholders. This approach integrates key environmental, social, and governance (ESG) considerations into decision-making processes. Details of the Sustainability Framework, strategic imperatives, and key strategies, business operations, capital report addressing the short, medium, and long-term perspectives are provided on pages 48–49.

3. REGULATORY FRAMEWORK

The Company is a Licensed Insurance Company registered under the Insurance Industry Act No. 43 of 2000 (IIR) and incorporated under the Companies Act No 17 of 1982 and was re-registered under the Registration No. PQ 31, according to the requirements of the Companies Act No. 07 of 2007. The registered office of the Company is situated at Level 16, One Galle Face Tower, Colombo 2, Sri Lanka. The ordinary shares of the Company are quoted on the Diri Savi Board of the CSE since November 2000. The ultimate parent of the Company is Softlogic Holdings PLC, While Softlogic Capital PLC [Parent Company] holds 51% as at 31st December 2024.

This Report provides the information and disclosures as required by the Companies Act No. 07 of 2007, Insurance Industry Act No. 43 of 2000 and amendments thereto, Directions issued by Insurance Regulatory Commission of Sri Lanka, Listing Rules issued by the Colombo Stock Exchange (CSE), the Recommended Best Practices and other relevant regulations.

4. BOARD’S RESPONSIBILITY ON THE ANNUAL REPORT

The Board of Directors has approved and authorised for issue the Financial Statements of the Company for the year ended December 31, 2024, including comparatives for the Financial year 2023. The appropriate number of copies of the Annual Report have been submitted to the CSE and to the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) within the statutory

deadlines. The “Statement of Directors’ Responsibility for Financial reporting” is provided on pages 229–230.

4.1 Directors’ Responsibility for Financial Reporting

As per the provisions of Section 150(1), 151, 152 and 153 (1) & (2) of the Companies Act No. 7 of 2007 and amendments thereto, The Board of Directors of the Company are responsible for preparation of the Financial Statements of the Company, which reflect a true and fair view of the financial position and performance of the Company. Accordingly, the Board of Directors wishes to confirm that the Financial Statements and Material Accounting Policies and Notes thereto appearing on pages 275 to 386 have been prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007 and amendments thereto.

4.2 Directors’ Responsibility for Corporate Governance

This Report also provides the information and disclosures on mandatory Corporate Governance regulations required by the Companies Act No. 07 of 2007 and amendments thereto, the Listing Rules of the Colombo Stock Exchange (CSE) and Direction 17 on Corporate Governance for insurance companies under the Regulation of Insurance Industry Act No.43 of 2000 (updated 3rd Feb 2022) issued by The Insurance Regulatory Commission of Sri Lanka (IRCSL) as well as the information and disclosures on voluntary adoption of the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

5. DIRECTORS OF THE COMPANY

The Board of Directors of the Company as at 31st December 2024 consisted of eight Directors (8 Directors in 2023) with wide financial and commercial knowledge and experience as detailed in the ‘Board of Directors Profiles’ on pages 176–178.

A comprehensive overview of the Board's operations and governance is available on pages 192-205. For an in-depth understanding of the Board's structure and activities, please refer to page 193.

6. EXTERNAL AUDITOR

6.1 Appointment of Auditor

The present Auditors, Messrs. KPMG were appointed as Auditors of the Company at the Annual General Meeting held on 28th March 2024 to carry out the audit of the Company for the year ended 31st December 2024. The retiring Auditors, Messrs. KPMG have signified their willingness to continue to function as the Auditor to the Company. A resolution to reappoint KPMG as Auditors and granting authority to the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting to be held on 28th March 2025.

6.2 Auditors' Remuneration

Expenses incurred in respect of Audit Fees and Fees for other services rendered during the accounting period are given in Note 21 to the Financial Statements on page 298.

6.3 Auditors' Independence

Independence confirmation has been provided by Messrs. KPMG as required by the Section 163 (3) of the Companies Act No 07 of 2007, in connection with the audit for the year ended 31st December 2024 confirming that KPMG is not aware of any relationship with or interest in the Company audited by KPMG that in their judgement, may reasonably be thought to have a bearing on their independence within the meaning of the Code of Professional Conduct issued by CA Sri Lanka. The Directors are satisfied as the BAC has assessed each service, having regard to auditor independence requirements of applicable laws, rules and regulations, and concluded in respect of each non-audit service or type of non-audit service that the provision of that service or type of service would not impair the independence of Messrs. KPMG.

6.4 Independent Auditors' Report

The opinion expressed by the Company's External Auditors' Messrs. KPMG, is provided in the Independent Auditors' Report on pages 272-274.

7. GOING CONCERN

Having reviewed the business plans and strategies of the Company, the Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

8. CAPITAL ADEQUACY RATIO ("CAR") AND MINIMUM CAPITAL REQUIREMENTS

The Company has maintain a "CAR" of 298% as of 31 December 2024 (2023 - 367%)

Insurance Regulatory Commission of Sri Lanka (IRCSL) by its Gazette dated 07th May 2013 has increased the Minimum Capital requirement for all Insurance companies to Rs. 500 million with effect from 11th February 2015. The Company has an issued and fully paid stated capital of Rs. 1,062.5 million (2023 - Rs. 1,062.5 million) and therefore fulfilled this statutory requirement.

9. TOTAL AVAILABLE CAPITAL (TAC)

In addition to the above, insurance companies are required to maintain minimum of Rs. 500 million as Total Available Capital (TAC) as per solvency margin (Risk Based Capital) rules 2015 with effect from 01st January 2016. The Company maintains Rs. 31,892 million as at 31st December 2024 (2023 - Rs. 37,107Mn.) which is well above the minimum requirement. Details of the TAC is given on page 338 and in Note 39.14 to the Financial Statements.

10. SHARE BUY-BACK

Given the company's strong capital position and with the objective of maximising shareholder returns, the Board of Directors decided to proceed

with a share buyback, following shareholder approval obtained during the Extraordinary General Meeting (EGM) held on 17 July 2024.

The share repurchase was completed on 20th September 2024, with the company acquiring 58,593,750 ordinary voting shares at a price of Rs. 102.40 per share, totalling up to Rs. 6 billion. Following the repurchase, the total number of outstanding shares decreased from 375,000,000 to 316,406,250 shares.

The transaction was carried out in compliance with Section 64 and Section 529 of the Companies Act No. 7 of 2007; CSE Listing Rule No. 7.10.1 and Article 4 of the Articles of Association of the Company.

11. DIVIDENDS

The Company successfully distributed interim dividends during the year under review. This included a dividend of Rs. 3.75 per share from the profits of 2023 and Rs. 4.50 per share from the profits of 2024. Refer Note No.24 Dividend Per Share on Page 301. The Directors have certified that they are satisfied that the Company will, immediately after the said distribution is made, satisfy the solvency test in accordance with the Section 57 of the Companies Act and subsequent to such declaration, the Directors have obtained the Auditors certificate of solvency thereon.

12. ANNUAL GENERAL MEETING

The Twenty Sixth (26th) Annual General Meeting of the Company will be held on Friday, 28th March 2025 at 10.00 a.m. The notice of Annual General Meeting is given on page 414.

13. FOCUS ON NEW REGULATIONS

SLFRS 17 will be effective w.e.f. 1st January 2026 which requires significant changes in our existing operations, IT systems, etc. Most importantly, this will change the way we measure our performance in a logical manner. However, the Company has evaluated the risk of changing SLFRS 4 to SLFRS 17 and has taken key initiatives. Refer Implementation of SLFRS 17 on Page 190.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The recent revisions to Corporate Governance rules by the Colombo Stock Exchange (CSE) have been carefully assessed. The Company has proactively taken measures to ensure full compliance with these updated listing regulations. Refer detailed disclosures on compliance status of CSE Listing Rules Section 9 on page 250 - 255.

The Company has successfully implemented the ISSB's SLFRS S1 and S2 sustainability reporting standards, reinforcing its commitment to sustainability and effectively addressing climate-related risks and opportunities. This strategic integration has enhanced business resilience and empowered the organisation to navigate complex

business environments with confidence. Refer to Creating a Resilient Business Model for Sustainability on Page 48 - 49.

14. ADHERENCE TO RELEVANT STATUTES, REGULATIONS, AND GOVERNANCE CODES

The level of compliance with the provisions of Section 168 of the Companies Act No. 7 of 2007 and amendments thereto, and other applicable statutes, is detailed below. Additionally, a comprehensive disclosure regarding compliance with the following mandatory Directions and the voluntary Code on Good Governance is provided on page 249 - 264.

- Compliance with requirements of Section 9 & Section 7.6 of the Listing Rules of the Colombo Stock Exchange (on pages 249 to 255)
- Direction 17 on Corporate Governance for insurance companies under the Regulation of Insurance Industry Act No.43 of 2000 (updated 3rd Feb 2022) issued by The Insurance Regulatory Commission of Sri Lanka (IRCSL) (on pages 256)
- The Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka (on pages 257 to 264)

15. COMPLIANCE WITH THE REQUIREMENTS OF SECTION 168 OF THE COMPANIES ACT NO. 07 OF 2007

A summary of compliance with the requirements of Section 168 of the Companies Act No. 07 of 2007, along with its amendments, is provided below.

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
15.1	The nature of the business of the Company together with any change thereof during the accounting period	Section 168 (1) (a)	Refer Notes to the Financial Statements: Note 1.3: Principal activities and nature of operations of the Company	280
15.2	Signed Financial Statements of the Company for the accounting period completed in accordance with Section 152.	Section 168 (1) (b)	Refer Financial Statements of the Company	275-277
15.3	Auditors' Report on the Financial Statements of the Company.	Section 168 (1) (c)	Refer Independent Auditors' Report	272-274
15.4	Accounting policies of the Company and any change therein.	Section 168 (1) (d)	Refer Notes to the Financial Statements: Note 4: Use of Material Accounting Judgements, Assumptions and Estimates	285
15.5	Particulars of the entries made in the Interests Register of the Company during the accounting period.	Section 168 (1) (e)	An Interest Register was maintained during the accounting period under review. All the Directors of the Company have disclosed their interest in other companies to the Board and those interests are recorded in the Directors interest register confirming to the provisions of the Companies Act No 7 of 2007. Refer Directors' Interest in Contracts with the Company Refer Notes to the Financial Statements: Note 50: Related Party Disclosure	232 382
15.6	Remuneration and other benefits paid to Directors of the Company during the accounting period	Section 168 (1) (f)	Refer Notes to the Financial Statements: Note 50.6: Transactions with KMP	383

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
15.7	Total amount of donations made by the Company during the accounting period	Section 168 (1) (g)	Refer Notes to the Financial Statements: Note 21: Profit Before Tax	298
15.8	Information on Directorate of the Company during and at the end of the accounting period	Section 168 (1) (h)	Board of Directors (176) Board Composition (196) Retirement and Re-election The Directors to retire by rotation at an AGM shall be those who, have served the longest in office, since their last election or appointment as a Director to the Board of Directors of the Company in terms of articles 98 of the Articles of Association of the Company. Accordingly, Mr. P L P Withana was re-elected at the 25th AGM held on 28th March 2024. Refer Notice of Meeting on page 414 for proposed Director re-election for 2025. Refer Appointments, Re-election and Resignation of Directors.	200
15.9	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company	Section 168 (1) (i)	Refer Notes to the Financial Statements: Note 21: Profit Before Tax	298
15.10	Auditors' relationship or any interest with the Company	Section 168 (1) (j)	Messrs. KPMG has confirmed its independence as required by Section 163(3) of the Companies Act No. 07 of 2007, stating no relationships or interests affect its impartiality in auditing the company for the year ending December 31, 2024. Refer External Assurance under Ethical Governance Execution	213
15.11	Acknowledgement of the contents of this Report/ Signatures on behalf of the Board	Section 168 (1) (k)	The Board of Directors have acknowledged the contents of this Annual Report as disclosed in the Annual Report Of The Board of Directors	228

16. OTHER DISCLOSURE REQUIREMENTS

Summary of other disclosure requirements by the Companies Act No. 07 of 2007(C.A), Listing Rules issued by CSE(LR), Recommended Best Practices (RBP), Insurance Industry Act No. 43 of 2000(RII), Central Bank of Sri Lanka(CBSL), and Insurance Regulatory Commission of Sri Lanka(IRCSL) are specified below.

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.1	Principal Activity (Section 12 (4))	RII and L.R.7.6 (ii)	The principal business activity of the Company is Life Insurance business which has remained unchanged during the financial year. Refer Notes to the Financial Statements: Note 1.3: Principal activities and nature of operations of the Company	280

C.A - Companies Act No. 07 of 2007
LR - Listing Rules issued by CSE
RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
CBSL - Central Bank of Sri Lanka
IRCSL - Insurance Regulatory Commission of Sri Lanka

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.2	Financial Investments	(Section 25 (1) - RII)	Details of the Company's investment portfolios, their classifications, valuation information and accounting policies has been disclosed in the Notes to the Financial Statements. Note 29: Financial Assets	312
16.3	Capital Expenditure and Ownership of Assets	(Section 30 - RII)	Details of Capital expenditures on Property, Plant, Equipment and Intangible Assets has been disclosed in the Notes to the Financial Statements. Note 25: Intangible Assets Note 26: Property, Plant, Equipment	302 303
16.4	Total Available Capital (TAC)	(Section 26 (1) - RII)	The TAC of the Company as at 31st December 2024 was Rs. 31,892 Mn. (2023 - Rs. 37,107Mn.) which is well above the minimum requirement of Rs.500Mn. Details are given on Notes to the Financial Statements. Note 39.14: Solvancy Margin	338
16.5	Loans to Directors	(Section 29 (1) - RII)	Directors are not entitled to obtain any kind of loans from the Company.	242
16.6	Directors' Responsibility for Financial Reporting	(Section 150 and 151 - C.A)	Refer Statement of Directors' Responsibility For Financial Reporting	229
16.7	Auditors' Independence	(Section 163(3) - C.A)	Refer External Assurance under Ethical Governance Execution	213
16.8	Annual General Meeting	(Section 133 & 135 (a) - C.A)	Refer Notice of Annual General Meeting	414
16.9	Directors' Insurance	(Section 218 - C.A)	The Company has paid an insurance premium in respect of an insurance policy for the benefit of the Directors of the Company as defined in the insurance policy during the financial year. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy, including the nature of the liability insured against and the amount of the premium	242
16.10	Board Responsibility on the Annual Report	(Section 166(1) - C.A)	Annual Report of The Board Of Directors	220
16.11	Valuation of Land and Building	(L.R.7.6 (viii))	All land and buildings owned by the Company has been revalued as per the Company Policy. Refer Notes to the Financial Statements for further information.	303
16.12	Market Value of Properties	(L.R.7.6 (xii))	Note 26: Property, Plant, Equipment	
16.13	Stated Capital	(L.R.7.6 (ix))	During the year the Company offered a share buyback option to it's Shareholders and as a result Stated Capital of the Company changed. Details of the Stated Capital are provided in Notes to the Financial Statements. Note 35: Stated Capital Tier 2 Capital Details of the Tier 2 subordinate debt capital of the Company are provided in Notes to the Financial Statements. Note 41: Loans and Borrowings	330 342

C.A - Companies Act No. 07 of 2007
LR - Listing Rules issued by CSE
RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
CBSL - Central Bank of Sri Lanka
IRCSL - Insurance Regulatory Commission of Sri Lanka

