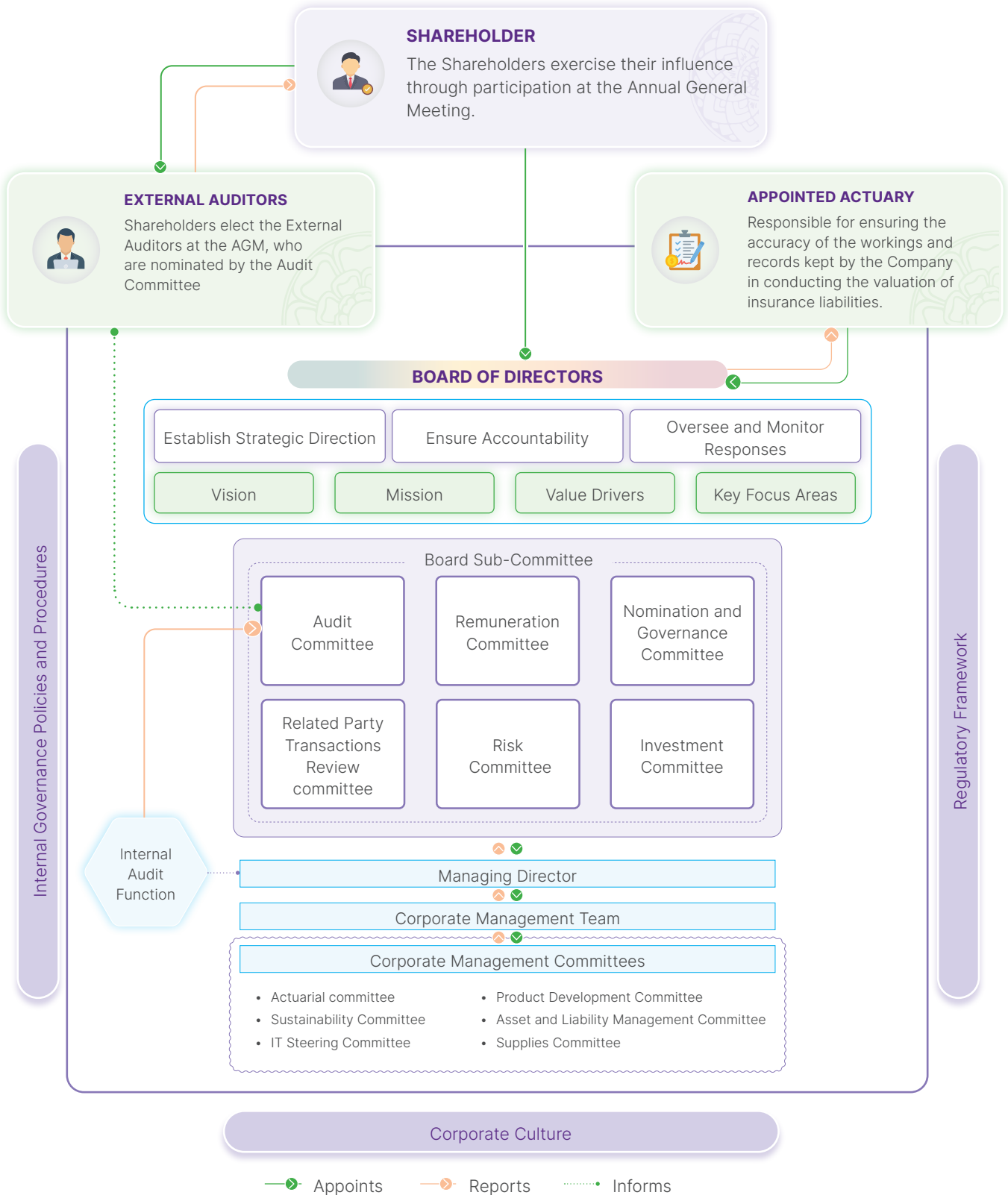


1. CORPORATE GOVERNANCE AT SOFTLOGIC LIFE



2. STATEMENT OF COMPLIANCE

EXTERNAL FRAMEWORK

MANDATORY

- The Regulation of Insurance Industry Act, No. 43 of 2000 and amendments thereto, together with all rules, regulations, determinations, directions, guidelines and circulars issued thereunder, governing the insurance business
- The Companies Act, No. 07 of 2007 and amendments thereto, governing the incorporation, administration and governance of companies in Sri Lanka.
- The requirements of Section 7 – Continuing Listing Requirements and Section 9 – Corporate Governance of the Colombo Stock Exchange (CSE) Listing Rules, governing listed companies and protecting investor interests.
- The Inland Revenue Act, No. 24 of 2017 and amendments thereto, together with circulars, notices and gazettes issued by the relevant taxation authorities, governing corporate taxation
- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, establishing the framework for sustainability and climate-related financial disclosures.
- Shop and Office Employees Act No. 19 of 1954, outlining employee rights and responsibilities.
- Requirements under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and amendments thereto.
- Personal Data Protection Act No. 09 of 2022, ensuring secure management of customer data.

VOLUNTARY

- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka, guiding the Company's corporate governance practices and Board oversight.
- International Integrated Reporting Framework (<IR>), guiding the preparation of the Company's Integrated Annual Report and value creation disclosures.
- Global Reporting Initiative (GRI) Standards, guiding sustainability reporting and the disclosure of economic, environmental and social impacts.
- United Nations Sustainable Development Goals (UNSDGs) and the United Nations Global Compact (UNGC) Principles, supporting the alignment of the Company's sustainability strategy with globally recognised responsible business practices.

INTERNAL GOVERNANCE FRAMEWORK

The Company maintains over 60 Board-approved policies across the governance categories outlined below, with key policies under each category highlighted. Mandatory Board-approved policies required under Section 9 of the CSE Listing Rules are disclosed on page 289.

Core Governance Framework

- Articles of Association of the Company.
- Terms of Reference and Charters of Board, Board Committees, and Management Committees.
- Integrated Risk Management Framework.
- Code of Business Conduct and Ethics.
- Business continuity plan.

