

1. CORPORATE GOVERNANCE AT SOFTLOGIC LIFE

1.1. Our Approach to Governance

At Softlogic Life, we recognise that effective corporate governance is fundamental to sustainable long-term success. As a regulated insurance company entrusted with safeguarding policyholder funds, shareholder capital, and public confidence, our governance framework provides the foundation upon which strategic growth, financial resilience, and stakeholder trust are built.

Guided by this understanding, the Company's governance framework is structured around three core principles: **Leadership & Strategic Stewardship, Responsible Conduct & Stakeholder Trust and Risk, Accountability & Assurance.** These principles collectively define how the Board directs the Company, how governance is embedded across operations, and how accountability is maintained through disciplined oversight.

a.) Leadership & Strategic Stewardship

Leadership is anchored in the Board's responsibility to set the strategic direction of the Company and oversee its performance in a manner consistent with long-term objectives and regulatory expectations. The Board provides stewardship over strategy, capital deployment, and risk appetite, ensuring that decisions are aligned with the Company's values and fiduciary responsibilities.

Through integrity-driven leadership and clear accountability, the Board establishes the tone at the top, reinforcing a culture of prudent judgement, ethical conduct, and disciplined execution across the organisation.

b.) Responsible Conduct & Stakeholder Trust

Governance is reflected in the manner in which the Company conducts its business and engages with its stakeholders. This principle

underscores our commitment to protecting policyholder interests, upholding fair treatment, and maintaining transparency in our interactions with shareholders, regulators, employees, and the wider community.

Responsible business conduct extends beyond compliance to include ethical standards, sound investment practices, appropriate use of technology, and a growing emphasis on sustainability. By embedding these principles into our operations, we strengthen stakeholder confidence and institutional credibility.

c.) Risk, Accountability & Assurance

Strong governance is sustained through a structured framework of risk management, internal controls, and independent assurance. As a regulated insurer, the Company operates within clearly defined risk parameters supported by comprehensive oversight mechanisms.

Accountability is reinforced through robust internal control systems, compliance monitoring, internal audit functions, and external assurance processes. Together, these mechanisms safeguard policyholder and shareholder interests, preserve financial stability, and uphold regulatory confidence.

1.2. Governance Framework

Softlogic Life's governance framework reflects the structure through which the Company is directed and controlled. The governance structure, presented on page 220, outlines the respective roles and responsibilities of the Shareholders, Board of Directors, Board Committees, Corporate Management Team, and Management Committees.

Through this governance architecture, the Board is able to exercise independent oversight, management is empowered to execute strategy within defined parameters, and accountability

is reinforced across all functions. Together, these elements support the integrity, resilience, and long-term sustainability of the organisation.

During 2025, following the acquisition and integration of Softlogic Life Insurance Lanka Limited (formerly known as Allianz Life Insurance Lanka Limited), the scope of governance oversight expanded to encompass a broader group perspective. The Board's stewardship now extends to ensuring alignment of policies, risk management practices, internal controls, and strategic objectives across the enlarged organisational structure.

1.3. Regulatory and Statutory Compliance

Softlogic Life operates within a robust regulatory framework applicable to licensed insurance companies and listed entities in Sri Lanka. The Company remains fully compliant with the provisions of the Regulation of Insurance Industry Act, No. 43 of 2000, and the regulations issued by the Insurance Regulatory Commission of Sri Lanka, the Listing Rules of the Colombo Stock Exchange, the Companies Act, and relevant corporate governance codes issued by the Institute of Chartered Accountants of Sri Lanka.

In line with the Colombo Stock Exchange requirement for the adoption of SLFRS S1 and SLFRS S2 effective 1 January 2025, Softlogic Life had already early adopted these standards prior to the mandatory implementation date. Accordingly, during 2025 the Company remained fully compliant with the CSE direction, reflecting a proactive approach to sustainability-related reporting and governance alignment with evolving global standards.

Compliance is embedded within the Company's governance architecture through structured oversight by the Board and its Committees, supported by clearly defined internal policies, compliance monitoring mechanisms,

and independent assurance processes. Regulatory developments are monitored on an ongoing basis to ensure timely implementation and alignment with evolving requirements.

A comprehensive Statement of Compliance, detailing adherence to mandatory, voluntary, and internal governance frameworks, is presented separately within this Annual Report in page 221. This structured disclosure reflects the Company's commitment to transparency, accountability, and disciplined governance practices.

1.4. Strengthening Governance through Global Reporting Standards

The governance framework of Softlogic Life continues to evolve in response to changing regulatory expectations, global reporting developments, and emerging business risks. As a regulated insurer operating in a dynamic environment, the Company ensures that its governance practices remain aligned with recognised sustainability and disclosure standards.

The Company remains committed to maintaining high ethical standards and disciplined disclosure practices across all reporting frameworks. In addition to financial reporting assurance, Softlogic Life obtains independent assurance over its sustainability and integrated reporting disclosures.

During 2025, independent assurance was obtained for SLFRS S1 and SLFRS S2 for the second consecutive year, reinforcing the robustness of the Company's sustainability-related reporting processes. Assurance over Integrated Reporting (IR) disclosures was obtained for the [06] consecutive year, while assurance over GRI-aligned sustainability disclosures was secured for the over 10 time. These external assurance engagements enhance the credibility, reliability, and transparency of the Company's non-financial reporting.


EXPLORING SOFTLOGIC LIFE'S GOVERNANCE REPORT

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A Reader's Guide


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To enhance the accessibility of this report, we utilise four primary navigational tools designed to help stakeholders quickly identify our adherence to mandatory and voluntary governance standards.




Icon
Navigation

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IRCSL
Compliance
Checklist

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CASL
Governance
Checklist

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CSE
Compliance
Checklist

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Structure of the Governance Section

Statement of
Compliance

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Governance Highlights
– 2025

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Value Creation from the
Governance

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SLFRS 17 implementation

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Acquisition of subsidiary

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THE THREE PILLARS OF GOVERNANCE

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Pillar 1
Leadership & Strategic
Stewardship

Leadership & Strategic
Stewardship

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Fiduciary Responsibility

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Board Committees and
Specialised Oversight

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Enterprise Risk
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Sustainability and
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Pillar 2
Responsible Conduct &
Stakeholder Trust

Governing for Our
Policy Holders

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Governing Our People

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Governing Our Sales
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Governance with
Ethical Infrastructure

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Governing Our
Shareholders

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Pillar 3
Risk, Accountability &
Assurance

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Framework

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IT and Cyber
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Regulatory Compliance

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Internal Audit Function

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External Assurance
(External Audit)

Annual Report of the
Board of Directors

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Other Board and Sub
Committee Reports

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Statutory, Regulatory and
Voluntary Governance codes

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