Disclosure Requirement	Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.14 Issue of Shares	(L.R.7.6 (xiii))	During the year, Company has not issued any shares to raise new capital.	395
16.15 Distribution Schedule of Shareholdings	(L.R.7.6 (x))	Information on the Distribution Schedule of Shareholdings,	
16.16 Substantial Shareholdings	(L.R.7.6 (iii))	Ratios, Market Price and Credit rating has been disclosed.	
16.17 Information on Ratios, Market Prices of Shares and Credit Rating	(L.R.7.6(xi))	Refer Investor Relations	
16.18 New Board Appointments During 2024	(L.R. 8)	There were no new appointments to the Board during 2024. Refer Appointments, Re-election and Resignation of Directors.	200
16.19 Retirement and Re-Election	(L.R. 8 and Direction -17 B (a), B (b) by IRCSL)	Refer Appointments, Re-election and Resignation of Directors.	200
16.20 Directors' Shareholding including Managing Director	(L.R.7.6 (v))	No Director, including the Managing Director has a shareholding in the Company. Refer Investor Relations for further information.	395
16.21 Information on Directors as at 31st December 2024	(L.R.7.6 (i))	Board of Directors Board Composition	176 196
16.22 Internal Controls and Risk Management	(L.R.7.6(vi))	The Company has an ongoing process in place to identify, evaluate and manage the risks that are faced by the Company. The Directors continuously review this process through the Board Risk Committee. Specific steps taken by the Company in managing risks are detailed in the 'Risk Committee Report and Notes to the Financial Statements. Risk Committee Report. Note 48: Risk and Capital Management	239 354
16.23 Related Party Transactions	(L.R 9.3.2 (L.R.7.6(xvi))	No related party transactions exceeded the limits of 10% of equity or 5% of total assets requiring immediate disclosure to CSE and a separate disclosure in the Annual Report. Directors have disclosed the transactions with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24). Refer Notes to the Financial Statements: Note 50: Related Party Disclosures	382
16.24 Employee Share Ownership/ Option Plans	(L.R.7.6(xiv))	The Company does not have any employee share ownership/option plans. Refer Human Resource and Remuneration Committee Report	242

C.A - Companies Act No. 07 of 2007
 LR - Listing Rules issued by CSE
 RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
 CBSL - Central Bank of Sri Lanka
 IRCSL - Insurance Regulatory Commission of Sri Lanka

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Disclosure Requirement	Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.25 Compliance with Rules and Regulations	(Section 6(a),(b) & Section 7 of FTRA No. 06 of 2006 Circular No. 03/13)	The Company has fully complied with regulations from the Insurance Regulatory Commission of Sri Lanka (IRCSL), IRD, and other relevant authorities, submitting all required returns and details on time. It also adheres to the Financial Transaction Reporting Act No. 06 of 2006 and the Convention on the Suppression of Terrorist Financing Act No. 25 of 2005 by submitting monthly reports to the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka (CBSL). Additionally, quarterly Compliance Reports are submitted to the Audit Committee for confirmation. Refer Audit Committee Report	235-238
16.26 Vision, Mission and Corporate Conduct	RBP	The business activities of the Company have been conducted, maintaining the highest level of ethical standards in achieving our "Vision and Mission", which reflect our commitment to high standards of business conduct and ethics.	16
16.27 Review of Operations of the Company	RBP	The Company's innovation has boosted business momentum, strengthening brand loyalty among customers and stakeholders who take pride in their association with the Company. Refer Chairman's Statement Refer Operational review	183 38 - 46
16.28 Future Outlook	RBP	The Company is optimistic about the economy and industry outlook for 2025, expecting a recovery in Sri Lanka's GDP growth compared to the previous year. Refer Chairman's Statement	183
16.29 Board Meetings and Board Sub-Committee Meetings	RBP	The Board met four times during the year and is confident that all Directors dedicate enough time to fulfil their responsibilities despite other commitments. Refer Board Sub-Committees Refer Board Meeting	203 202
16.30 Statutory Payments	RBP	The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments including all taxes, duties and levies payable by the Company due to the Government, other regulatory institutions and related to the employees have been made on time or where relevant provided for.	187
16.31 Equitable Treatment to Shareholders	RBP	The Company has ensured at all times that all shareholders are treated equitably. Refer Shareholders Engagement	218-219
16.32 Focus on New Regulations	RBP	SLFRS 17 will take effect from January 1, 2026, requiring significant operational and IT system changes. Recent revisions to Corporate Governance rules by the Colombo Stock Exchange (CSE) have been thoroughly evaluated, and proactive steps have been taken to ensure full compliance. The International Sustainability Standards Board (ISSB) has introduced SLFRS S1 and S2, emphasising sustainability and climate-related risks Refer Annual Report of The Board of Directors	221
16.33 Outstanding Litigation	RBP	In the opinion of the Directors and in consultation with the Company's lawyers, litigation currently pending against the Company will not have a material impact on the reported financial results or future operations.	385

C.A - Companies Act No. 07 of 2007
LR - Listing Rules issued by CSE
RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
CBSL - Central Bank of Sri Lanka
IRCSL - Insurance Regulatory Commission of Sri Lanka

Disclosure Requirement	Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.34	Liabilities and Provisions	RBP	
		The Board of Directors has arranged external actuaries to value the Life Fund and the Gratuity Liability. Refer Notes to the Financial Statements for the basis adopted for provisioning.	
		Note 38: Insurance Contract Liabilities	332
		Note 40: Employee Benefit Liabilities	340
16.35	Corporate Governance	(RBP L.R.7.6 (xv))	
		The Company has complied with all Mandatory and Voluntary Corporate Governance codes and the extent of compliance is as follows,	
		• Listing Rules issued by CSE	249-255
		• Direction 17 issued by the Insurance Regulatory Commission of Sri Lanka.	256
		• Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka	257-264
16.36	Events After the Reporting Period	RBP	
		No circumstances have arisen since the reporting date which would require adjustments or disclosure in the Financial Statements, other than disclosed in Notes to the Financial Statements.	
		Note 52: Events After the Reporting Period	385
16.37	Corporate Social Responsibility (CSR)	RBP	
		The CSR initiatives of the Company are detailed under 'Management Discussion and Analysis'.	
		Refer Inspiring Actions Today for a Transformed World Tomorrow	170
16.38	Sustainability	RBP	
		The Company has been a pioneer in adopting sustainability practices and reporting. Its efforts to prioritise sustainability in business strategy formulation are discussed in the 'Management Discussion and Analysis'	
		Refer Strategic Approach to Manage Climate and Sustainability	52-90
16.39	Environmental Protection	RBP	
		The Company, to the best of their knowledge, has not engaged in any activity, which was detrimental to the environment. Specific measures taken to protect the environment are discussed in the 'Management Discussion and Analysis'	
		Refer Environmental Governance	87-90
16.40	Employment Policy	RBP	
		The Company policy is to respect the merits of the individuals and provide career opportunities, irrespective of gender, race or religion.	
		The Company's strength of manpower as at 31st December 2024 was 947. (2023 - 985).	
		Medical and Life insurance, under Group cover is available for all employees of the Company, irrespective of their period of service. The Company encourages sports and recreational activities by supporting the Sports Club.	
		Refer Human Capital	118-133
16.41	Technology	RBP	
		As encapsulated in the Corporate Strategy, our business processes are underpinned by technology. All of our processes involve information technology and we use technology to deliver superior products and services to our customers. Correspondingly, the nature of the business is more heavily intertwined with technology than ever before.	
		Refer Digital transformation and insure tech	95

C.A - Companies Act No. 07 of 2007
 LR - Listing Rules issued by CSE
 RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
 CBSL - Central Bank of Sri Lanka
 IRCSL - Insurance Regulatory Commission of Sri Lanka

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Disclosure Requirement	Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
16.42 Operational Excellence	RBP	To increase efficiency and reduce operating cost, the Company has ongoing initiatives to drive policy and process standardisation and to optimise the use of existing technology platforms. Refer Sustainability Management.	38 - 46
16.43 Code of Conduct and Ethics	RBP	The Company has implemented a Code of Business Conduct and Ethics for all employees, mandating strict adherence without exception. Additionally, a Code of Conduct and Ethics for Directors has been adopted. No violations of these codes were reported during the year, and both Directors and Key Management Personnel have declared their compliance with the respective codes. Refer Promoting an Ethical Governance Execution	208
16.44 Bribery and Corruption	RBP	Company has introduced a framework, setting out policies and guidelines to prevent corruption and bribery. Refer Policies implemented to combat corruption and bribery.	209
16.45 Review of Performance of Board	RBP	The performance of the Board is evaluated through a formalised process. Refer Evaluation of Board and Board Sub-Committee Performance	195
16.46 Taxation	RBP	Income taxes are computed based on rates enacted or substantively enacted as at the Reporting Date. The income tax rates applicable to the Company's operations for the year under review was 30%. The Company recognised deferred tax asset extent to which future taxable profits will be available to utilise the available tax losses in foreseeable future. Refer Notes to the Financial Statements: Refer Note 22 - Income Tax Expenses	298
16.47 Reserves	RBP	The reserves consist of Fair Value Reserve, Revaluation Reserve, Restricted Regulatory Reserve and Retained Reserves. Refer Notes to the Financial Statements: Note 36 - Restricted Regulatory Reserve Note 37 - Other Reserves	331 331

C.A - Companies Act No. 07 of 2007
LR - Listing Rules issued by CSE
RBP - Recommended Best Practices

RII - Insurance Industry Act No. 43 of 2000
CBSL - Central Bank of Sri Lanka
IRCSL - Insurance Regulatory Commission of Sri Lanka

17. ACKNOWLEDGEMENT OF THE CONTENTS OF THE REPORT

As required by the Section 168 (1) (k) of the Companies Act No. 07 of 2007, the Board of Directors does hereby acknowledge the contents of this Annual Report.

Sgd.

Softlogic Corporate Services (Pvt) Ltd
Company Secretary

On behalf of the Board;

Sgd.

Ashok Pathirage
Chairman

Sgd.

Iftikar Ahamed
Managing Director

Colombo, Sri Lanka
04th March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

This statement outlines the Directors' responsibilities in relation to Softlogic Life Insurance PLC's Financial Statements. The responsibilities of the External Auditors in relation to the Financial Statements are outlined on pages 272-274 of the 'Auditors' Report.

In accordance with Sections 150 (1) and 151 of the Companies Act No. 07 of 2007, the Company's Board of Directors is responsible for ensuring that the Company keeps proper books of account of all transactions and prepares Financial Statements that give a true and fair view of the Company's financial position as at the end of each financial year and of the Company's financial performance for each financial year and presents them to a general meeting.

The Financial Statements comprise of the Statement of Financial Position as at 31st December 2024, the Statement of Income Statement and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and Notes thereto.

Accordingly, the Directors confirm that the Financial Statements of the Company give a true and fair view of the:

- Financial position of the Company as at 31st December 2024; and
- The financial performance of the Company for the financial year ended.

COMPLIANCE REPORT

The Board of Directors also wishes to confirm that:

- a. Appropriate Accounting Policies have been selected and applied in preparing the Financial Statements are provided on pages 280-386 based on the latest financial reporting framework on a consistent basis, while reasonable and prudent judgements and

estimates have been made so that the form and substance of transactions are properly reflected and material departures, if any, have been disclosed and explained.

- b. The Financial Statements for the year 2024, are prepared and presented in this Annual Report in agreement with the underlying books of account and are in conformity with the requirements of the following:

- Sri Lanka Accounting Standards.
- Companies Act No. 07 of 2007 and amendments thereto.
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.
- Insurance Industry Act No. 43 of 2000 and amendments thereto.
- Statement of Recommended Practice (SoRP).
- Listing Rules of the Colombo Stock Exchange (CSE) and;
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.
- Sustainability Disclosure Standards (SLFRS S1 and S2)

- c. These Financial Statements comply with the prescribed format issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) for the preparation of Annual Financial Statements of Insurance Companies.

- d. The Directors of the Company have taken appropriate steps to ensure that the Company maintains proper books of account and review the financial reporting system directly by them at their regular meetings and also through the Audit Committee. The Report of the said Committee is given on pages 235-238.

- e. The Board of Directors also approves the Interim Financial Statements prior to their release, following a review and recommendation by the Audit Committee.
- f. Proper accounting records which correctly record and explain the Company's transactions have been maintained as required by the Section 148 (1) of the Companies Act to determine at any point of time the Company's financial position, with reasonable accuracy, enabling preparation of the Financial Statements, in accordance with the Companies Act to facilitate proper audit of the Financial Statements.
- g. The Board of Directors accept responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report.
- h. They have taken reasonable measures to safeguard the assets of the Company and to prevent and detect frauds and other irregularities. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal checks, internal audit and financial and other controls required to carry on the business in an orderly manner and safeguard its assets and secure as far as practicable, the accuracy and reliability of the records. The "Directors' Statement on Internal Control" is given on pages 233-234 of this Annual Report.
- i. As required by Section 56 (2) of the Companies Act No. 07 of 2007, they have authorised distribution of the dividends paid and proposed upon being satisfied that the Company satisfies the solvency test after such distributions are made in accordance with Section 57 of the Companies Act No. 07 of 2007

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

and have obtained in respect of dividends paid and proposed, and also for which approval is now sought, necessary certificates of solvency from the External Auditors.

- j. As required by Sections 166 (1) and 167 (1) of the Companies Act No. 07 of 2007, the Company has prepared this Annual Report in time and ensured that a copy thereof is sent to every shareholder of the Company, who has expressed a desire to receive a hard copy or a soft copy (online HTML version) is available on the CSE website "www.cse.lk" and Company's official website "www.softlogiclife.lk" within the stipulated period of time as required by the Rule No. 7.5 (a) and (b) on Continuing Listing Requirements of the Listing Rules of the CSE.
- k. All shareholders in each category have been treated equitably in accordance with the original terms of issue.
- l. The Company has met all the requirements under the Section 07 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable.
- m. After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the 'Code on Corporate Governance' issued by the CA Sri Lanka, the Board of Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, we continue to adopt the Going Concern basis in preparing the Financial Statements.
- n. The Financial Statements of the Company have been certified by the Company's Chief Financial Officer, the officer responsible for their preparation, as required by the Sections 150 (1) (b) of the Companies Act No. 07 of 2007 and also have been signed by two Directors of the Company on page 273 as required by the Sections 150 (1) (c) of the Companies Act No. 07 of 2007 and other regulatory requirements.
- o. The Company's External Auditors, Messrs. KPMG who were appointed in terms of the Section 158 of the Companies Act No. 07 of 2007 and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and Minutes of shareholders' and Directors' meetings and expressed their opinion which appears as reported by them on pages 272-274.
- p. The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company, and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or, where relevant, provided for.

Accordingly, the Directors are of the view that they have discharged their responsibilities as set out in this Statement.

By Order of the Board;

Sgd.
Ashok Pathirage
Chairman

Sgd.
Iftikar Ahamed
Managing Director

Colombo, Sri Lanka
04th March 2025

MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

The Financial Statements of Softlogic Life Insurance PLC (the Company) as at 31st December 2024 are prepared and presented in conformity with the requirements of the following:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 07 of 2007
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Insurance Industry Act No. 43 of 2000 and amendments thereto
- Statement of Recommended Practice (SoRP)
- Listing Rules of the Colombo Stock Exchange (CSE) and
- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.
- Sustainability Disclosure Standards (SLFRS S1 and S2)

The formats used in the preparation of the Financial Statements and disclosures made comply with the specified formats prescribed in the SoRP. The Company presents the financial results to its shareholders on a quarterly basis.

The significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied unless otherwise stated in the Notes accompanying the Financial Statements. Application of Significant Accounting Policies and Estimates that involve a high degree of judgement and complexity were discussed with the Audit Committee and Company's External Auditors. Comparative information has been restated to comply with the current presentation, where applicable.

We confirm that to the best of our knowledge, the Financial Statements, Significant Accounting Policies and other financial information included in this Annual Report, fairly present in all material respects; the financial condition, results of the operations

and the cash flows of the Company during the year under review.