Board & Governance Policies

- Fit & Proper Policy
- Document Retention & Record Management Policy

Regulatory & Compliance Framework Policies

- Core supervisory expectation set.
- Compliance Policy Framework

AML / CFT / Sanctions Policies

- AML/CFT Policy
- PEP Policy
- Sanctions Screening Policy

Market Conduct & Policyholder Protection Policies

- Market Conduct Policy
- Fair Treatment of Customers Policy

Strategic & Emerging Risk Policies

- ESG Policy.
- AI Governance Policy

Risk Management Framework Policies

- Enterprise Risk Management Policy
- Operational Risk Policy

Information Security & Technology Policies

- Information Security Policy
- Cybersecurity Policy
- IT Change Management Policy

Data Privacy & Protection Policies

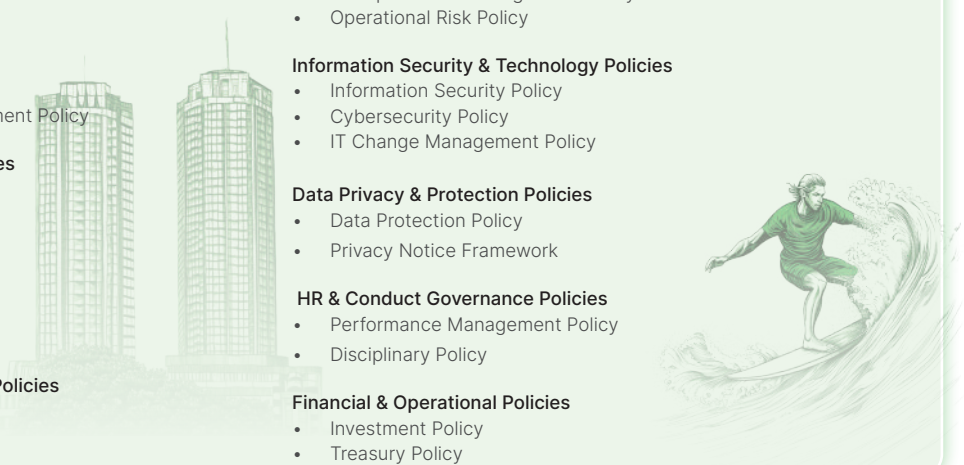
- Data Protection Policy
- Privacy Notice Framework

HR & Conduct Governance Policies

- Performance Management Policy
- Disciplinary Policy

Financial & Operational Policies

- Investment Policy
- Treasury Policy



3. CORPORATE GOVERNANCE HIGHLIGHTS – 2025

LEADERSHIP & STRATEGIC STEWARDSHIP



Strategic Direction: Approved a three-year Corporate Plan anchored in four strategic pillars of 1. Preventive Health & Wellness, 2. Personalisation and Customer Centric Products/Services, 3. Digital Transformation & InsureTech and 4. Sustainability and EESG reinforcing long-term strategic clarity.

Capital Resilience: Strengthened the Company's solvency position through the approval and raising of USD 15 million in Tier II Subordinated Debt from Norfund and Finfund, enhancing the regulatory capital base and supporting long-term growth and financial stability.

Strategic Acquisition & Integration: The Directors oversaw the acquisition and subsequent rebranding of Allianz Life Insurance Lanka Limited (now Softlogic Life Insurance Lanka Limited) on 11 July 2025, providing structured Board oversight throughout the transaction process, including regulatory approvals, completion of the acquisition, and the integration of the subsidiary into the Group's governance, risk management, and operational framework.

Governance Policy Evolution: The Directors reviewed the Company's major policies as defined under Rule 9 of the CSE Listing Rules and adopted the updated frameworks to ensure full regulatory alignment.

Sustainability Disclosure Frameworks: The Directors approved the specific policies and internal frameworks required for the effective execution of SLFRS S1 and S2, further strengthening the Company's sustainability-related governance and reporting initiatives.

RESPONSIBLE CONDUCT AND STAKEHOLDER TRUST



Group Governance Alignment: Enabled the subsidiary's alignment with the Group's strategic direction, management processes, and reporting structures, supporting the consistent application of group-wide operating practices and strengthening oversight and coordination across the expanded business.

Delivering Consistent Stakeholder Value: Reflecting our financial health, the Board approved an interim dividend of Rs. 4.50 per share. This distribution was managed with disciplined adherence to the Companies Act and regulatory guidelines, balancing shareholder returns with prudent capital management.

Safeguarding Our Promises: We continue to set a benchmark in Sri Lanka as the only insurer to declare quarterly actuarial surpluses. By conducting quarterly actuarial valuations, the Company maintains continuous oversight of policyholder funds, ensuring timely assessment of insurance liabilities, disciplined surplus distribution, and strengthened protection of policyholder interests.

Financial Crime & AML Compliance: Implemented a comprehensive AML/CFT framework aligned with the IRCSL AML/CFT Guidelines (2025), incorporating strengthened controls over risk assessment, customer due diligence (CDD), transaction monitoring, and the reporting of suspicious transactions through the goAML system, thereby enhancing the Company's financial crime prevention and regulatory compliance framework.

RISK, ACCOUNTABILITY & ASSURANCE



Regulatory Oversight: Ensured full compliance with the Regulation of Insurance Industry Act No. 43 of 2000 and met all CSE Listing Rules disclosure requirements in relation to the acquisition, upholding the highest standards of transparency.

AI Governance Framework and Scope: The Company established a comprehensive AI Governance Policy that encompasses all artificial intelligence and machine learning systems, including Generative AI, Agentic AI, and Predictive models. This policy applies to all systems developed, procured, or utilised by the Company and its subsidiaries, extending to all staff, contractors, and third parties involved in AI-driven business operations and decision-support systems.

Cyber Resilience and Information Security: The Company initiated its ISO 27001:2022 certification journey and successfully migrated its infrastructure to a new hardware setup to enhance operational stability. A senior-level Internal Information Security Steering Committee was established—led by the Managing Director.