We are responsible for establishing, implementing and maintaining Internal Controls and Procedures within the Company. We ensure that effective Internal Controls and Procedures are in place, ensuring material information relating to the entity are made known to us for safeguarding assets, preventing and detecting fraud and/or error as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. We have evaluated the Internal Controls and Procedures of the entity for the financial period under review and are satisfied that there were no significant deficiencies and weaknesses in the design or operation of the Internal Controls and Procedures, to the best of our knowledge.

We confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and fraud that involves management or other employees. The Company's Internal Audit Function also conducts periodic reviews to ensure that the Internal Controls and Procedures are consistently followed.

The Financial Statements of the Company were audited by Messrs. KPMG, Chartered Accountants and their Report is given on pages 268-270. The Audit Committee pre-approves the audit and non-audit services provided by Messrs. KPMG, in order to ensure that the provision of such services does not impair KPMG's independence and objectivity.

The Board Audit Committee (BAC), inter alia, reviewed all the Internal and External Audit and Inspection Programmes, the efficiency of Internal Control Systems and procedures and also reviewed the quality of the Significant Accounting Policies and their adherence to Statutory and Regulatory Requirements. The details of which are given in the 'Board Audit Committee Report' appearing on pages 235-238.

The continuous inspection and audit functions, engagement of firms of Chartered Accountants and effective functioning of the BAC, ensure that the Internal Controls and Procedures are followed consistently. To ensure complete independence, the External Auditors and the Internal Auditors have full and free access to the members of the BAC to discuss any matter of substance. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal control and accounting.

It is also declared and confirmed that the entity has complied with and ensured compliance with the guidelines for the audit of listed companies where mandatory compliance is required. We confirm that to the best of our knowledge:

- a) The Company has complied with all applicable laws and regulations and guidelines and there is no material litigation against the Company other than those disclosed in Note 53 Provisions and Contingencies on pages 385 of the Financial Statements.
- b) All taxes, duties, levies and all statutory payments by the Company and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at 31st December 2024 have been paid, or where relevant provided for.
- c) The Company has complied with all the legal and regulatory provisions of the Regulation of Insurance Industry Act.

Sgd.
Iftikar Ahamed
Managing Director

Sgd.
Nuwan Withanage
Chief Financial Officer

Colombo, Sri Lanka
04th March 2025

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

In compliance with the disclosure requirements of Section 168 (e) of the Companies Act No 07 of 2007, Directors' interests in contracts or proposed contracts with the Company, both direct and indirect are disclosed as follows, where the Chairman or a Director of the Company is the Chairman or a Director of such entities. Furthermore, to adhere to Rule 9.10.4(e) of the CSE Listing Rules, these entities are categorised as listed, unlisted or foreign, and the Director's role as Executive or Non-Executive is also disclosed. All Directors of the Company have disclosed their interest in other companies to the Board and such interest are recorded in the Directors interest register confirming to Section 192 (1) and 192 of the Companies Act No 07 of 2007.

Summary of Directorships in other Companies				
Director Name	Listed	Unlisted	Foreign	Total
Ashok Pathirage	6	11		17
Iftikar Ahamed	1	4		5
Haresh Kaimal	6	13		19
V. Govindasamy	4	9		13
Sanjaya Mohottala		2	2	4
Lalith Withana	5	2		7
Fernanda Lima			15	15
Raimund Snyders			5	5

Directorships in Listed Companies			
No.	Position	Company	Capacity
Ashok Pathirage			
1	C/MD	Softlogic Holdings PLC	ED
2	C/MD	Asiri Surgical Hospital PLC	ED
3	C	Odel PLC	ED
4	C/MD	Asiri Hospital Holdings PLC	ED
5	C	Softlogic Capital PLC	NED
6	C	Softlogic Finance PLC	NED
Iftikar Ahamed			
1	MD	Softlogic Capital PLC (Resigned w.e.f. 31.01.2024)	ED
Haresh Kaimal			
1	D	Softlogic Holdings PLC	ED
2	D	Odel PLC	NED
3	D	Softlogic Finance PLC	NED
4	D	Asiri Hospital Holdings PLC	NED
5	D	Softlogic Capital PLC	NED
6	D	Asiri Surgical Hospital PLC	NED
V. Govindasamy			
1	D	Watawala Plantations PLC	NED
2	DC	Sunshine Holdings PLC	NED
3	D	United Motors Lanka PLC	NED
4	D	Dialog Axiata PLC	NED
Lalith Withana			
1	D	HNB Finance PLC	NED
2	D	Commercial Development Company PLC	NED
3	D	Waskaduwa Beach Resort PLC	NED
4	D	Hikkaduwa Beach Resort PLC	NED
5	D	Citrus Leisure PLC	NED

Directorships in Foreign Companies		
No.	Position	Company
Fernanda Lima		
1	D	Tumalon Katak Salahkar Pte.Ltd.(Singapore)
2	D	LeapFrog III Holdings (Asia) Pte. Ltd
3	D	Amethyst Inclusion Pte. Ltd.
4	D	LeapFrog III FS Africa No. 1 Pte. Ltd.
5	D	Inclusive Digital Health Pte. Ltd.
6	D	Obsidian Inclusion Pte. Ltd.
7	D	Emerald Inclusion Pte. Ltd.
8	D	Peridot Inclusion Pte. Ltd.
9	D	Topaz Inclusion Pte. Ltd.
10	D	EC Mobility I Pte. Ltd.
11	D	Alstroemeria Investments Pte. Ltd.
12	D	Leucadendron Investments Pte. Ltd.
13	D	Bolttech Holdings Limited
14	D	Carnelian Holdings Pte. Ltd.
15	D	Save the Children Global Ventures Foundation

Directorships in Foreign Companies		
No.	Position	Company
Sanjaya Mohottala		
1	D	Alani Bangladesh Pvt Ltd (Bangladesh)
2	D	IFINITY PTE. LTD.
Raimund Snyders		
1	D	AIICO PLC
2	D	Nigerian Insurance Group
3	D	miLife Insurance
4	D	Ghanaian Insurance Company
5	D	Cenfri (Non profit South African Company)

Directorships in Unlisted Companies		
No.	Position	Company
Ashok Pathirage		
1	C/MD	Central Hospital Ltd.
2	C/MD	Ceysand Resorts Ltd.
3	C/MD	Softlogic Retail (Pvt) Ltd.
4	C	Softlogic Supermarkets (Pvt) Ltd.
5	C	Softlogic Properties (Pvt) Ltd.
6	C	NDB Capital Holdings Ltd.
7	D	Footwear Retailer Ltd.
8	D	Odel Properties One (Pvt) Ltd.
9	D	Asiri A O I Cancer Centre (Pvt) Ltd.
10	D	Softlogic Retail Holdings (Pvt) Ltd.
11	D	Asiri Port City Hospital (Pvt) Ltd.
Iftikar Ahamed		
1	D	Softlogic Stockbrokers (Pvt) Ltd.
2	D	Softlogic Corporate Services (Pvt) Ltd.
3	D	Softlogic Asset Management (Pvt) Ltd.
4	D	Softlogic Australia (Pty) Ltd.
Haresh Kaimal		
1	D	Softlogic Australia (Pty) Ltd.
2	D	Softlogic Information Technologies (Pvt) Ltd.
3	D	Softlogic BPO Services (Pvt) Ltd.
4	D	Softlogic Retail Holdings (Pvt) Ltd.
5	D	Softlogic Restaurants (Pvt) Ltd.
6	D	Softlogic City Hotels (Pvt) Ltd.
7	D	Softlogic Supermarkets (Pvt) Ltd.
8	D	Softlogic Corporate Services (Pvt) Ltd.
9	D	Softlogic Brands (Pvt) Ltd.
10	D	Odel Properties One (Pvt) Ltd.
11	D	Saber Travel Network Lanka (Pvt) Ltd.
12	D	S R One (Pvt) Ltd
13	D	Softlogic IT Holdings (Pvt) Ltd
V. Govindasamy		
1	C	Sunshine Wilmar (Pvt) Ltd.
2	D	Sunshine Consumer Lanka Ltd.
3	D	Healthguard Pharmacy Ltd.
4	D	Watawala Dairy Ltd.
5	D	Sunshine Healthcare Lanka Ltd.
6	D	Ceylon Property Development Ltd.
7	D	Lanka Island Resorts Ltd.
8	D	Sunshine Tea (Pvt) Ltd.
9	D	Sunshine Foundation for Good
Sanjaya Mohottala		
1	D	Alani Holdings Pvt Ltd
2	D	1976 Corp Pvt Ltd
Lalith Withana		
1	D	Agility Consulting Services (Pvt) Ltd.
2	D	Serendipity Leisure (Pvt) Ltd.

C - Chairman
DC - Deputy Chairman
ED - Executive Director
MD - Managing Director
D - Director
NED - Non-Executive Director

Related party disclosures as per the LKRS 24 on "Related Party Disclosures" are given in Note 50 to the Financial Statements on page 382.

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

INTRODUCTION

The following statement fulfils the requirement to publish the Directors' statement on internal controls as per the Code of Best Practices on Corporate Governance issued by the CA Sri Lanka.

RESPONSIBILITY

The Board of Directors ("Board") is accountable for ensuring the adequacy and effectiveness of internal controls in order to protect shareholders' investments and Company assets. The Board has established an enterprise risk management approach to identify the most significant risks to the business and management's mitigation efforts.

However, such a system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Company. In light of this, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has created an ongoing process for detecting, evaluating, and managing the Company's major risk, which includes upgrading the Company's internal control system as the business environment and regulatory rules evolve. The Board, through its Audit Committee and Risk Management Committee, with the cooperation of the Internal Auditors, involves setting this process for the year and reviews it on a regular basis.

- Regular IT system audits are conducted by contracted external experts to ensure the integrity of financial information, data security and adequate access controls are in place with regard to processing of data. Further, contemplating robust security measures and risk management,

the Company has appointed an independent IT security officer who liaises with the internal audit, external audit and other external experts contracted by the Company. In addition to the above, the External Auditors review critical components of the IT environment as part of the statutory audit.

- The recommendations made by the External Auditors in connection with the internal control system in previous years were reviewed during the year and appropriate steps were taken to implement them.
- Further improvements in line with industry and/or non-industry best practices are also implemented on an on-going basis.
- The Board Risk Management Committee assists the Board in overseeing the risk management framework of the Company. The management has prepared a Risk Register identifying all key risks faced by the Company and there is an ongoing, bottom-up process in place for identifying, evaluating and managing the risks faced by the Company. New risks, mitigating actions and changes of risk status of earlier identified risks are highlighted separately and the implementation of the proposed new controls is followed up by the risk and internal audit department. The report of the Risk Committee is provided on pages 239-240 of the Annual Report.

The management assists the Board in implementing policies and procedures relating to risk and control by identifying and assessing the risks faced by the Company, as well as in the design, operation and monitoring of suitable internal controls to mitigate these risks.

The Board is of the view that the system of internal controls in place is sound and adequate to provide

reasonable assurance regarding the reliability of financial reporting, and that the preparation of Financial Statements for external purposes is in accordance with the relevant accounting principles and regulatory requirements.

Key features of the process adopted in applying and reviewing the design and effectiveness of the Internal Control System on Financial Reporting and the key processes established to review the adequacy and integrity of the system of internal controls related to financial reporting include the following:

- Board Sub-Committees are established by the Board to assist in ensuring,
 - The effectiveness of the Company's daily operations.
 - The Company's operations are in accordance with the business direction/strategies.
 - The Company's operations are in line with the annual corporate budget, and approved policies.
- Operational committees have also been established with appropriate empowerment to ensure effective management and supervision of the Company's core areas of business. These committees include the Assets and Liability Management Committee, the Internal Investment Committee, the Information Technology Steering Committee, the Internal Risk Management Committee, the Actuarial Committee and the Product Development Committee.
- In assessing the internal control system over financial reporting, identified officers of the Company collated all procedures and controls connected with the significant accounts and disclosures of the Financial Statements of the Company.

DIRECTORS' STATEMENT ON INTERNAL CONTROLS

These in turn were observed and checked by the Internal Audit department for suitability of design and effectiveness on an ongoing basis. Since adoption of new Sri Lanka Accounting Standards (SLFRSs and LKASs), progressive improvements in processes to comply with the new requirements of recognition, measurement, classification and disclosures are being made.

CONFIRMATION

Based on the above processes, the Board of Directors confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes has been done in accordance with the Sri Lanka.

Accounting Standards, requirements of the Company's Act No. 7 of 2007, Regulations of Insurance Industry Act No. 43 of 2000 and the listing rules of the Colombo Stock Exchange.

- The Internal Audit Department of the Company checks for compliance with policies and procedures and the effectiveness of the internal control system on an ongoing basis using samples and rotational procedures and highlights significant findings in respect of any non-compliance. Audits are carried out on all departments and branches, in accordance with the annual audit plan approved by the Audit Committee. The frequency of audits of branches is determined by the level of risk assessed, to provide an independent and objective report.
- The annual audit plan is reviewed and approved by the Audit Committee.

- Findings of the internal audit are submitted to the Audit Committee for review at their periodic meetings.
- The Audit Committee of the Company reviews internal control issues identified by the Internal Audit Department, regulatory authorities, External Auditors and management, and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit function with particular emphasis on the scope of audits, independence, resources and quality of the same. Minutes of the Audit Committee meetings are tabled at the meetings of the Board of Directors of the Company on a periodic basis. Details of the activities undertaken by the Audit Committee of the Company are set out in the 'Audit Committee Report' which appears on pages 235-238.

On behalf of the Board;

Sgd.
Ashok Pathirage
Chairman

Sgd.
Iftikar Ahamed
Managing Director

Sgd.
Lalith Withana
Chairman – Audit Committee

Colombo, Sri Lanka
04th March 2025

AUDIT COMMITTEE REPORT

The Audit Committee of Softlogic Life Insurance PLC plays a pivotal role in ensuring the integrity of financial reporting, compliance with regulations, and the robustness of internal controls and risk management processes. This report outlines the Committee's activities during the year and key focus areas moving forward.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Audit Committee ("the BAC") comprise of three (03) Non-Executive Directors, out of which, majority (02) of whom are independent. The attendance and Directorship status are given in the below table.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Lalith Withana	Independent Non-Executive Director	Chairman	22 Jul 2021	4/4
Mr. Raimund Snyders	Non-Executive Director	Member	15 Feb 2021	4/4
Mr. V. Govindasamy	Independent Non-Executive Director	Member	22 Jul 2021	4/4

Regular Attendees by invitation

Managing Director
Deputy Chief Executive Officer
Chief Financial Officer
Chief Information Officer
Chief Technical Officer
Chief Actuarial Officer
Chief Audit and Compliance Officer
Group Head of Internal Audit & Risk
Head of Finance
Assistant Vice President Internal Audit
Vice President/ Head of Treasury

Coordination Secretary

Chief Audit and Compliance Officer

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

The Committee has actively overseen the SLFRS 17 implementation, ensuring system readiness, technical alignment, and compliance.

67%
INEDs
Representation
on the
Committee

100%
NEDs
Representation
on the
Committee

100%
Members'
Attendance
to the
Committee

Compliance
with the CSE
Rules



Compliance
with Code of
Best Practice



Further information on the Committee members' experience, qualifications and expertise are provided in the brief profiles included on pages 176-178 of the Annual Report.

CHARTER OF THE COMMITTEE

The Charter of the BAC approved by the Board, clearly defines the Terms and Reference of the committee and is annually reviewed to ensure that new developments relating to the committee's functions are addressed.

The Charter of the Committee was last reviewed and approved by the Board on 07th November 2024.

The Committee has the cooperation of the management and complete access to information and may invite any Director or executive officer to attend its meetings.

Regulations/Rules Relevant to The Functions of the Committee

The composition, role and the functions of the Board Committee are further regulated by the rules on Corporate Governance under the "Listing of the Colombo Stock Exchange", "Code of Best Practice on Corporate Governance", issued by The Institute of Chartered Accountants of Sri Lanka and the Regulation of Insurance Industry Act, No.43 of 2000. Refer page 187 for details of Compliance.