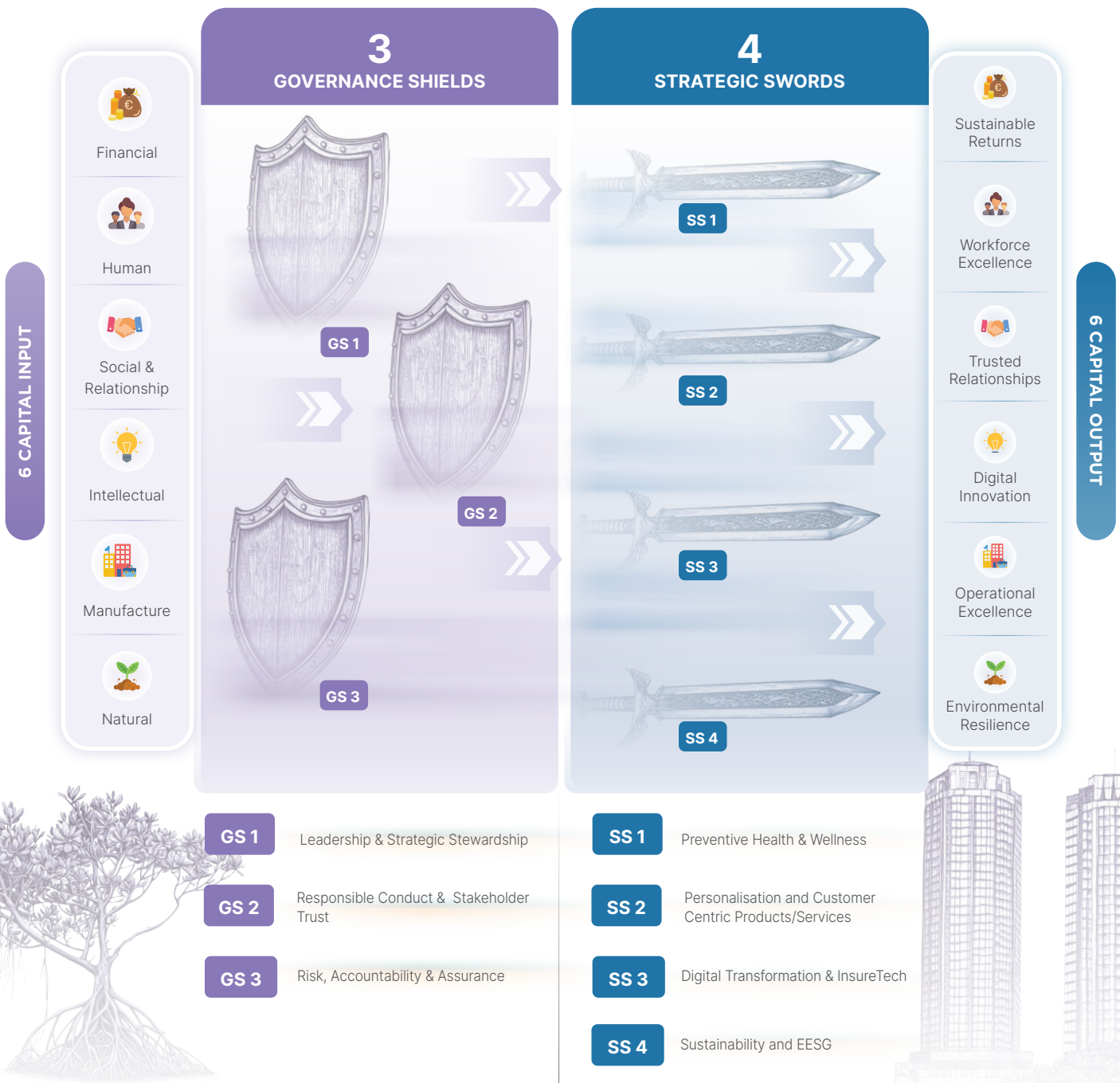
Pioneering Financial Transparency: The Company maintains a benchmark in transparency by obtaining quarterly external assurance audits and figure certifications, becoming the first insurer in Sri Lanka to do so. These independent reviews, conducted by Messrs. KPMG.

Risk Governance and Strategic Resilience: Updated the Integrated Enterprise Risk Management Framework (IRMF) aligned with ISO 31000:2018. This framework ensures a structured and dynamic approach to managing risks through data-driven assessments and continuous monitoring.

4. VALUE CREATION FROM THE GOVERNANCE

OUR BLUEPRINT FOR SUSTAINABLE GROWTH - THE SHIELD AND SWORD STRATEGY

At Softlogic Life, our Governance Value Creation Chain serves as the strategic blueprint for our sustainable growth. We utilise the 'Shield and Sword' concept to navigate the complexities of the insurance landscape. While our three Governance Pillars provide the 'Shield'—protecting our value through structured oversight and resilience—our four Strategic Pillars act as the 'Sword,' driving performance and market leadership. By funnelling our six fundamental Capitals through this dual-engine framework, we ensure that every resource is ethically managed and strategically deployed, resulting in significantly enhanced Capital Outputs for all stakeholders.



5. GOVERNANCE FOR SLFRS 17 IMPLEMENTATION

1.1 Purpose of the Transition

The adoption of SLFRS 17 – Insurance Contracts, effective from 1 January 2026, represents the most significant change to insurance accounting in decades. While the predecessor standard, SLFRS 4, served as an interim measure allowing companies to continue using diverse local accounting practices, it often lacked comparability across borders and industries.

1.2 The Governance Framework

To ensure a controlled migration, the Company maintained a robust multi-tier governance structure for the SLFRS 17 implementation project.

Core Governance Mechanisms



- **Board Audit Committee Oversight:** Monitored the technical accounting policy selections, specifically the transition approaches and the methodology for determining the Risk Adjustment.
- **Steering Committee:** A cross-functional team of Actuarial, Finance, and IT experts met bi-weekly to oversee the End-to-End (E2E) integration of the SLFRS 17 calculation engine with our core policy systems.
- **Data Integrity & Controls:** Governance focus was placed on "Data Integrity," ensuring that every granular data point required for the new "Groups of Insurance Contracts" is traceable and audited.