OBJECTIVES

The Committee is empowered by the Board of Directors to:

- Ensure that the financial reporting system is well managed and effective to provide accurate and timely financial information to the Board of Directors, regulators and shareholders.

EXPERTISE OF THE COMMITTEE

The Chairman of the committee is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of UK.

He is a Management Consultant with over 25 years of experience in organisation development, business transformation, finance, human resources, manufacturing, supply chain, market development, public sector and project management.

The Committee members also bring a wide range of expertise and knowledge to the Audit Committee, which enables the effective conduct of operations.

AUDIT COMMITTEE REPORT

- Review the appropriateness of the accounting policies and ensure adherence to statutory and regulatory compliance requirements and applicable accounting standards.
- Examine the appropriateness, efficacy, and efficiency of risk management, internal controls, and governance systems established to prevent, mitigate, or transfer present and evolving risks.
- Ensure that the conduct of the business follows the applicable laws and regulations of the country and falls within the policies and procedures of the Company.
- Ascertain that the Company adopts and follows strong corporate governance standards, Confirming the highest ethical standards and best industry practices in the best interests of all stakeholders.
- Monitoring all areas of internal and external audits in order to provide findings and recommendations to management.
- Prior to submission to the Board, review the Company's Interim Financial Statements and Annual Financial Statements to ensure the integrity of the financial statements prepared for disclosure.
- Ensure that the impacts of new accounting standards are discussed and disclosed in the Financial Statements.
- Monitoring and reviewing the activities and performance of the internal, external and outsourced auditor/s, including monitoring their independence and objectivity.

ACTIVITIES IN 2024

1. Meetings

The Audit Committee conducted four (04) meetings during the year. The attendance by the Committee members at each of these meetings is given in the page 203. Representatives of the Company's External Auditor, Messrs. KPMG also participated at those 04 meetings by invitation. The Committee also invited Senior Management of the Company to participate in the meetings from time to time as required.

2. Financial Reporting Oversight

The Committee reviewed the following areas, in consultation with the External Auditors and the management where necessary:

- Reviewed and discussed the Interim Financial Statements of all four (04) quarters and the Annual Financial Statements for the year 2024 prior to publication including the extent of compliance with the Sri Lanka Accounting Standards, the appropriateness and changes in accounting policies and material judgemental matters, Listing Rules, Companies Act No. 7 of 2007, Regulation of Insurance Industry Act, SORP and the reasonableness of significant estimates and judgements.
- The Committee also discussed with the External Auditors and management the matters communicated by the External Auditors in their reports to the Committee on the audit for the year.

Review of Impairment on Financial Investments

The Committee reviewed the policy manual of principles and methodologies including Expected Credit Losses (ECL) computations under "SLFRS 9 – Financial instruments" adopted by the management during the year. Further, the Committee reassessed the impairment relating to Debenture investments, Unit Trust Investments and Sovereign bond considered the requirement to make necessary provisions for the expected loss impairment.

Restructuring of ISB investment

The Audit Committee played a key role in evaluating and overseeing the Company's decision-making, regarding the restructuring of International Sovereign Bonds (ISBs) issued by the Government of Sri Lanka. Refer Note 29.11 on Page 324 for detailed impact on financial statements.

Sri Lanka Accounting Standards Compliance

The Committee reviewed the revised policy decisions relating to the adoption of the new and revised Sri Lanka Accounting Standards applicable to the Company and made recommendations

to the Board of Directors. The committee would continue to monitor compliance with the relevant Accounting Standards and keep the Board of Directors informed at regular intervals.

Progress in Implementation of SLFRS 17

The Committee has been actively overseeing the implementation of SLFRS 17 – Insurance Contracts, which will be effective for the preparation of financial statements from 1 January 2026. Throughout the year, the Committee reviewed and approved the SLFRS 17 system and technical consultant, including the Contractual Service Margin (CSM) engine, as well as the Financial Advisory Partner. Additionally, it has closely monitored the implementation progress to ensure alignment with the established timelines.

Implementation of SLFRS S1 and S2

The Audit Committee played a crucial role in evaluating and overseeing our approach to identifying and managing material risks and opportunities, guided by SLFRS S1 and S2, the emerging global standards for sustainability and climate-related disclosures. By adhering to frameworks aligned with SLFRS S1 and S2, we ensure robust governance and comprehensive sustainability reporting, demonstrating our performance and resilience.

Going Concern

The Committee reviewed and assessed the going concern status and the adequacy of resources to sustain business operations for the foreseeable future.

3. Internal Controls & Risk Management

Internal Controls

The Committee is assisted by the External Auditor and the Internal Audit Department to closely monitor the procedures designed to maintain an effective internal control mechanism to provide reasonable assurance that this requirement is being complied with.

The Committee also reviewed the Premium Receivable monitoring and follow-up procedures and the internal control procedures in place to ensure

that necessary controls and mitigating measures are available in respect of newly identified risks.

The Committee reviewed and approved the Directors' Statement on Internal Controls over Financial Reporting for disclosure in the Annual Report.

Risk Management

The Risk Management Committee provides information pertaining to the risk management function with the purpose of keeping the Audit Committee abreast of the latest developments and in order to carry out its statutory, regulatory and other responsibilities. A detailed report of the Risk Management Committee is given on pages 239-240.

Cyber Security Review

Softlogic Life has implemented numerous technical solutions and operational enhancements in response to cyber security threats. The Committee reviewed the progress of cyber security reviews.

Operational deficiencies risk and Business Continuity Planning

Operational deficiencies risk together with recommendations were discussed at the Audit Committee. Committee further assessed the adequacy of Business Continuity Planning and Disaster Recovery arrangements for the year under preview.

4. Internal Audit and Control

The Committee monitors the effectiveness of the internal audit function and is responsible for ensuring the effectiveness of the internal control systems of the Company.

During the year, the Committee reviewed the internal audit plan and recommended changes, and the progress were monitored on regular basis.

Internal auditing evaluates the adequacy, effectiveness, and efficiency of internal controls across all Head Office functions and branch activities. It assesses measures to minimise operational and business risks while ensuring compliance with statutory regulations and the company's accounting and operational policies.

The Committee ensures the independence, competency, and professionalism of the Internal Audit function. It conducts an annual evaluation of its independence and resources while assessing the Internal Audit Strategy quarterly, including progress, key audit findings, implementation results, and other key initiatives.

High risk audit findings are discussed in detail at each Committee meeting with the associated recommendations and the responses from the management. During the period, 39 Internal Audit assurance reports were summarised and 641 reviews of areas susceptible to fraud were completed.

5. External Audit Oversight

The Audit Committee assists the Board in assessing independence, evaluating the performance of the External Auditors and making recommendations for engagement of Auditors.

The following activities were carried out by the Audit Committee during 2024;

- Discussed the audit plan, scope and the methodology proposed for adoption in conducting the audit with the Auditors prior to commencement of the annual audit.
- The External Auditors were given adequate access to the Audit Committee as well as to all relevant information required discussed matters relating to the scope of the audit and auditors' independence.
- Reviewed the follow up action points taken by the Management in improving the financial reporting based on the 2023 Management Letter by the External Auditor Messrs. KPMG.
- Reviewed the External Auditors' Management Letter and the Management's responses thereto before it was submitted to the Board and Insurance Regulatory Commission of Sri Lanka.
- Discussed all relevant matters arising from the interim and final audits, and any other matters that the Auditor wished to discuss, including matters that needed to be discussed in the absence of Key Management Personnel.

- The Committee members evaluated the Scope, Deliverables, Resources and Quality Assurance Initiatives of the External Auditor, Messrs. KPMG for the year.

Independence and Objectivity of the External Auditors

The Audit Committee conducted an annual assessment of the External Auditor's independence, objectivity, and the effectiveness of the audit process. To the Committee's knowledge, the auditors have no relationship with the Company other than in their auditing capacity.

In addition, as required by the Companies Act No. 07 of 2007 and Best Practice on Corporate Governance 2023 issued by CA Sri Lanka the Committee has received a declaration from Messrs. KPMG confirming that they do not have any relationship with the Company, which may have a bearing on their independence.

According to the Company policy, the lead Audit Partner is rotated for every seven (07) years.

Provision of Non-Audit Services

The Committee ensured that non-audit services did not affect the External Auditor's independence by assessing their expertise and fees relative to the audit fee, while also confirming that these services were not among those prohibited under the Securities and Exchange Commission of Sri Lanka's guidelines for listed companies.

Re-Appointment of the External Auditors

The Board Audit Committee is in charge of recommending to the Board the appointment, reappointment, or removal of the External Auditor in accordance with professional standards and legislative requirements.

The Audit Committee has recommended that Messrs. KPMG, Chartered Accountants be reappointed as Auditors for the financial year ending December 31, 2025, subject to shareholder approval at the Annual General Meeting. Furthermore, the Committee has presented a recommendation to the Board on the remuneration of the Auditors.

AUDIT COMMITTEE REPORT

6. Ethics, Compliance & Regulatory Matters

Compliance with Rules And Regulations

The Committee examines the systems and procedures that are in place to ensure compliance with applicable regulatory requirements via the Compliance Report prepared by the Compliance Officer quarterly basis. The Compliance Officer's report details the extent of Compliance with the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto, the Directions of the Insurance Regulatory Commission of Sri Lanka and any other regulatory and statutory requirements applicable to the Company.

Implementation of the Data Privacy Act

The Audit Committee has played a crucial role in overseeing the Company's adherence to the Data Protection Act by ensuring the implementation of comprehensive data governance policies and security protocols.

AML CFT Monitoring Status

As part of its oversight responsibilities, the Committee conducted a comprehensive review of the Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) monitoring status to ensure that robust mechanisms are in place to detect, prevent, and report suspicious activities effectively.

Corporate Governance

The Company is fully compliant with the applicable rules on corporate governance under the listing rules of the Colombo Stock Exchange (CSE) and Direction 17 issued by IRCSL. In addition, the Company is compliant with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

Implementation of Section 9 of Listing Rules issued by CSE

The Colombo Stock Exchange (CSE) introduced revised Corporate Governance Rules under Section 9, effective from October 1, 2023, with certain provisions being implemented in phases.

The Audit Committee has played a pivotal role in guiding the

implementation of these revised governance requirements, ensuring that the Company meets and exceeds the expectations set forth by the CSE.

Ethics, Good Governance and Whistle Blowing

The Committee continuously emphasises the importance of staff members' ethical values. In this regard, a Code of Ethics and a Whistle Blower's Charter was established and implemented with the aim of informing and encouraging all employees to use whistle-blowing as a means of reporting wrongdoing or other irregularities.

7. Areas of Focus in 2024

Throughout 2024, the Audit Committee has actively overseen and guided the implementation of key governance, compliance, and financial reporting initiatives to ensure regulatory adherence, operational resilience, and financial integrity. The Committee has played a pivotal role in strengthening internal controls, risk management frameworks, and compliance structures across multiple critical areas, including:

SLFRS 17 Implementation: The Committee closely monitored the Company's readiness for the implementation of SLFRS 17 - Insurance Contracts, ensuring seamless system integration and technical alignment.

Cybersecurity: Recognising the increasing risks associated with cyber threats, the Committee reviewed and reinforced IT security controls to protect the Company's digital infrastructure, customer data, and business operations.

Impairment of Financial Investments:

The Committee conducted a thorough assessment of SLFRS 9 Expected Credit Loss (ECL) computations, ensuring accurate impairment modelling and appropriate provisioning for financial investments.

8. Effectiveness Review & Professional Development

An independent evaluation of the Committee's effectiveness was carried out by the other members of the Board during the year. After considering the overall conduct of the Committee and its contribution to the overall performance of the Company,

the Committee was rated as highly effective.

Professional Advice

The Committee has the authority to seek external professional advice on matters within its purview.

Continuous Professional Development

The Committee recognises the need to keep its knowledge up-to-date and members have attended internal and external presentations and seminars on important themes.

9. 2025 Focus Areas

As part of its commitment to strong corporate governance, risk management, and regulatory compliance, the Audit Committee has identified five key focus areas to ensure the continued enhancement of financial, operational, and sustainability practices:

1. Enhancing Financial Reporting Transparency and Governance Practices.
2. Further Strengthening Cybersecurity Risk Management.
3. Monitoring the Final Phase of SLFRS 17 Implementation.
4. Expanding Oversight of Sustainability Reporting and ESG Disclosures.
5. Strengthening AML/CFT Compliance and Financial Crime Prevention.

10. Conclusion

The Audit Committee confirms the effectiveness of internal controls, risk management, and compliance, ensuring asset protection and financial accuracy. It affirms the External Auditors' independence and that proper accounting policies ensure true and fair financial statements.

Sgd.
Mr. Lalith Withana
Chairman - Audit Committee

Colombo, Sri Lanka
04th March 2025

RISK COMMITTEE REPORT

The Risk Committee of Softlogic Life Insurance PLC plays a crucial role in overseeing the company's risk management framework, ensuring the identification, assessment, and mitigation of key risks that could impact business operations. This report outlines the Committee's activities during the year and key focus areas for the future.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Risk Committee ("the Committee") consists of Three Non-Executive Directors, out of which one is independent. The attendance and Directorship status are given in the below table.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Raimund Snyders	Non-Executive Director	Chairman	05 Feb 2019	5/5
Mrs. Fernanda Lima	Non-Executive Director	Member	15 Feb 2019	5/5
Mr. Lalith Withana	Independent Non-Executive Director	Member	15 Aug 2023	4/5

Regular Attendees by invitation

Managing Director
Deputy CEO
Head of Group Risk and Audit
Chief Financial Officer
Chief Distribution Officer
Chief Technical Officer
Chief Information Officer
Chief Actuarial Officer
Chief Corporate Services Officer
Chief Audit and Compliance Officer
Chief Risk Officer
Senior Vice President - Treasury
Manager-IT Risk and Security

Coordination Secretary

Chief Risk Officer

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

Offered guidance and feedback on assessed risks using an Environmental, Social, and Governance (ESG) framework, strengthening oversight of sustainability reporting by aligning disclosures with global standards such as S1 and S2.

100%
NEDs
Representation
on the
Committee

93%
Members'
Attendance
to the
Committee

Compliance
with Code of
Best Practice



recommendations to the Board as deemed appropriate, reinforcing the organisation's commitment to effective risk governance.

The profiles of the Committee members are given on pages 176-178.

Authority of the Board Risk Committee

The Board Risk Committee, as a Sub-Committee of the Board of Directors, is vested with the authority to directly access and receive regular reports from Senior Management on risk-related matters. The Committee is entitled to obtain any information it deems necessary for effective risk oversight and decision-making. Additionally, it has the discretion to engage independent professional advisors on matters within its scope, ensuring robust risk governance and strategic guidance.

OBJECTIVES

- **Risk Management Oversight:** Monitor and evaluate the effectiveness of the company's risk management framework, including policies, processes, and procedures.
- **Risk Governance Structure:** Establish and maintain the organisation's risk governance framework, defining roles and responsibilities of key individuals and departments.
- **Risk Appetite & Tolerance:** Assist in defining and approving the organisation's risk appetite and tolerance levels.
- **Risk Identification & Mitigation:** Oversee management processes for identifying significant risks and assess the adequacy of prevention, detection, and reporting mechanisms.