1.3 Recap on Key Fundamental Shifts

The transition introduces a current measurement framework for insurance contracts, replacing the traditional deferral and matching model. Under this approach, liabilities are measured using current estimates and market-based assumptions, while profits are

recognised over time through the Contractual Service Margin (CSM) as services are provided. The framework also incorporates an explicit Risk Adjustment for non-financial risks and enhances financial reporting by clearly distinguishing between insurance service results and investment performance.

1.4 Strategic Alignment: The Stabilisation & Validation Phase

Throughout 2025, Softlogic Life completed a comprehensive implementation stage for SLFRS 17, involving significant enhancements to actuarial models, data architecture, and reporting processes. In 2026, the Company's focus has shifted towards value calibration and stabilisation under the new reporting framework.

In line with this approach, the Company has adopted the CA Sri Lanka Statement of Alternative Treatment (SoAT), allowing a structured stabilisation period during the first three quarters of 2026. Accordingly, interim SLFRS 17 disclosures will be deferred until the final quarter of 2026, ensuring that the reported figures reflect a stable, validated, and fully audited financial reporting framework rather than preliminary estimates.

Key Validation and Assurance Measures



- **Extensive Parallel Run Validation:** Aligning SLFRS 4 and SLFRS 17 outputs to understand emerging trends.
- **Volatility Management:** Calibrating the Contractual Service Margin (CSM) to reflect long-term sustainable earnings.
- **Audit Assurance:** Subjecting the transition balance sheet to rigorous scrutiny to provide a Complete Audited Financial Statements at the year-end.

1.5 Governance of Performance: Transitioning to New KPIs

As the Company adopts SLFRS 17, the Board's oversight of performance has evolved to integrate a dual-track KPI framework.

- **Statutory Performance Oversight:** The Board will monitor Insurance Service Result and CSM Release as the key indicators of audited profitability under SLFRS 17, supported by governance processes to ensure stable and appropriate profit recognition.
- **New Business Value Governance:** New Business CSM will serve as a forward-looking measure of the long-term value created through current sales activities.
- **Internal Management KPIs:** GWP, FYP, and Renewal Premiums will continue to be tracked as internal performance indicators to monitor market growth and sales productivity.

1.6 Governance over Business Combinations: Allianz Acquisition

Following the acquisition of the Allianz subsidiary in 2025, the Company extended its SLFRS 17 governance framework into the Group's financial reporting processes.

- **Fair Value Approach:** In accordance with SLFRS 17, the Fair Value Approach was applied to measure the acquired insurance contracts at the acquisition date.
- **Subsidiary Data & Process Integration:** The subsidiary's data structures and reporting processes were aligned with the Group's SLFRS 17 systems and governance protocols.

6. THE ACQUISITION AND INTEGRATION OF SOFTLOGIC LIFE INSURANCE LANKA LIMITED

INTRODUCTION

The 2025 acquisition of 100% shareholding in Softlogic Life Insurance Lanka Limited (“Subsidiary”) — formerly known as Allianz Life Insurance Lanka Limited — represented a defining moment in the Group’s growth trajectory. Recognising that the success of a financial services merger depends as much on the integrity of its governance as it does on its financial synergies, the Board of Directors initiated a comprehensive integration framework. This framework was designed to transition of subsidiary into the Group’s ecosystem while upholding our commitment to transparency, policyholder protection, and absolute regulatory compliance. By aligning leadership, risk, and operations, we have ensured that this acquisition serves as a catalyst for long-term value creation and market stability.

1. BOARD STEWARDSHIP & LEADERSHIP OVERSIGHT

The Board acted as the primary custodian of the acquisition process, ensuring that the integration was led by the “Tone at the Top.”

- **Board Reconstitution:** The Board of the Subsidiary was restructured, with the appointment of the Softlogic Life Insurance PLC (“Parent”) Board to the Subsidiary. This ensures a unified strategic vision, a balance of independence, and the seamless transfer of deep industry expertise across the Group.
- **Establishment of the Integration Steering Committee (ISC):** As a first-order priority, a dedicated ISC was formed to provide granular oversight of the integration roadmap. The ISC serves as the high-level bridge between the Board and the execution teams, reporting directly to the Group Board on key synergy milestones and risk mitigation.

2. MARKET INTEGRITY & CSE DISCLOSURES

Transparency is a cornerstone of our corporate governance philosophy. The Group ensured that all material information regarding the acquisition was communicated to the investing public in a timely and accurate manner, ensuring market integrity and price discovery.

CSE Disclosures



- **Initial Disclosure of Intent (26 March 2025):** The Group formally notified the CSE and the investing public of the execution of the agreement to acquire 100% shareholding in Softlogic Life Insurance Lanka Limited subject to the approval of the Insurance Regulatory Commission of Sri Lanka.
- **Disclosure of Completion (11 July 2025):** A final disclosure was made to the market confirming the legal completion of the acquisition of 100% shareholding, following the receipt of formal regulatory approval from the Insurance Regulatory Commission of Sri Lanka (IRCSL).

3. OPERATIONAL ALIGNMENT & STAKEHOLDER TRUST

The integration process was guided by the “Continuity of Promise” principle, ensuring a seamless transition from the previous brand to the Group’s ecosystem while maintaining confidence among policyholders, employees, and distribution partners.

- **Systems & Process Harmonisation:** Core insurance systems and operational workflows were reviewed and aligned with the Group’s quality and operational standards, with targeted

enhancements implemented to strengthen service delivery and operational efficiency.

- **Strategic Sales Force Integration:** The Subsidiary’s agency force was integrated through revised incentive structures that safeguarded income stability while gradually aligning product distribution with the Group’s long-term strategic objectives.
- **Human Capital & Cultural Onboarding:** A structured transition programme was implemented to integrate employees into the Group’s culture, including orientation on the Group’s Code of Business Conduct and Ethics and governance standards.
- **Policyholder Advocacy & Continuity of Promise:** A comprehensive communication programme assured policyholders that all existing policy terms and benefits remain unchanged, reinforcing the Group’s commitment to long-term protection and service continuity.

4. RISK ASSURANCE & GOVERNANCE OVERSIGHT

To ensure stability following the acquisition, the Group’s internal control and governance frameworks were extended to the Subsidiary.

- **Financial Governance & Audit Integrity:** The Subsidiary’s accounting policies and financial authority limits were aligned with Group standards.
- **Internal Audit & Control Verification:** The Subsidiary was brought under the Group’s Internal Audit programme with periodic and spot audits.
- **Regulatory Compliance & Solvency Monitoring:** Regulatory ratios are monitored monthly, with no regulatory breaches recorded since the acquisition.

7. LEADERSHIP & STRATEGIC STEWARDSHIP

BOARD OVERVIEW

The Board of Directors of Softlogic Life Insurance PLC (the 'Company') provides leadership and strategic direction while maintaining strong standards of transparency, accountability, and compliance with the Articles of Association, the Companies Act No. 7 of 2007, and all applicable regulatory frameworks.

Following the acquisition and integration of its fully owned subsidiary, Softlogic Life Insurance Lanka Limited (formerly Allianz Life Insurance Lanka Limited), the Board has extended its oversight to the wider Group. In this capacity, the Board sets the Group's strategic direction, defines risk appetite, and oversees performance to ensure effective resource utilisation and compliance with industry and regulatory standards.

To safeguard the Group's long-term sustainability, the Board oversees enterprise risk management and internal control frameworks, ensuring governance practices and policies remain aligned across the organisation. Environmental, Social and Governance (ESG) considerations are integrated into Board deliberations and strategic decision-making.

Acting in the best interests of stakeholders, Directors exercise independent judgement, integrity, and professional competence. Through collective expertise and engagement with Management, the Board continues to strengthen governance and guide the Company's sustainable growth.

Balanced Governance Structure

The Board comprises eight Directors, including a majority of Non-Executive Directors (7 of 8), ensuring strong independent oversight. Independent Directors contribute objective perspectives that support balanced decision-making and governance integrity. Refer Board composition on pages 230-231.

Separation of the Roles of Chairman and Managing Director

In line with good governance practice, the roles of Chairman and Managing Director are clearly separated. This structure promotes balanced decision-making, accountability, and appropriate distribution of authority within the Board. Details of their respective responsibilities are provided on page 228.

Dynamic Board Expertise

The Board possesses diverse expertise across insurance, finance, risk management, economics, and corporate governance, enabling effective oversight and informed decision-making, as mentioned on page 230-231. This diversity strengthens the Board's ability to respond to market developments and emerging business challenges.

Financial Acumen of the Board

The Board maintains strong financial expertise and provides strategic oversight of the Company's financial performance and reporting. Directors' responsibility for financial reporting is detailed on pages 263-264, reflecting the Board's commitment to transparency and accountability.

Fit and Proper Assessment

Fit and Proper assessments are conducted in accordance with 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.

Efficient Board Operation

The Board operates within a structured governance framework supported by the Company Secretary. Meetings are properly documented, and senior management provides regular updates to facilitate informed decision-making.

Seeking Independent Professional Advice

Directors may obtain independent professional advice when necessary to support objective and well-informed decisions. The Company bears the related costs, reinforcing the Board's commitment to sound governance.

7.1 POWERS, ROLES AND RESPONSIBILITIES OF THE BOARD

(PRINCIPLES A.1.2 - A.1.7)



Powers of the Board

The Board is vested with authority to govern the Company in accordance with its responsibilities under the Articles of Association and the Companies Act No. 7 of 2007, ensuring effective oversight, accountability, and sound governance.

Role of the Board

Entrusted with the stewardship of the Company, the Board serves as the principal governing authority of Softlogic Life Insurance PLC. By balancing visionary leadership with robust risk management, the Board drives sustainable growth, ensures corporate accountability, and protects the long-term interests of all stakeholders through the following core mandates:

- Safeguard shareholder interests by guiding the Company's strategic direction and overseeing Management's execution of business strategies.
- Uphold robust governance structures designed to drive sustainable, long-term value for all stakeholders.
- Ensure strict adherence to external regulatory frameworks and internal corporate policies.
- Continuously monitor and evaluate overall organisational performance to guarantee alignment with core strategic objectives.

Board Responsibilities and Oversight in 2025

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 longterm value creation.



1. Strategic Leadership, Risk, and Governance

Core Mandate

- Drive ESG-aligned long-term strategy.
- Oversee governance, risk, cybersecurity, and compliance frameworks.
- Promote transparency and stakeholder engagement.

2025 Actions Taken

- Reviewed regulatory capital position and approved USD 15 Mn Tier II Subordinated Debt from Nor-fund and Finn-fund to enhance solvency.
- Reviewed and approved the strategic acquisition of Allianz Life Insurance Lanka Limited.
- Oversaw harmonisation of governance policies and Board charters across the expanded group structure



2. Financial Oversight & Monitoring

Core Mandate

- Approve and monitor budgets, capex, and authority limits.
- Ensure adherence to accounting standards (LKAS/SLFRS) and internal controls.
- Review financial statements and monitor performance via KPIs.

2025 Actions Taken

- Approved the three-year corporate plan.
- Declared and paid an interim dividend for FY2025 in compliance with applicable regulatory requirements.
- Approved quarterly actuarial surplus based on valuations certified by the Appointed Actuary, Willis Towers Watson.



3. Leadership & Succession Planning

Core Mandate

- Appoint, guide, and evaluate the MD and senior management.
- Align leadership capabilities with strategic priorities.
- Oversee robust succession planning.

2025 Actions Taken

- Conducted and formally documented performance evaluations for the MD and Key Management Personnel.
- Reviewed and implemented targeted succession planning initiatives for year 2026.
- Supported comprehensive training and leadership development programs.