CHARTER OF THE COMMITTEE

The Board Risk Committee ("the Committee") is a Sub-Committee of the Board of Directors, tasked with overseeing the company's risk management framework and related initiatives. Appointed by the Board, the Committee exercises supervisory functions over risk mitigation strategies and any other risk-related matters as determined by the Board. It formally reports on its proceedings, particularly when significant decisions are made, ensuring transparency and accountability. Additionally, the Committee provides

RISK COMMITTEE REPORT

- **Major Risk Assessment:** Review and assess major risks facing the organisation, including identifying, analysing, and prioritising risks based on their potential impact.
- **Business & Economic Environment :** Review changes in the economic and business environment, emerging trends, and other factors relevant to the company's risk profile.
- **ESG & Climate Risk Management :** Identify and analyse material ESG and climate risks that could affect financial performance, reputation, and long-term sustainability. Evaluate potential opportunities arising from positive ESG practices.
- **ESG Policy & Strategy :** Provide input on the development and implementation of ESG policies and strategies, ensuring alignment with the company's risk management framework.
- **ESG & Climate Best Practices :** Monitor developments and emerging best practices related to ESG and climate risk identification, mitigation, and opportunities.
- **Reinsurance Oversight :** Conduct an annual review of reinsurance treaties and advise the Board on their sustainability and effectiveness.
- **Policy Review & Approval :** Review and approve all policies under the purview of the Risk Governance Framework.
- Provided guidance and feedback on evaluated risks using an "Environmental, Social, and Governance" (ESG) approach, enhancing oversight of sustainability reporting by aligning disclosures with global standards such as S1 and S2.
- Evaluated the bi-annual Risk Control Self-Assessment (RCSA) findings to assess the effectiveness of risk controls and identify areas for improvement.
- Ensured management accountability by reviewing actions taken to address high-risk items and maintain strong governance.
- Evaluated the impacts of various risks, including economic and political, persistency, and claims risks, with a focus on mitigation actions, liability valuations, and assumptions changes.
- Monitored claims risks by line of business, type of illness, and other key factors, to refine mitigation strategies and assess the severity and frequency of claims.
- Closely followed updates on Foreign Currency Debt Restructuring and assessed the potential impact on the Company's net operating profit (NOP).
- Addressed persistency risk arising from macroeconomic conditions and advised on tighter mitigation measures.
- Focused on managing staff turnover, with targeted mitigation actions for both sales and non-sales staff.
- Reviewed the IT Security Strategy for 2025-26, which focuses on enhancing cyber resilience through zero-trust architecture, AI-driven threat intelligence, and cloud security improvements.
- Regularly monitored IT risks and their potential impact on business continuity, resulting in specific mitigation actions to safeguard operations.

ACTIVITIES IN 2024

- Reviewed and assessed the adequacy and effectiveness of the Company's existing risk management controls, including continuous monitoring of economic and political risks and their potential impacts.
- Approved the Company's risk appetite and relevant parameters for FY 2024, ensuring alignment with the evolving risk landscape.

- Provided guidance on compliance with the Data Protection Bill
- Reviewed and approved all policies under the Risk Governance Structure

CONTINUOUS PROFESSIONAL DEVELOPMENT

The Committee acknowledges the importance of staying informed on emerging risk management trends. Throughout the year, members actively participated in both internal and external presentations and seminars, focused on key themes relevant to the company's risk landscape.

THE YEAR AHEAD

Looking ahead, the Committee will maintain a proactive approach in reviewing the company's risk identification, mitigation, and monitoring mechanisms.

It will assess the impacts of previously identified risks to ensure the company operates within its defined risk appetite.

Additionally, the Committee will focus on enhancing the company's risk framework by continuously benchmarking it against international best practice standards to drive improvement and maintain alignment with global trends.

Committee will enhance oversight of sustainability reporting by aligning disclosures with global standards such as SLFRS S1 and S2, ensuring transparency, risk identification, and responsible business practices in ESG initiatives.

Further Committee will deepen its oversight of cybersecurity frameworks, ensuring robust data protection, IT security controls, and proactive risk mitigation strategies.

Sgd.
Raimund Snyders
Chairman - Risk Committee

Colombo, Sri Lanka
04th March 2025

HUMAN RESOURCE AND REMUNERATION COMMITTEE REPORT

The Human Resource and Remuneration Committee of the Company oversees remuneration, talent management, and organisational policies. It determines executive and KMP compensation, sets performance goals, and ensures market-aligned pay structures. The Committee also handles promotions, succession planning, and disciplinary matters. This report summarises its key activities over the past year and future strategic priorities.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Human Resource and Remuneration Committee ("the Committee") consists of three Non-Executive Directors, a majority of whom are independent. The profiles of the Board Human Resources and Remuneration Committee are given on pages 176-178. The attendance and Directorship status are given in the below table.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. V. Govindasamy	Independent Non-Executive Director	Chairman	01 Jul 2021	2/2
Mr. Ashok Pathirage	Non-Executive Director	Member	09 Jul 2011	2/2
Mr. Lalith Withana	Independent Non-Executive Director	Member	01 Jul 2021	2/2

Regular Attendees by invitation

Managing Director*

Chief Human Resources Officer

* The Managing Director took part in all deliberations except when his own interest, performance and compensation were discussed.

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

External agencies will be engaged in 2025 to conduct salary surveys, evaluating staff compensation against market benchmarks to support informed salary decisions.

67%
INEDs
Representation
on the
Committee

100%
NEDs
Representation
on the
Committee

100%
Members'
Attendance
to the
Committee

Compliance
with the CSE
Rules

Compliance
with Code of
Best Practice

CHARTER OF THE COMMITTEE

The Committee is vested with power to evaluate, assess, decide and recommend to the Board of Directors, any matter that may influence the Human Resource Management of the entity and shall particularly incorporate.

Regulations/Rules Relevant to The Functions of the Committee

The Board established the Remuneration Committee in accordance with Rule 7.10.5 of the Colombo Stock Exchange's Listing Rules, and its composition and powers are in accordance with the Listing Rules.

THE KEY OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

- Determining the remuneration of the Chairman, Deputy Chairman, Managing Director and other members of the Board of Directors of the Company, while

ensuring that no Director is involved in setting his or her own compensation.

- Determining the compensation and benefits of the KMP and establishing performance parameters in setting their individual goals and targets.
- Formulating guidelines, policies and parameters for the remuneration structures for all
- Executive Staff of the entity and overseeing the implementation thereof.
- Reviewing information related to executive pay from time to time, to ensure same it is on par with the market/industry rates or as per the strategy of the Company.
- Evaluating the performance of the Managing Director and KMP against the pre-agreed targets and goals.
- Making recommendations to the Board of Directors from time to time, of the additional/new expertise required by the Company.
- Assessing and recommending promotions of KMP to the Board of Directors, addressing succession planning and issues connected to the organisational structure.
- Approving annual increments, bonuses and changes in prerequisites and incentives.
- Making sure that employee remuneration packages of employees are linked to individual performance, responsibility, expertise and contribution to team and overall Company objectives.

HUMAN RESOURCE AND REMUNERATION COMMITTEE REPORT

- Recommend, decide, or direct on disciplinary matters involving key management personnel that result in significant financial loss to the company.

ACTIVITIES IN 2024

- Approving performance Bonus payable for previous year (2023) determined by the Committee according to the Variable Pay Plan (VPP) for Executive staff.
- Approved the annual increments to the Executive staff based on their performance during 2024.
- Approved the performance bonus scheme applicable for 2024.
- The Committee reviewed the performance of the Corporate Management members including that of the Managing Director and Deputy Chief Executive Officer for the previous financial year (2023).
- Evaluation of the organisational structure and succession planning for critical functions in the organisation.
- Approving the continuation of interim allowance for 2024 considering the economic situation.
- Approved to engage External agencies in year 2025 to conduct salary surveys, evaluating staff compensation against market benchmarks to support informed salary decisions.

REMUNERATION POLICY

The Remuneration Policy of the Company aims to attract, motivate and retain Executive Directors, KMP and other employees with appropriate professional, managerial and operational expertise necessary to achieve the Company's objectives.

It is the Committee's aim to ensure that the total remuneration package is competitive not just in the industry but to attract talent from other industries as well.

REMUNERATION PACKAGES

The total aggregate remuneration paid to all Non-Executive and Executive Directors, including the Managing Director and Chairman, is disclosed in Note 50.6.1 on page 383 of this report.

1. Non-Executive Directors Remuneration

No remuneration is paid to Non-Executive Directors other than the Directors' fees paid based on their participation at Board meetings and other Sub-Committee meetings.

Retirement Benefits

Non-Executive Directors are not entitled to retirement benefits.

Share Option Plans for Directors

The Company does not have a share option plan for Directors.

Personal Loans for Directors

No Director is entitled to Company loans.

2. Managing Director

The Remuneration Committee Policy is to place the basic salaries broadly around the market median with other variable components which reflect the Company's business strategies and the challenges it faces.

The Managing Director's remuneration is decided by the Board annually on the recommendation of the Remuneration Committee based on the achievement of Company objectives and individual performance.

Retirement Benefits

The Managing Director is entitled to retirement benefits.

Personal Loans

The Managing Director is not entitled to Company loans.

Share Option Plans

The Company also does not have a share option plan for the Managing Director.

3. Employees

The remuneration packages of employees consist of a fixed component, a variable component and other benefits as noted below:

Fixed Components

Basic salary and fixed allowances are the fixed component in the package which is based on the scope and complexity of the role and this is reviewed annually.

Annual performance appraisals are conducted, and increments and promotions are granted based on

results of such appraisals. Overall competence and performance are key factors that determine an individual's base pay.

Variable Components

The main component of our variable pay is the annual bonus to employees at all levels based on individual performance as evaluated at the annual performance appraisals and the performance of the Company. In addition, the distribution management team is entitled to a production and quality incentive scheme based on achievement of business targets under predetermined criteria.

Other Employee Benefits

Benefits provided to employees include examination loans and various insurance benefits.

Retirement Benefits

There are no retirement benefits to employees other than gratuity.

Employee Share Schemes

There are also no Employee Share Schemes for employees.

COMMITTEE EVALUATION

The Committee completed the evaluation process with self-assessment in 2024, which was conducted by the Chairman and Committee members and was deemed to be satisfactory.

PROFESSIONAL ADVICE

The Committee has the authority to engage independent professional advisors on matters within its purview.

THE YEAR AHEAD

The Committee will continue to review the Remuneration Policy and Remuneration structures for its KMP and its other employees and make recommendations on the above mentioned in order to ensure the Company is in a position to attract, motivate and retain the best of human resources.

Sgd.

V. Govindasamy

Chairman - Human Resource and Remuneration Committee

Colombo, Sri Lanka
04th March 2025

INVESTMENT COMMITTEE REPORT

The Investment Committee of Softlogic Life Insurance PLC oversees investment policy, ensures compliance, and monitors portfolio performance. It reviews economic trends, assesses investment risks, and approves strategic investments. Key activities include evaluating debt restructuring impacts, approving policy updates, and ensuring compliance with best practices. This report highlights the Committee's key activities and future priorities.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Investment Committee ("the Committee") consists of Managing Director and six Non-Executive Directors, The attendance and Directorship status are given in the below table.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Ashok Pathirage	Non-Executive Director	Chairman	09 Jul 2011	4/4
Mr. Iftikar Ahamed	Managing Director	Member	09 Jul 2011	4/4
Mrs. Fernanda Lima	Non-Executive Director	Member	15 Feb 2019	4/4
Mr. V. Govindasamy	Independent Non-Executive Director	Member	16 Jan 2020	4/4
Mr. Raimund Snyders	Non-Executive Director	Member	05 Feb 2020	4/4
Mr. Sanjaya Mohottala	Independent Non-Executive Director	Member	22 Jul 2021	1/4

Regular Attendees by invitation

Chief Financial Officer
Head of Group Investment
Chief Risk Officer
Senior Vice President – Treasury
Investment Officer - Leapfrog Investments
Senior Manager – SSB Research
Assistant Manager – Softlogic
Asset Manager

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

The Committee assessed the ISB restructuring process in alignment with external auditors' recommendations, ensuring adherence to best practices for foreign bond settlements and minimising financial risks.

33%
INEDs
Representation
on the
Committee

83%
NEDs
Representation
on the
Committee

88%
Members'
Attendance
to the
Committee

Compliance
with Best
Corporate
Governance
Practice
✓

EXPERTISE OF THE COMMITTEE

The Committee possesses in depth expertise and knowledge of Investments, Finance and Risk Management as well as being industry experts which is vital in performing its functions. Refer pages 176 -178 for profiles.

CHARTER OF THE COMMITTEE

The Investment Committee ("the Committee") will assist the Board of Directors in fulfilling their oversight responsibility for the Investments of the Company. The Investment Committee is responsible for

formulating the overall investment policies of the Company, subject to approval by the Board of Directors as deemed necessary and for establishing investment guidelines in furtherance of those policies.

The Committee evaluates the impact of macroeconomic trends on profitability, liquidity, balance sheet, and capital through sensitivity and scenario analysis

It also recommends and approves research initiatives and investments to enhance analytical capabilities.

ROLES AND RESPONSIBILITY OF THE COMMITTEE

The Committee's responsibilities comprise recommending an investment policy to the Board for approval, ensuring that investments are made in accordance with the policy, and monitoring performance on a quarterly basis.

INVESTMENT COMMITTEE REPORT

METHODOLOGY ADOPTED BY THE COMMITTEE

The Committee meets quarterly to review progress on strategic and significant investment decisions, market developments, and economic outlook, while defining investment objectives, asset allocation, investment horizons, and potential returns.

The Committee reviews the written reports from the appointed Investment Team. Based on these reports, from time to time Committee would issue instructions to Treasury/Fund management team and the executive management of the Company on investment related activities.

PROFESSIONAL ADVICE

The Investment Committee will decide if and when expert external advice is necessary and seek such advice when required.

ACTIVITIES IN 2024

- The Committee reviewed data on the economic outlook covering Inflation, Interest Rates, Equity markets, Exchange Rates etc.
- The Committee reviewed the Investment Portfolio, Performance of Fixed Income Securities, Performance of Equity Securities, Fund Wise Performance and Strategic Aspects.
- The Committee conducted an evaluation and assessment of the risks associated with the Company's investment portfolio in light of the implications arising from Debt Restructuring
- The Committee evaluated and approved the requests made by the Fund Management Team on special Investments as well as investments beyond the internal risk limits. Further the Committee approved the Softlogic Life Investment Policy Annual Review 2024.

- The Committee reviewed the ISB restructuring process in line with external auditors' recommendations, ensuring compliance with best practices for foreign bond settlements and mitigating financial risks.
- The Committee was apprised of tourism and remittance recovery, highlighting strong arrivals, earnings growth, and sustained remittance inflows supporting economic stability.

COMMITTEE EVALUATION

The Committee completed the evaluation process with self assessment in 2024, which was conducted by the Chairman and Committee members and was deemed to be satisfactory.

THE YEAR AHEAD

The Committee would continue to make decisions and recommendations which meet the risk, ALM and other applicable parameters for investments and ensure acceptable implementation of risk/reward strategies to achieve budgeted returns for the year. The Committee focus during the year will be on product and fund-wise asset and liability management while maximising the yields on the investments.

Sgd.

Ashok Pathirage

Chairman – Investment Committee

Colombo, Sri Lanka
04th March 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions (RPT) Committee of Softlogic Life Insurance PLC ensures transparency and compliance in transactions involving related parties. It reviews transactions, assesses their fairness, and determines approval requirements. The Committee also advises the Board on market and annual report disclosures, ensuring adherence to CSE Listing Rules while safeguarding the interests of the Company and its shareholders.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Related Party Transactions Review Committee (“the Committee”) consists of three Non-Executive Directors, a majority of whom are independent. The profiles of the Related Party Transactions Review Committee are given on pages 176-178.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. Lalith Withana	Independent Non-Executive Director	Chairman	22 Jul 2021	4/4
Mr. Raimund Snyders	Non-Executive Director	Member	22 Jul 2021	4/4
Mr. V. Govindasamy	Independent Non-Executive Director	Member	22 Jul 2021	4/4

Regular Attendees by invitation

Managing Director
Chief Audit and Compliance Officer
Chief Financial Officer
Manager Compliance

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

Reviewed all Related Party Transactions for four quarters and confirmed that such transactions occurred at arm's length price.