4. Tech, Digital Transformation & Innovation

Core Mandate

- Steer ICT roadmap and digital transformation.
- Drive operational efficiency via automation and AI.
- Enforce cybersecurity and data privacy.

2025 Actions Taken

- Reviewed the ICT roadmap to ensure alignment with the Company's business strategy and digital transformation priorities.
- Establish AI Governance Policy to guide the responsible adoption and oversight of AI technologies.
- Oversaw the deployment of AI-powered corporate reporting tools enabling dynamic reporting formats.



5. Stakeholder and Compliance Management

Core Mandate

- Ensure compliance with IRCSL and legal frameworks.
- Integrate ESG into core operational strategy.
- Protect stakeholders via transparent disclosures.

2025 Actions Taken

- Secured all required approvals under the Regulation of Insurance Industry Act and fulfilled CSE Listing Rule disclosures in relation to the acquisition.
- Oversaw implementation of IRCSL Direction No. 04, 08 and 09 of 2025 across sales, service, and disclosure frameworks.

7. LEADERSHIP & STRATEGIC STEWARDSHIP

Roles of Key Governance Positions

1. ROLE OF THE CHAIRMAN (PRINCIPLES A.2 AND A.3)

- Provides independent and objective leadership to ensure the effectiveness of the Board.
- Upholds high standards of corporate governance and ensures the Board exercises proper oversight of Company affairs.
- Facilitates the discharge of Board responsibilities, promoting constructive challenge and informed decision-making.
- Presides over Board meetings, ensuring orderly proceedings and meaningful participation by Directors.
- Promotes transparency, accountability, and alignment with stakeholder interests.

2. ROLE OF THE MANAGING DIRECTOR (PRINCIPLES A.2 AND A.3)

- Implements Board-approved strategies and delivers corporate objectives.
- Leads day-to-day operations and optimises organisational performance.
- Ensures effective risk management, internal controls, regulatory compliance, and cybersecurity oversight, escalating material matters to the Board.
- Maintains open and timely communication with the Chairman and the Board on performance, risks, and strategic developments.
- Represents the Company to stakeholders and integrates ESG considerations into operational execution.
- Fosters a culture of accountability, ethical conduct, and leadership development to support succession and sustainability.

3. ROLE OF INDEPENDENT NON-EXECUTIVE DIRECTORS (PRINCIPLES A.3.1, A.5 AND A.5.1)

- Uphold independence and impartiality, ensuring objective and unbiased decision-making.
- Provide independent judgement and mitigate potential conflicts of interest to safeguard shareholder and policyholder interests.
- Contribute strategic insight to align business objectives with long-term sustainability.
- Constructively challenge and support management to enhance performance and accountability.
- Strengthen Board credibility through diverse experience, professional integrity, and sound judgement.
- Actively participate in Board Sub-Committees, particularly in areas of risk, audit, and compliance oversight.

4. ROLE OF THE COMPANY SECRETARY (PRINCIPLE A.1.4)

- Facilitate effective communication between the Board, management, shareholders, and regulators.
- Ensure Board meetings, AGMs, and EGMs are conducted in accordance with the Articles of Association, Board Charter, and applicable laws and regulations.
- Support the Chairman and Managing Director in setting agendas aligned with strategic priorities.
- Coordinate the timely circulation of Board papers, presentations, and accurate recording of proceedings.
- Maintain statutory registers and ensure timely filing of regulatory and statutory returns.
- Oversee regulatory communications, related party disclosures, and governance documentation.
- Promote adherence to corporate governance best practices and regulatory compliance frameworks.
- Support financial reporting processes, including Annual and interim disclosures.

7.2 EVALUATION OF BOARD AND BOARD SUB-COMMITTEE PERFORMANCE

(PRINCIPLE A.9)



The Board undertakes a structured and periodic evaluation of its effectiveness to ensure continued alignment with its responsibilities as set out in the Board Charter, Principle A.9 of the CA Code of Best Practice on Corporate Governance 2023 and CSE Listing Rule Section 9, a formal annual performance assessment is conducted to evaluate the effectiveness of the Board as a whole, its Committees, and individual Directors.

The evaluation process is carried out through a comprehensive self-assessment mechanism, whereby each Director completes a performance evaluation questionnaire based on the Board Performance Evaluation Checklist. The assessment covers areas such as strategic oversight, risk governance, regulatory compliance, committee effectiveness, leadership contribution, and overall Board dynamics.

The Company Secretary coordinates the evaluation process and consolidates the responses for review by the Nominations and Governance Committee, in line with its written terms of reference. The Committee analyses the collective findings, identifies

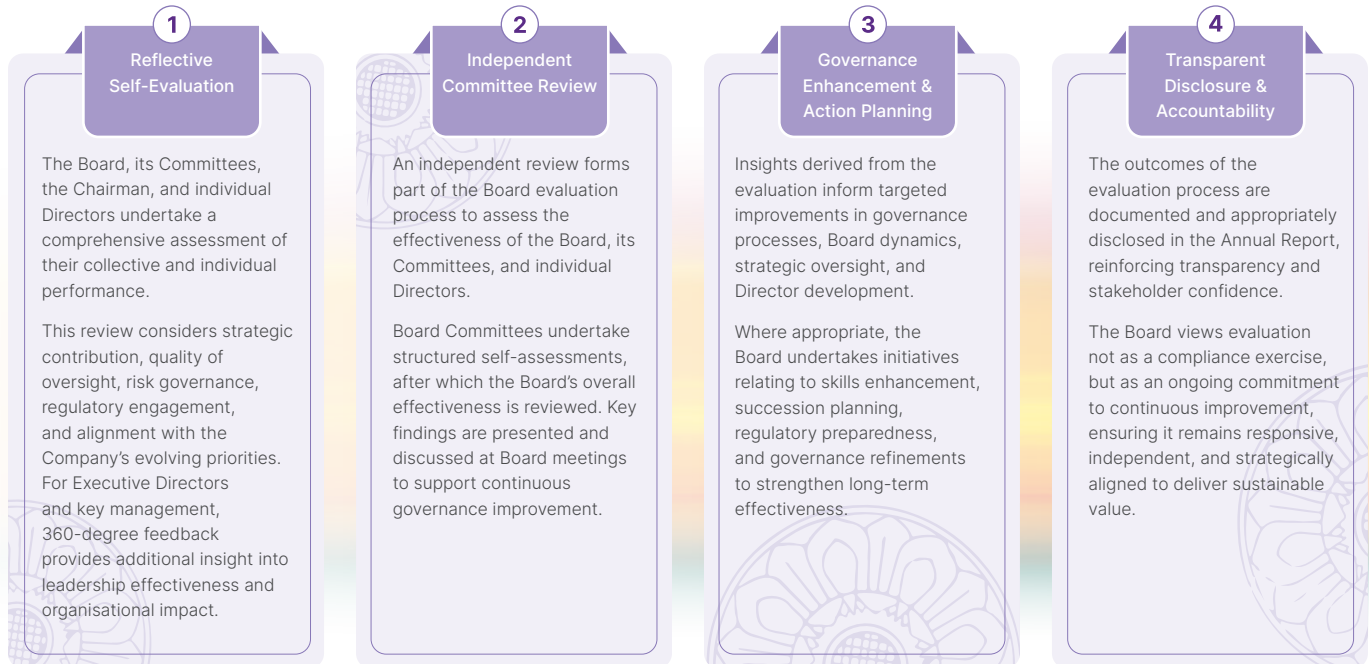
areas for enhancement, and submits recommendations to the Board.

The outcomes of the evaluation are used to strengthen Board composition, refine governance processes, enhance Director engagement, and ensure the appropriate balance of skills and experience in line with the Company's evolving strategic and regulatory requirements.

Through this structured review framework, the Board reinforces accountability, transparency, and continuous improvement, supporting effective governance and long-term value creation.

EVALUATION OF BOARD AND SUB COMMITTEES

The Board is committed to maintaining high standards of governance through a structured and reflective evaluation framework designed to strengthen oversight, strategic stewardship, and long-term value creation. The evaluation process is conducted annually and serves as a key mechanism for reinforcing accountability, independence, and Board effectiveness.



7. LEADERSHIP & STRATEGIC STEWARDSHIP

Figure: Board Composition



Mr. Ashok Pathirage
Chairman
Age: 61
(Appointed 9 July 2011)

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.



Mr. Iftikar Ahamed
Managing Director
Age: 63
(Appointed 9 July 2011)

I

Skills and Experience:

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



Mr. Haresh Kaimal
Director
Age: 60
(Appointed 7 March 2018)

Skills and Experience:

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



Ms. Fernanda Lima
Director
Age: 53
(Appointed 21 December 2018)

R I

Skills and Experience:

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

H Remuneration Committee

A Audit Committee

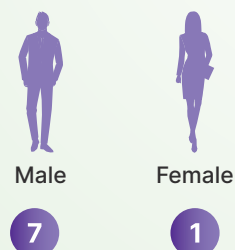
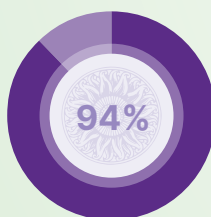
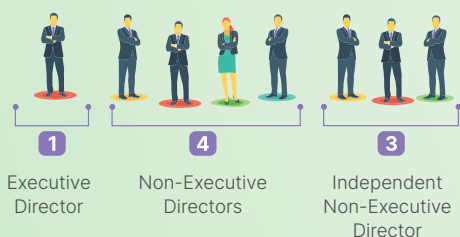
R Risk Committee

POWER BALANCE

8 Members

Board Meeting Attendance

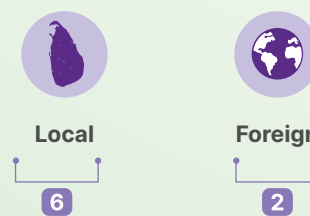
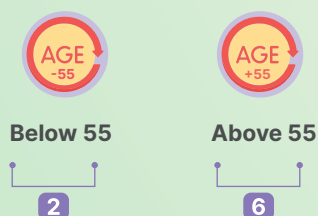
Gender



Age

Tenure

Nationality





Mr. V. Govindasamy
 Director
 Age: 61
 (Appointed 16 January 2020)

A T N I H

Skills and Experience:

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



Mr. Raimund Snyders
 Director
 Age: 61
 (Appointed 2 May 2020)

A R T I

Skills and Experience:

He has management experience of over 30 years in Financial Services, Wealth and Investment Management.



Mr. Sanjaya Mohottala
 Director
 Age: 49
 (Appointed 01 July 2021)

I

Skills and Experience:

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



Mr. Lalith Withana
 Director
 Age: 64
 (Appointed 01 July 2021)

A R T N H

Skills and Experience:

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

I Investment Committee

A Related Party Transactions Review Committee

N Nominations and Governance Committee

» **POWER BALANCE** »

Skills and Experiences / No. of Directors



7. LEADERSHIP & STRATEGIC STEWARDSHIP

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

The Company undertakes an annual evaluation of its Board Sub-Committees to ensure they continue to operate with effectiveness, independence, and strategic focus, in line with the Code of Best Practice on Corporate Governance 2023 and CSE Listing Rule Section 9.

The assessment considers each Committee's mandate, composition, expertise, attendance, quality of deliberations, and effectiveness in discharging responsibilities as defined in its Charter. Particular attention is given to the Committee's contribution to risk oversight, regulatory compliance, financial integrity, governance discipline, and strategic alignment.

The findings of these evaluations are reviewed by the Nominations and Governance Committee, which identifies opportunities for enhancement and submits recommendations to the Board to strengthen Committee performance and governance maturity.

Details of the Board Sub-Committee evaluations for the year 2025 are presented on pages 269-287 of this report, reinforcing transparency and accountability within the Company's governance framework.