67%
INEDs
Representation
on the
Committee

100%
NEDs
Representation
on the
Committee

100%
Members'
Attendance
to the
Committee

Compliance
with the CSE
Rules
✓

Compliance
with Code of
Best Practice
✓

CHARTER OF THE COMMITTEE

The Related Party Transactions (RPT) Review Committee was established by the Board of Directors to assist the Board in reviewing all related party transactions carried out by the Company in terms of the CSE Listing rules which required mandatory compliance with effect from 1st January 2016.

The Committee is responsible for independent reviewing of transactions between the Company and its Related Parties, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction, save and except transactions exempted under the CSE Rules.

Annual review of the Related Party Transactions Review Committee

comprises of minimum 3 Directors, out of which 2 are Independent, under CSE listing rule 9.14.2 (1).

THE OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

- Reviewing all transactions between the Company and its Related Parties, either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Assessing whether the transactions are in the best interests of the Company and its shareholders as a whole.
- Evaluating whether the transactions fall within the ambit of a normal business relationship and determining

whether transactions that are to be entered into by the Company require the approval of the Board or Shareholders.

- Advising the Board in making immediate market disclosures on applicable RPT as required by Section 9.14.7 of the Listing Rules of the CSE.
- Advising the Board in making appropriate disclosures on RPT in the Annual Report as required by Section 9.14.8 of the Listing Rules of the CSE.

METHODOLOGY OF THE COMMITTEE

In accordance with the guiding principles, self-declarations are obtained from each Director and Key Management Personnel (KMP) of the Company for the purpose

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

of identifying parties related to the Directors and KMP. Hence the Company adopts a disclosure-based approach in identifying the related parties.

Based on the information furnished in these declarations, the Company has set up a process which enables the Company to generate data on related party transactions throughout the Company's network.

The Committee is supported in its task of reviewing Related Party Transactions by the Management's confirmation reports on Related Party Transactions that took place during each quarter.

These reports primarily confirm to the Committee if a Related Party Transaction occurred based on at arm's length basis or not and the reasons for conducting such transactions with a related party.

If a member has a material personal interest in a matter being considered or a RPT involves directly or indirectly one of the members of this Committee, the conflicted member informs the Committee immediately and excludes himself at the meeting and such member is not present while the matter is being considered at the meeting and abstains from voting on the matter.

ACTIVITIES IN 2024

The Committee met four times during the financial year ended 31st December 2024, and the proceedings of the Committee meetings have been regularly reported to the Board of Directors during the financial year.

There were no non-recurrent or recurrent RPT that exceeded the respective thresholds mentioned in the Listing Rules of the CSE.

The annual review of the RPT policy was carried out during the year 2024, and same has been submitted for the Board approval.

Reviewed all Related Party Transactions for four quarters and confirmed that such transactions occurred at arm's length price.

Reviewed and approved the management's confirmation reports on Related Party Transactions for all four quarters.

The committee advised maintaining records of the comparative rates for similar services that had been obtained by the Management for reference.

RELATED PARTY TRANSACTIONS/DISCLOSURES DURING THE YEAR

The value of non-recurrent RPTs during the year was below the threshold for immediate disclosure in terms of Rule 9.14.6 of the Listing Rules or disclosure in the Annual Report as per Rule 9.14.7 (a) of the Listing Rules.

The aggregate value of recurrent Related Party Transactions entered into during the year was below the threshold for disclosure in the Annual Report as per Rule 9.14.7 (b) of the Listing Rules.

The aggregate value of all RPTs during the year is disclosed in Note 50 to the Financial Statements in terms of LKAS 24 - Related Party Disclosures.

PROFESSIONAL ADVICE

The Committee has assessed and/or ensured that they have access to internal and external resources and may seek the advice of the External Auditors of the Company, counsellor such other independent advisers, consultants or specialists as to any matter pertaining to the powers or responsibilities of the Committee with respect to any Related Party Transactions and obtain such advice as and when necessary.

GUIDING PRINCIPLES OF THE COMMITTEE

The RPT Review Committee in ensuring that all transactions with related parties of the Company are treated on par with other shareholders and constituents of the Company, issues guidelines to the Senior Management setting the necessary processes to identify, approve, disclose and monitor all transactions with related parties and the threshold limits and agreed upon terms and conditions with respect to RPT.

DECLARATION

A declaration by the Board of Directors, affirming compliance with the Listing Rules pertaining to related party transactions, is provided on page 225 of the Annual Report of the Board of Directors.

Additionally, the Company has established mechanisms to obtain regular declarations from all Directors upon joining the Board, every Bi annually, and annually thereafter. These declarations, submitted to the Company Secretary as the primary contact point, inform the Company of any existing or potential related party transactions (RPT) conducted by the Directors or their Close Family Members (CFM). Individuals update declarations quarterly for any changes to previously disclosed related party positions or transactions.

THE YEAR AHEAD

The Committee will continue to review RPT in order to ensure the Company is in compliance with its stipulated framework governing Related Party Transactions.

Sgd.

Lalith Withana

Chairman - Related Party Transactions Review Committee

Colombo, Sri Lanka
04th March 2025

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations Committee of Softlogic Life Insurance PLC ensures that Directors meet the required fit and proper criteria to hold office. It reviews and recommends new Director appointments, providing guidance to the Board and Chairman on suitable candidates. Through a structured evaluation process, the Committee upholds governance standards, strengthens Board composition, and ensures effective leadership continuity.

COMPOSITION AND ATTENDANCE OF THE COMMITTEE

The Board Nominations and Governance Committee ("the Committee") consists of three Non-Executive Directors, a majority of whom are independent. The profiles of the Nominations and Governance Committee are given on pages 176 - 178. The attendance and Directorship status are given in the below table.

Name	Directorship Status	Membership Status	Appointment Date	Attendance
Mr. V. Govindasamy	Independent Non-Executive Director	Chairman	01 Jul 2021	1/1
Mr. Ashok Pathirage	Non-Executive Director	Member	09 Jul 2011	1/1
Mr. Lalith Withana	Independent Non-Executive Director	Member	01 Jul 2021	1/1

Regular Attendees by invitation

Managing Director

Chief Human Resources Officer

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

The Committee received declarations from all Directors confirming their independence status and conflict of interest.



CHARTER OF THE COMMITTEE

The Board Nominations Committee was established by the Board of Directors to ensure the Board's oversight and control over the selection of Directors, Chief Executive Officer (MD), and Key Management Personnel of the Company.

Evaluate the leadership requirements for both executive and non-executive roles, ensuring the organisation's long-term sustainability, strategic growth, and ability to compete effectively in a dynamic market environment.

THE TERMS OF REFERENCE OF THE COMMITTEE

The Terms of Reference state the purpose of the Committee, its composition, authority, scope and scheduling of meetings.

The Nominations and Governance Committee was established to consider and make recommendations to the Board of the suitability of a Director's appointment and/or re-election as a Director to the Board.

The recommendation of the Committee on new appointments will cover areas such as qualifications, competencies, independence, relationships which have potential to give rise to conflict of interest.

Committees possess a balanced mix of skills, experience, independence, diversity, and knowledge to effectively fulfil their duties. For details on Board diversity, refer to Board Leadership in Governance on page 196-197 of the Annual Corporate Governance Report.

METHODOLOGY OF THE COMMITTEE

The Committee meets as and when necessary in order to assess the suitability of individuals for appointment as Directors and Key Management Personnel as well as to conduct such other affairs which the Charter of the Committee mandates the Committee to carry out.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

OBJECTIVES, RESPONSIBILITIES AND DUTIES

- To ensure that the Directors are fit and proper persons to hold office.
- To review and recommend any appointment of new Directors to the Board of Directors of the Company.
- To provide advice and/or recommendations to the Board or the Chairman on new appointments to the Board.
- To consider and recommend the re-election of the Director/s eligible for re-election by considering their performance and the contribution made by them towards the overall discharge of their responsibilities on the Board and Board appointed committees.
- The Board appointment process includes evaluating the Board's needs, assessing and recommending candidates, obtaining necessary approvals, and making an official announcement. This structured approach ensures transparency and compliance. Refer to Reasoning Behind New Board Appointments on page no. 201 for the detailed process.
- To set criteria such as qualifications, competencies, experience, independence, conflict of interest and other key attributes required for eligibility for appointment or promotion to the post of key management positions.
- Review the structure, composition and competencies (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.

- A member of the Nominations Committee shall opt out of decisions relating to his own appointment.
- To consider and recommend from time to time the succession planning arrangement for retiring Directors and Key Management Personnel.
- To make recommendations on any other matter/s referred to the Committee by the Board of Directors.

ACTIVITIES IN 2024

The Committee had recommended the re-election of Mr. P.L.P Withana who was due to retire by rotation as a Director of the Company in terms of Article 98 (a) of the Articles of Association of the Company, at the 25th Annual General Meeting held on 28th March 2024, based on their performance and the contribution made by them towards the overall discharge of the Board's responsibilities.

The Committee obtained declarations from all the Directors through a prescribed format confirming their status of independence and status of conflict of interest.

The Committee has reviewed and approved senior management appointments made during the year as part of its commitment to strengthening corporate governance. In this regard, the appointment of Ms. Chamindri Pilimatalauwe, as the Head of Marketing was duly considered and approved by the Committee.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice on matters within its purview, whenever required.

THE YEAR AHEAD

The Nominations and Governance Committee will lead the process for Board appointments and make recommendations to the Board and will assist the Board of Directors in fulfilling its corporate governance responsibilities regarding all matters related to the appointment and termination of the Directors, their performance evaluation, training, etc.

Sgd.

V. Govindasamy


Chairman - Nominations and Governance Committee

Colombo, Sri Lanka
04th March 2025

LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE [CSE] ON CORPORATE GOVERNANCE

The Company has fully complied with all applicable provisions of Section 7.6 of the CSE Listing Rules, ensuring that all disclosure requirements for a Listed Entity are met in its Annual Report and Financial Statements.






 Complied

Rule No.	Disclosure requirement	Page No.	Status
7.6			
i)	Throughout the financial year, eight (8) directors served on the board, and their profiles have been provided for reference. Refer Annual Report of Board of Directors	220	
ii)	The principal activities of the Company during the year are given in the Annual Report Refer to Note 1.3 on the Principal activities and nature of operations of the Company	280	
iii)	The names, shareholdings, and percentage of shares held by the 20 largest holders of voting and non-voting ordinary shares are provided. Refer Investor Relations	395	
v)	A statement detailing each Director's and the Managing Director's (Chief Executive Officer's) shareholding in the entity at the beginning and end of each financial year is provided. Refer Investor Relations	395	
vi)	Information regarding the entity's material foreseeable risk factors is provided. Refer Integrated Risk Management	56	
vii)	The Company did not encounter any issues related to employees or industrial relations during the year 2024.	-	
viii)	The details of the extent, locations, valuations, and number of buildings of the Entity's land holdings and investment properties are provided. Refer to Note 26 on Property Plant and Equipments	303	
ix)	The details of the shares issued by the Company are provided. Refer to Note 35 on Stated Capital	330	
x)	The distribution schedule outlining the number of shareholders and the percentage of their total holdings in each category is provided. Refer Investor Relations	395	
xi)	The list of applicable ratios and the market price information is provided Refer Investor Relations	395	
xii)	There were no significant changes in the entity's fixed assets, and the market value of land does not substantially differ from its book value. Refer to Note 26 on Property Plant and Equipments	303	
xiii)	The Company did not raise funds through an initial public offering or additional security issuance during the year.	-	
xiv)	There are no 'Employee Share Ownership Schemes' in the Company	-	
xv)	The Company has fully complied with the Corporate Governance disclosure requirements as outlined in Section 9 of the CSE Listing Rules, ensuring adherence to best practices and transparency in governance. Refer Annual Report of Board of Directors	222	
xvi)	There were no Related Party transactions exceeding 10% of equity or 5% of the entity's total assets, as per the audited financial statements, whichever is lower. Details of investments in related party transactions are provided. Refer to Note 50 on the Related Party Disclosures	382	


LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE [CSE] ON CORPORATE GOVERNANCE

The Company proactively adopted certain provisions of the updated Section 9 ahead of the required timeline. While it complied with Rule 7.10 until October 1, 2023, the full transition to the revised regulations was completed by October 1, 2024, reinforcing its commitment to strong governance.

 Complied
  Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
	<p>The Company has complied with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.</p> <p>Refer Annual report Board of Directors</p>	220	
9.2	Policies		
9.2.1	<p>The Company has implemented the policies below, which have been disclosed on the Company website along with information regarding their existence and implementation details.</p> <ul style="list-style-type: none"> a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk Management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption 		
9.2.2	<p>The Company has fully complied with the Internal Code of Business Conduct and ethics</p> <p>Refer Ethical Governance Execution</p>	208-217	
9.2.3-9.2.4	<p>The policies have been disclosed on the company website, and no changes have been made to them throughout the year. All policies are accessible to shareholders upon a written request.</p> <p>Refer Transformative Governance Initiatives for 2024</p>	188-189	
9.3	Board Committees		
9.3.1-9.3.2	<p>The Company maintains 6 Board Sub-Committees including 4 mandatory committees required by CSE listing rules. Refer respective committee reports.</p> <ul style="list-style-type: none"> a) Nominations and Governance Committee b) Human Resource and Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee <p>The composition, responsibilities, and disclosures required in respect of the above-Board committees have been disclosed.</p>	247-248 241-242 235-238 245-246	
9.3.3	<p>The Chairperson of the Board of Directors is not the Chairperson of any Board Committees referred to in Rule 9.3.1 above.</p>	204	

✓ Complied ✓ Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.		
9.4.1	The Company maintains information required by 9.4.1 and the required information has been provided to the Exchange and/or the SEC upon request. Refer Shareholder Engagement	218-219	
9.4.2	The company has established a policy to effectively communicate with shareholders and investors, which is outlined in both the annual report and on the website. Additionally, a designated contact person is provided for communication purposes. The policy ensures that all Directors are informed of any significant concerns or issues raised by shareholders. Furthermore, these concerns are transparently addressed in the annual report and on the website. The details of 25th virtual AGM held is disclosed in Shareholder Engagement Refer Notice of Meeting for details of 26th AGM	 219 414	✓
9.5	Policy on matters relating to the Board of Directors		
9.5.1	The Company has adopted policies, along with information regarding the Board composition, the roles of the Chairperson and CEO, as well as other requirements as per Rule No 9.5.1 Refer Board Leadership in Governance	194	✓
9.5.2	The Company has adopted the Policy on matters relating to the Board of Directors. Refer Governance Structure and Leadership	192-207	
9.6	Chairperson and CEO		
9.6.1 – 9.6.4	The roles of Chairperson and CEO/MD are occupied by distinct individuals; hence the Company has not designated a Senior Independent Director (SID)	194	✓
9.7	Fitness of Directors and CEOs		
9.7.1 – 9.7.2	Every member of the Director Board is a fit and proper person to act as Director CEO/MD as specified in the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3	192	
9.7.3 – 9.7.5	A fit and proper assessment process has been implemented, and all directors are assessed bi-annually. Annual director declarations are re-evaluated and updated to align with this assessment in accordance with Rule, as well as IRCSL regulations.	192	✓
9.8	Board Composition		
9.8.1- 9.8.2	The Board consists of 8 (Eight) Directors and 3 (Three) are independent. Hence 1/3 of the total number of Directors are independent, as required.	203	✓
9.8.3- 9.8.4	The criteria for determining independence have been disclosed. Refer the Independence of Director as at 31st December 2024	198	
9.8.5	Directors have annually submitted the formal declaration of independence. The Board has reviewed these annual declarations and other available information to verify adherence to the criteria for assessing independence.	198	✓
9.9	Alternate Director		
	The Company was not required to appoint an Alternate Director during the period.	-	✓
9.10	Disclosures relating to Directors		
9.10.1	The maximum no of Directorships is in line with the policy on matters relating to the Board of Directors as per Rule No 9.5.1	196-205	✓
9.10.2	There were no new appointments to the Board during 2024.	201	
9.10.3	There were no changes to the composition of the Board Committees referred to in Rule 9.3	204	
9.10.4	All information required in relation to Board of Directors under this rule has been disclosed under Board Leadership in Governance.	192-205	✓

LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE [CSE] ON CORPORATE GOVERNANCE

 Complied
  Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.11	Nominations and Governance Committee		
9.11.1- 9.11.3	<p>The Company has established a Nominations and Governance Committee, which follows a formal procedure for appointing new Directors and re-electing existing Directors to the Board.</p> <p>The Committee operates under a set of written terms of reference that clearly define its scope, authority, and responsibilities.</p> <p>Refer to Nominations and Governance Committee report</p>	247-248	
9.11.4	<p>Composition of the Committee:</p> <p>The Nominations and Governance Committee comprises Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director.</p> <p>An Independent Director serves as the Chairperson. The committee composition has been disclosed.</p> <p>Refer to Nominations and Governance Committee report</p>	247-248	
9.11.5	<p>Functions of the Committee:</p> <p>The Committee fulfils its duties by evaluating and recommending Director appointments, establishing selection criteria, reviewing the Board's structure, and updating governance policies in accordance with the stipulations outlined in Section 9.11.5, thereby ensuring compliance with regulatory requirements. Re-elections and new appointments have been disclosed.</p> <p>Refer to Nominations and Governance Committee report</p>	247-248	
9.11.6	<p>Disclosures:</p> <p>During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.</p> <ul style="list-style-type: none"> a) The names of the Chairperson, Committee members and Directors; b) Committee appointment date; c) Nominating Director policy existence; d) Directors' periodic re-election requirement; e) Board diversity disclosure; f) Effective Director appointment policy demonstration; g) Re-elected Directors' details; h) Board and Managing Director (CEO) performance evaluations; i) Independent Directors' major entity issues awareness; j) New Directors' induction on governance; k) Annual updates on governance for Directors; l) Directors' independence confirmation; m) Listing Rules compliance statement, non-compliance explanation, and remedial actions. <p>All the relevant details available have been disclosed in the Committee Report.</p>	247-248	
9.12	Human Resource and Remuneration Committee		
9.12.1 - 9.12.5	<p>The Company has a Remuneration Committee in place and follows a formal and transparent process for developing policies on Executive Directors' remuneration and determining individual Directors' remuneration packages. No Director is involved in deciding their own remuneration.</p> <p>The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum.</p> <p>Refer Human Resource and Remuneration Committee Report</p>	241-242	

 Complied
  Early Adopted



Principle	Compliance and Implementation	Page No.	Status
9.12	Human Resource and Remuneration Committee (Contd.)		
9.12.6	<p>Composition of the Committee:</p> <p>The Company operates with a separate Remuneration Committee.</p> <p>The Remuneration Committee comprises Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director. An Independent Director serves as the Chairperson.</p> <p>Refer Human Resource and Remuneration Committee Report</p>	241-242	
9.12.7	<p>Functions of the Committee:</p> <p>The committee, recommends and assesses the relevance of the remuneration payable to the Executive Directors of the Company.</p> <p>Refer Human Resource and Remuneration Committee Report</p>	241-242	
9.12.8	<p>Disclosures:</p> <p>During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows.</p> <p>a) Chairperson and members of the Remuneration Committee and their Directorships.</p> <p>b) Statement on remuneration policy.</p> <p>c) Aggregate remuneration of Executive and Non-Executive Directors.</p> <p>For (a) and (b) refer Committee Report</p> <p>For (c) refer Financial Statement Disclosure</p>	241-242	
9.13	Audit Committee		
9.13.1-9.13.2	<p>The Company has established an Audit Committee as a separate Board Sub-Committee to oversee Risk Management and Internal Controls.</p> <p>The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties.</p> <p>Refer Audit Committee Report</p>	235-238	
9.13.3	<p>Composition of the Committee:</p> <p>The Audit Committee comprises of Two [2] Independent Non- Executive Directors and One [1] Non-Executive Director. During the year the Committee met four [4] times with the participation of the Managing Director, CFO, and Chief Audit and Compliance Officer by invitation. An Independent Director serves as the Chairperson.</p> <p>Refer Audit Committee Report.</p>	235-238	
9.13.4	<p>Functions of the Committee:</p> <p>The committee oversees the entity's compliance with financial regulations, reviewing financial statements and accounting policies, recommending external auditor appointments, ensuring assurance on financial records and risk management, overseeing compliance with auditing standards and risk management, evaluating risk policies, taking corrective actions on excessive risks, reviewing audit effectiveness, establishing policies for external auditor engagement, justifying auditor changes when necessary, and promptly reporting breaches to the Board and relevant authorities.</p> <p>Refer Audit Committee Report</p>	235-238	

LISTING RULES ISSUED BY COLOMBO STOCK EXCHANGE [CSE] ON CORPORATE GOVERNANCE

 Complied
  Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.13.5	<p>Disclosures:</p> <ul style="list-style-type: none"> a) Chairperson and Audit Committee members' details, b) Risk management status for the Company. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details. <p>All the relevant details available have been disclosed in the Committee Report.</p>	235-238	
9.14	Related Party Transactions Review Committee		
9.14.1	<p>The Company has established a Related Party Transactions Review Committee and complies with the requirements outlined in Rule 9.14.</p> <p>The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties.</p> <p>Refer the Related Party Transaction Review Committee Report</p>	245-246	
9.14.2	<p>Composition of the Committee:</p> <p>The Committee comprises of Two [2] Independent Non-Executive Directors and One [1] Non-Executive Director. The Managing Director and Chief Financial Officer regularly attend meetings by invitation. An Independent Director serves as the Chairperson.</p> <p>Refer the Related Party Transaction Review Committee Report</p>	245-246	
9.14.3	<p>Functions of the Committee:</p> <p>The Company has set up a Related Party Transactions Review Committee to oversee such transactions, with the aim of safeguarding shareholders' interests and preventing abuse by Directors, CEOs, or Substantial Shareholders. The rules prioritise the economic and commercial substance of transactions over the legal form or technicalities. The committee is tasked with establishing and maintaining clear policies, procedures, and processes for identifying, clarifying, and reporting related party transactions across the Company's operations.</p> <p>Refer the Related Party Transaction Review Committee Report</p>	245-246	
9.14.4	<p>General requirements:</p> <p>The Committee convenes quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. Approval from the Board of Directors is required for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings.</p> <p>Refer the Related Party Transaction Review Committee Report</p>	245-246	
9.14.5 – 9.14.6	<p>The Related Party Transactions Review Committee, reviews all related party transactions, while also considering any material changes to previously reviewed transactions under Rule 9.14.5. They assess transaction details, and Director independence, and may establish guidelines for ongoing deals, conducting annual compliance reviews.</p> <p>Refer the Related Party Transaction Review Committee Report</p>	245-246	

 Complied
  Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.14.7	<p>Disclosures:</p> <p>There were no non-recurrent related party transactions which exceeded the aggregate value of 10% of the Equity or 5% of the Total Assets. There were no recurrent related party transactions which exceeded aggregate value of the 10% of the gross revenue/ income (or equivalent term in the Income Statement) during the year. The Board confirms that the Company has disclosed transactions with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24) and has complied with all requirements as per the CSE Listing Rules.</p> <p>Refer Related Party Transaction Review Committee Report</p>	245-246	
9.14.8	<p>Disclosures in the Annual Report:</p> <p>There were no transactions in the aggregate value of the non- recurrent Related Party Transactions exceeding 10% of the Equity or 5% of the Total Assets of the Company, as per the latest Audited Financial Statements.</p> <p>Refer Annual Report of Board of Directors</p>	225	
9.14.9	<p>Acquisition and Disposal of Assets from/to related parties:</p> <p>No substantial acquisitions or disposals occurred during the year.</p> <p>Refer Note 50 Related Party Disclosure</p>	382	
9.14.10	<p>Exempted Related Party Transactions:</p> <p>The Company has noted the definition given under exempted related party transactions when determine the related party transactions of the Company.</p>	382	
9.16	Additional disclosures		
	<p>i) The Board of Directors has disclosed all material interests in Entity contracts and refrained from voting on such matters.</p> <p>Refer Annual Report of the Board of Directors</p>	220-228	
	<p>ii) The Board has reviewed internal controls and obtained reasonable assurance of effectiveness. Any inability to declare is explained.</p> <p>Refer Annual Report of the Board of Directors</p>	220-228	
	<p>iii) The Board stays informed about applicable laws, rules, and regulations.</p> <p>Refer Annual Report of Board of Directors</p>	220-228	
	<p>iv) The Board discloses instances of non-compliance and material fines in Entity-operated jurisdictions.</p> <p>Refer Annual Report of Board of Directors</p>	220-228	

DIRECTION ON CORPORATE GOVERNANCE FOR INSURERS ISSUED BY THE INSURANCE REGULATORY COMMISSION OF SRI LANKA

The Insurance Regulatory Commission of Sri Lanka has issued Direction 17 on Corporate Governance for insurance companies under the Regulation of Insurance Industry Act No.43 of 2000 (updated 3rd Feb 2022). The Company has already complied with the directive as shown in the table below.




✓ Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.	Adherence of the Code of Best Practice on Corporate Governance 2024		
	Refer the Code of Best Practice on Corporate Governance.	257-264	✓
B.1	A minimum of two Directors of the Board must be citizens and residents of Sri Lanka		
	The Board comprises of [Eight] 8 Directors, and [Six] 6 of them are citizens and residents of Sri Lanka. Refer the Composition of the Board.	196-197	✓
B.2	Total service period of a Non-Executive Director [NED] shall not exceed nine [9] years		
	There are no Non-Executive Directors who exceed nine years of total service period. Mr. Ashok Pathirage [Chairman] is considered a Major Corporate Shareholding Director of the Company with more than a 50% shareholding and this rule shall not be applicable to him. Refer the Composition of the Board.	196-197	✓
B.3	Age of a person who serves as a Director of the Company, shall not exceed 75 years		
	The Directors who serve on the Board are not older than 75 years. Refer The Composition of the Board.	196-197	✓
B.4	Adherence to the Section 9 of the Listing Rules of the CSE		
	Refer "Listing Rules Issued by the Colombo Stock Exchange [CSE] on Corporate Governance and Related Party Transactions".	249-255	✓
B.5	Appointments in Other Boards		
	The Directors of the Company do not hold directorship of more than 20 Companies, inclusive of subsidiaries or associate companies of the insurer/ Company. Of such 20, a maximum of 10 companies shall be classified as Specified Business Entities. Refer Directors' Interest in Contracts with the Company.	232	✓
B.6	Disclosed compliance status as required in Section 9 of the Listing Rules of the CSE		
	Refer "Listing Rules Issued by the Colombo Stock Exchange [CSE] on Corporate Governance and Related Party Transactions".	249-255	✓
B.7	Any non-compliance status in respect of principle B of this direction		
	Compliance requirements set by the "IRCSL Direction 17" specific to Principle B as mentioned above on Corporate Governance are successfully achieved as required. Refer the Statement of Compliance.	187	✓
B.8	In the case of a Director older than 70 years continuing in service		
	None of the Directors on the Board are older than 70 years and if any Director wishes to serve beyond the age of 70, the Company should provide a certification and written confirmation through the Company Secretary to the IRCSL, which has been duly approved by passing a resolution at the general meeting and/or not prohibited by the Articles of Association of the Company. Refer the Composition of the Board.	196-197	✓

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY CA SRI LANKA





The Company has voluntarily adopted the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka. We have disclosed the status of compliance and how the Company complied with each requirement of the code, in this section.

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.	DIRECTORS		
A.1	The Board		
	The Board of Directors provides leadership and strategic direction to the Company, within the parameters of a prudent and effective governance framework as the representatives of the shareholders.	192	
A.1.1	Board Meetings		
	The Board met Four (4) times during the year to discuss matters related to different areas such as strategy, compliance, performance, risk management and resource allocation. Refer Board Meetings and Attendance.	203	
A.1.2	Roles & Responsibilities		
	The Board of Directors have multiple roles which are in line with the requirements of the Code, in order to achieve the targeted performance and to bring their valuable input to the decision-making process of the Company.		
	Ensure formulation and implementation of a sound business strategy: 2024 - 2026 a three-year plan has been approved by the Board.		
	Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience and knowledge to implement the strategy: The Managing Director & Senior Corporate Management team which include 12 members of professionally qualified individuals with sufficient knowledge, skills and experience are giving utmost direction to implement strategies in order to achieve ultimate objectives.		
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy: Talent management approach of the Company was enhanced with additional processes to refine the approach and create greater momentum in the building of succession talent pools.	192	
	Approving budgets and major capital expenditures: The Budget and the Corporate Plan for the year 2024 was evaluated and approved.		
	Determining the matters expressly reserved to the Board and those delegated to the management including limits of authority and financial delegation: While the Board decides on the matters expressly reserved to the Board such as setting the strategy and risk appetite, it also overlooks the delegated operational functions. Determining matters delegated to the Management such as the Manual of Financial Authority (MoFA), which is revised by the Board on an annual basis, also falls within the purview of the Board.		
	Ensuring effective systems to secure integrity of information, internal controls, business continuity and risk management: The Company has established a sound internal audit process, risk management process and ensures that IT Controls are properly established.		
	The Company aligns the ICT roadmap with the Company's business strategy and monitors implementation progress via the ICT dashboard.		

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY CA SRI LANKA

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.1.2	Roles & Responsibilities (Contd.)		
	Ensuring all stakeholder interests are considered in corporate decisions: The Board considers the views/impact on all stakeholders when making decisions.		
	Recognising sustainable business development in Corporate Strategy, decisions and activities and considering the need for adopting "integrated reporting": The Corporate Strategy is designed for 3 years and performance is discussed regularly at Board Meetings. The Company adopts "Integrated Reporting" in its Annual Reports. Refer Key Activities in the Board during the year 2024.		
	Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations: The Board of Directors is responsible for the preparation of financial statements whilst the Audit Committee ensures compliance with the financial regulations of the financial statements.		
	Establish a process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks: The Board has met Four (4) times during the year to evaluate overall performance and financial performance. Throughout the year the Board and its Sub-Committee have continuously reviewed and monitored the progress of the business.	192	
	Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company: The Company issues and uploads quarterly and annual financial statements together with the relevant disclosures, on the CSE and Company websites.		
	Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned: The Board is capable of providing the right direction; the Board comprises of members who have expertise in different areas.		
A.1.3	Act in accordance with the laws of the Country		
	The Board has confirmed that the Company has been compliant with the provisions set by the Companies Act No. 07 of 2007, Regulation of Insurance Industry (RII) Act No. 43 of 2000, Direction 17 on Corporate Governance by the Insurance Regulatory Commission of Sri Lanka ("IRCSL"), and the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka. Refer to Statement of Compliance	187	
A.1.4	Access to advice and services of the Company Secretary		
	Softlogic Corporate Services (Pvt) Ltd ensures that Board procedures are compliant and in accordance with the relevant applicable rules and regulations. The Company has paid an insurance premium in respect of an insurance policy for the benefit of the Directors of the Company. Refer the Role of Company Secretary.	194	
A.1.5	Independence judgment		
	The Board consists of diverse high-calibre professionals, capable of exercising independent judgment in the effective discharge of their duties and responsibilities on matters of strategy, compliance, performance and resource allocation.	198	
A.1.6	Dedicate adequate time and effort to matters of the Company		
	The Board of Directors are committed to discharging their duties as Directors of the Company and ensuring that adequate time and attention is given in the Board meetings to make an effective contribution in the decision-making process. Refer "The Board Meetings and Attendance" Refer "Roles & Responsibilities of the Board"	203 192	

✓ Complied






Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.1.7	Procedures relating to Directors' Matters in the best interests of the Company		
	Procedures are in accordance with the specific provisions set out by the Articles of Association of the Company and the Code for best practice on Corporate Governance.	230	✓
A.1.8	Board induction and training		
	The Company Secretary facilitates a comprehensive induction program for newly-appointed Directors while the Board regularly reviews the requirement for continuous development and knowledge-enhancement for existing Directors. Refer Board induction and training.	201-202	✓
A.2	Position of Chairman and CEO/MD vested by separate persons		
	The position of the Chairman and MD have been separated in line with the code and their roles and responsibilities are clearly defined in order to maintain balance of power and authority. The Chairman of the Company is Mr. Ashok Pathirage and the MD of the Company is Mr. Iftikar Ahamed.	194	✓
A.3	Chairman's Role in preserving Good Corporate Governance:		
	The Chairman provides leadership to the Board and facilitates the effective discharge of duties in the best interests of the Board; maintains smooth functioning of the Board, presides at the Directors' and Shareholders' meetings to ensure Director participation and proper execution of Board proceedings and promotes and carries out his responsibilities in the best interests of good governance. Refer the Chairman's Message on Corporate Governance. Refer the Chairman's role in the Conduct of Board Meetings.	183 194	✓
A.4	Financial Acumen and Knowledge		
	All the Directors have extensive experience and financial acumen, although their experience lies in different industries.	196-197	✓
A.5	The Board Balance		
	The Board consists of Seven [7] Non-Executive Directors (NED). Three [3] of them are independent. The independent declaration was submitted by each Director about their independence, based on certain criteria as set out in this code and the CSE Listing Rules 9.8.5. The Chairman holds meetings with the NEDs as and when necessary, and any matter which cannot be resolved unanimously is recorded in the Board Minutes by the Secretary of the Company during the year. All matters discussed at the Board meetings have the consent of each Director. Refer the Section on Directors Independence. As the Chairman and Managing Director/CEO represent distinct individuals, the Company has not designated a Senior Independent Director. Refer the Composition of the Board.	198-199 196-197	✓
A.6	Supply of Information		
	The Management provides appropriate and timely information to the Directors not less than seven [7] days prior to the meetings. Meeting Minutes are circulated within 14 days from the meeting date. A complete and comprehensive update on the Operational and Financial performance of the Company was submitted to the Senior Management of the Company including the Managing Director [MD].	202	✓

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY CA SRI LANKA

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.7	Appointment to the Board		
	<p>The Nominations and Governance Committee annually assesses the experience, expertise and diversity of the current Board and recommends suitable candidates to the Board through a formal and transparent process which is governed by the Articles of Association and which complies with Company policy.</p> <p>There were no new appointments to the Board during the year.</p> <p>Refer Nominations and Governance Committee Report.</p> <p>The Committee is tasked with establishing succession plans for the CEO and Key Management Personnel, as well as assessing the training needs of potential successors.</p> <p>Refer Nominations and Governance Committee Report</p> <p>Refer Human Resource and Remuneration Committee Report</p>	<p>247-248</p> <p>241-242</p>	
A.8	Re-election and Resignation of Directors		
	<p>The re-election of Directors is governed by the Articles of Association and is performed at the AGM. The offices of Chairman and MD are not subject to retirement by rotation. No Director terminated his office prior to the completion of his term.</p> <p>Refer the Composition of the Board</p>	201	
A.9	Appraisal of Board Performance		
	<p>The Board and Committees conduct their performance evaluation annually to review the participation, contribution and engagement of each Director in discharging their duties and responsibilities satisfactorily. Outcomes identified during the process were submitted to the Nominations and Governance Committee to make further improvements in Board effectiveness.</p> <p>Refer the section on "Board Competency Evaluation".</p>	195	
A.10	Disclose Information in Respect of Directors as Specified in the Code		
	<p>Profiles including qualifications, expertise, and appointments.</p> <p>Material business interests of Directors.</p> <p>Whether Executive, Non-Executive and/or Independent Director.</p> <p>Total number of Board seats held by each Director in other companies.</p> <p>Number/percentage of Board meetings of the Company attended during the year.</p> <p>Members of Committees and attendance at Board meetings and committee meetings.</p>	<p>170-178</p> <p>232</p> <p>203</p> <p>232</p> <p>203</p> <p>203</p>	
A.11	Appraisal of the Chief Executive Officer [CEO]/MD		
	<p>The performance of the MD is evaluated annually based on the agreed objectives set by the Board in consultation with MD.</p> <p>Refer the section on Performance Evaluation of the MD.</p>	195	
B	DIRECTORS' REMUNERATION		
B.1	Remuneration Procedure		
	<p>The Human Resource and Remuneration Committee [consisting of two [2] Independent Non-Executive Directors and One [1] Non-Executive Directors is responsible for establishing the remuneration framework for Directors of the Company and for recommending and assisting the Board with regards to the remuneration policy for Executive and Corporate Management. No remuneration is paid to the NEDs other than fees paid for the attendance of each Director at Board and Board Sub-Committee meetings.</p> <p>Refer Board remuneration.</p> <p>Refer the Human Resource and Remuneration Committee Report.</p>	<p>198</p> <p>241-242</p>	

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
B.2	The level and make-up of remuneration		
	<p>The Board is mindful of the fact that the remuneration of Executive Director and KMPs should reflect market expectations as compared to other companies, in order to attract and retain high calibre personnel for the long-term success of the Company. The Remuneration Committee possesses extensive knowledge with regard to setting the best levels of remuneration in the Company, taking into consideration the performance and risk factors associated with the job. The remuneration levels of the NEDs are also based around their time commitment and the responsibilities of their role. No Director has been granted share options as part of his remuneration. Other issues such as the approach taken in cases of early termination, where the initial contract does not explicitly provide for compensation, commitment and involvement in designing a scheme of performance-related remuneration and best practices applied throughout the process, are discussed in the Human Resource and Remuneration Committee report.</p> <p>The committee reviews the CEO's and senior management's performance yearly, pays for the benefits and performance-based incentives based on goals.</p> <p>Refer the Human Resource and Remuneration Committee report.</p>	241-242	
B.3	Disclosure of Remuneration Policy		
	<p>Refer the Human Resource and Remuneration Committee report.</p> <p>Remuneration paid to Board of Directors – Refer Note 50.6.1 to Financial Statements.</p> <p>There were 12 key management personnel who directly reported to the CEO/MD during the year and the aggregate remuneration was Rs. 244 Mn.</p>	241-242 383	
C	RELATIONS WITH SHAREHOLDERS		
C.1	Constructive use of the Annual General Meeting [AGM] and conduct of General Meetings		
	<p>The Notice of the AGM and instructions for voting procedures, including the process for voting via a proxy, are circulated to all shareholders within a minimum of 15 days prior to the AGM. Separate resolutions are proposed for each substantially separate issue, including the adoption of the Financial Statements.</p> <p>The Chairmen of Sub-Committees was encouraged to participate and make themselves available at the AGM to respond to queries made by the shareholders. The Secretary of the Company is responsible for recording and counting all valid votes properly.</p> <p>Refer Notice of Meeting.</p> <p>Refer the Form of Proxy.</p>	414 415-416	
C.2	Communication with Shareholders		
	<p>The Company has implemented multiple channels of communication with its shareholders. The Secretary of the Company acts as a median/contactable body regarding responding to queries raised by shareholders and brings the attention of the Board to significant issues. Important announcements are published through multiple channels to disseminate accurate information in a timely manner, in order to maintain an effective relationship with the shareholders.</p> <p>Refer the Communication with Shareholders.</p>	218	
C.3	Disclosure of major and material transactions		
	<p>Complying with Section 185 of the Companies Act No.07 of 2007 all major transactions to be approved by shareholders through a special resolution. During the year there were no major and material transactions which affected the Company's net asset base and all related party transactions as defined in the LKAS 24 are disclosed in the Annual Report.</p> <p>Refer the Communication on Significant Material Transactions.</p>	246	

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY CA SRI LANKA

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
D	ACCOUNTABILITY AND AUDIT		
D.1	Present a balanced and understandable assessment of the Company's financial position, performance and prospects		
	The Board has made every effort and taken responsibility for ensuring that the Annual Report, including the Financial Statements, presents a fair and balanced view of the Company's financial position, performance and prospects, combining narrative and visual elements to facilitate readability and comprehension. All statutory requirements have been complied with in the Annual Report and the Company's governance practices have been disclosed.		
	The following disclosures as required by the code are included in the Annual Report;		
	Management Discussion and Analysis.	15-174	
	Annual Report of the Board of Directors.	220-228	
	Statement of Directors' Responsibility.	229-230	
	Directors' Statement on Internal Controls.	233-234	
	Managing Director's/CEO and Chief Financial Officer's Responsibility Statement.	231	
	The responsibilities of the External Auditors in relation to the Financial Statements are set out in the Auditors Report.	272-274	
	Note 50 to Financial Statements - Related Party Disclosures.	382	
	Periodic reporting on the progress of remedial actions is not applicable as the Company's net assets have not fallen below 50% of the shareholders' funds	-	
	ESG/sustainability risk and opportunities, business model, and outlook	48-49	
D.2	Risk management and internal control to safeguard shareholders' investments and Company assets.		
	The Board of Directors is responsible for maintaining effective and sound internal controls to safeguard the shareholders' investments and Company assets. The Board has structured an enterprise risk management process to identify the principal risks which impact the business and take mitigating actions while forecasting and analysing the future performance, solvency and liquidity of the Company. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The Audit Committee in consultation with the in-house Internal Audit Department, periodically reviews the effectiveness of internal controls over financial reporting.		
	Refer Risk Governance and Management.	56-60	
	Refer the Audit Committee Report.	235-238	
	Refer Internal Assurance [Internal Audit].	212	
D.3	Audit Committee		
	The Audit Committee consists of 2 [Two] Independent Non-Executive Directors and 1 [one] Non-independent Non-Executive Director. The Audit Committee assists the Board in executing its oversight responsibility for the integrity of the financial statements of the Company. The Audit Committee also ensures internal control and risk management systems of the Company and its compliance with legal and regulatory requirements and assesses the external auditors' performance, qualifications and independence.		
	Refer the Audit Committee Report.	235-238	
	Refer Internal Assurance.	212	

✓ Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
D. 4	Risk Committee		
	<p>The Risk Committee consists of 2 [Two] Non-Executive Directors and 1 [one] Independent Non-Executive Director.</p> <p>The Chief Risk Officer serves as the coordination secretary and oversees matters concerning the committee, while the secretary to the committee is responsible for documenting meeting minutes. The committee convened on Seven occasions during the year.</p> <p>The Risk Committee has established terms of reference delineating its authority and duties. These include defining the risk management framework, reviewing outcomes and mitigation actions, overseeing insurance and information security, monitoring ESG risks, and ensuring a robust disaster recovery plan. It will provide regular reports to the Board and conduct annual reviews of the risk management framework, processes, and practices.</p> <p>Refer the Risk Committee report.</p>	239-240	✓
D.5	Related Party Transactions Review Committee		
	<p>The Committee consists of 2 [Two] Independent Non-Executive Directors and 1 [One] Non-independent Non-Executive Director. The core objective of the Related Party Transactions Review Committee is to ensure that the interests of shareholders are taken into consideration when entering into related party transactions and that the Company is compliant with the rules. The Company carried out transactions in the ordinary course of business on an arm's length basis with parties who are defined as Related Parties as per the Sri Lanka Accounting Standard – LKAS 24.</p> <p>The quarterly submission of declarations pertaining to the director of related parties and related party transactions is being actively pursued. Additionally, the Company is independently identifying declarations and investigating entities classified as related parties according to the standard.</p> <p>Refer the Related Party Transactions Committee report.</p> <p>Refer Note 50 on Financial Statements - Related Party Disclosures.</p>	245-246 382	✓
D.6	Adoption of Code of Business Conduct and Ethics for Directors and all other employees		
	<p>All Directors, KMPs and employees are bound by the Code of Business Conduct and Ethics in order to act ethically and with integrity in the best interest of the Company. Establishing an accurate reporting framework, fair and transparent procurement practice interprets the effectiveness of internal controls and accuracy of Financial Statements. The Company ensured that they avoided conflict of interest, discrimination, harassment, bribery and corruption while maintaining compliance with all applicable laws and regulations. The Company has placed a process to identify and report material and price-sensitive information in accordance with relevant regulations. All Directors, KMPs and employees are required to disclose details of any share purchase or shareholding positions in the Annual Report.</p> <p>Refer the Code of Conduct and Ethics for Directors.</p> <p>Refer the Chairman's Statement on Corporate Governance.</p> <p>Refer Investor Relations.</p> <p>The Company has established a process to handle complaints from whistle-blowers, including employees, customers, and suppliers, regarding violations of the company's code of business conduct and ethics. New employees are trained on these guidelines during onboarding, and all employees confirm compliance annually.</p>	208 183 395 209	✓

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY CA SRI LANKA

✓ Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
D.7	Corporate Governance Disclosures		
	Softlogic Life follows an Integrated Corporate Governance framework which ensures that the Company maintains the best interests of all stakeholders and keeps to the requirement to disclose the extent of compliance with the Code of Best Practice on Corporate Governance 2023, Section 9 published by CSE and relevant provision of Companies Act. Refer Annual Report of the Board of Directors.	220-228	✓
E	INSTITUTIONAL INVESTORS		
	Shareholders have been identified as key players in our prioritisation matrix. The Company makes every effort to maintain a constant dialogue with institutional investors in order to improve their understanding of Company operations, strategies and performance. Individual investors are encouraged to get adequate analysis or seek advice on investing/divesting decisions. Also, they are summoned to exercise their voting rights at the AGM. Refer Investor Relations.	395-399	✓
F	OTHER INVESTORS		
	The information disseminated by the Company is adequate for individual shareholders to undertake an analysis of the Company and/or seek independent investment advice regarding the prospects of the Company. Notice of AGM is circulated to all shareholders along with instructions on the voting procedure and including the process for voting via a proxy. Refer the Annual Financial Statements. Refer the Form of Proxy.	275-386 415	✓
G	INTERNET OF THINGS AND CYBER SECURITY		
	The Board ensures that the required level of expertise is available and that management and technical controls are established for the connectivity of any device configured by the IT department. A separate IT Security system implemented within the Company is reviewed periodically to ensure the effectiveness of system controls and compliance with regulatory requirements. All IT risks are discussed and engaged with appropriate actions by the Risk Committee. Regulatory requirements where system controls can be incorporated to the system are communicated to the IT department by the Risk, Legal and Audit departments so that they can be embedded in the system. Refer IT Governance. Refer the Risk Committee Report.	215 239-240	✓
H	SUSTAINABILITY: ESG RISK AND OPPORTUNITIES		
	The Board of Directors regularly assesses the Company's internal strengths and weaknesses along with environmental and social factors to identify the extensive impact of risk and opportunities on the performance of the Company. Risk strategy and risk management objectives rely on the Company's Risk Governance structure, which manages risks in all aspects of ESG. Refer Sustainability - Related Risks and Opportunities. Refer the Risk Governance structure. Refer Integrated Risk Management.	52-90 57 56	✓
I	SPECIAL CONSIDERATIONS FOR LISTED ENTITIES		
	The Company upholds governance policies and oversees the implementation details as per the section 9.2.1 in CSE Listing rules. Refer the company website Refer Listing Rules Issued by CSE	 249-255	✓