Board Evaluation Outcomes – 2025

The 2025 review confirmed that the Board Sub-Committees operated effectively within their respective mandates. Minor enhancements were identified in areas relating to digital governance oversight, succession depth, and forward-looking regulatory preparedness. These improvement actions have been incorporated into the Board's ongoing governance development agenda.

Evaluation of the Managing Director (Principle A.11)

At the commencement of each financial year, the Board, in consultation with the Managing Director (MD), establishes clearly defined financial and non-financial performance objectives aligned with the Company's strategic priorities across the short, medium, and long term.

These objectives encompass financial performance, operational excellence, regulatory compliance, customer outcomes, innovation, digital transformation, and sustainability (including ESG integration), reflecting the Company's broader value creation strategy.

At year-end, the Board conducts a formal evaluation of the MD's performance against the agreed targets. The assessment considers both quantitative outcomes and qualitative leadership contributions, taking into account prevailing market conditions, regulatory developments, and business challenges that may have influenced performance.

In accordance with CSE Listing Rule Section 9, the Remuneration Committee reviews the evaluation outcomes and makes recommendations to the Board regarding the MD's remuneration, including fixed and performance-based components. The Committee ensures that compensation structures are aligned with performance delivery, long-term strategic objectives, prudent risk management, and shareholder expectations.

Managing Director Evaluation Outcome – 2025

For 2025, the Board concluded that the Managing Director's performance was aligned with the Company's strategic objectives, including financial stability, capital discipline, digital advancement, and regulatory compliance. Performance-linked remuneration was determined in accordance with established governance frameworks, reflecting both measurable outcomes and leadership effectiveness.

7.3 BOARD REMUNERATION

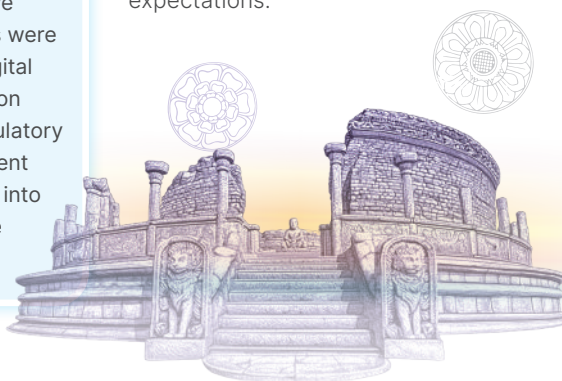
(PRINCIPLES A.9 TO B.3)



The Company maintains a structured and transparent remuneration framework designed to attract, motivate, and retain Directors with the competence, experience, and leadership capabilities required to guide the Company's strategic direction and long-term value creation.

The Remuneration Committee is responsible for overseeing the remuneration framework for both Executive and Non-Executive Directors. The framework is periodically benchmarked against relevant market comparators to ensure competitiveness, fairness, and alignment with industry best practices. Remuneration structures incorporate fixed components, performance-based incentives, and post-employment benefits, where applicable, and are aligned with corporate strategy, risk considerations, and sustainable performance.

The Committee operates under clearly defined terms of reference and applies objective and transparent processes in determining remuneration outcomes. In fulfilling its responsibilities, the Committee may consult the Chairman, the Managing Director, and relevant internal stakeholders, and has access to independent external expertise to



ensure that remuneration structures are appropriately benchmarked and performance-linked.

The Committee is chaired by an Independent Non-Executive Director and comprises solely Non-Executive Directors, with a majority being Independent Non-Executive Directors, thereby reinforcing independence and mitigating potential conflicts of interest.

Level and Structure of Remuneration

Remuneration for members of the Remuneration Committee is determined

by the Board, ensuring that no Director is involved in decisions relating to his or her own remuneration.

Director remuneration reflects the scope of responsibilities, expertise, experience, time commitment, and strategic contribution to the Board. All Directors are recognised as Key Management Personnel (KMPs), and their remuneration is aligned with the Company’s performance, regulatory environment, risk profile, and long-term sustainability objectives.

Disclosure of Remuneration (Principle B.3)

In the interest of transparency and accountability, details of Directors’ remuneration are disclosed in the Annual Report (refer page 433). Further information on the Company’s remuneration policy and key aspects relating to remuneration of Directors, senior management, and employees is provided in the Remuneration Committee Report on pages 278-280.

7.4 MAINTAINING THE INDEPENDENCE OF THE BOARD

(PRINCIPLES A.5.4 TO A.5.7)



BOARD INDEPENDENCE FRAMEWORK

Objective | Accountability | Regulatory Alignment

INDEPENDENCE CRITERIA	ANNUAL DECLARATION PROCESS	ONGOING MONITORING & SELF-ASSESSMENT	TRANSPARENCY & SHAREHOLDER ACCESS
<p>Regulatory Benchmarking</p> <p>The independence of Directors is assessed against:</p> <ul style="list-style-type: none"> CSE Listing Rule Section 9 Code of Best Practice on Corporate Governance 2023 Relevant statutory and regulatory provisions <p>Assessment Considerations:</p> <ul style="list-style-type: none"> Financial or material relationships Professional affiliations Tenure and prior engagements Any circumstance affecting independent judgement 	<p>Formal Declarations</p> <ul style="list-style-type: none"> All Directors submit annual independence declarations. Declarations reviewed collectively by the Board. Independence confirmed strictly in accordance with regulatory criteria. 	<p>Continuous Evaluation</p> <ul style="list-style-type: none"> Directors conduct self-assessments of potential conflicts. Immediate disclosure of any material changes. Board reviews disclosures alongside independence criteria. 	<p>Shareholder Rights & Disclosure</p> <ul style="list-style-type: none"> Information on external directorships maintained by the Company Secretary. Records available for shareholder inspection upon request. Clear disclosure of independence status in Annual Report (refer page 234).
<p>Outcome </p> <p>Structured, rule-based independence determination</p>	<p>Outcome </p> <p>Transparent and documented compliance</p>	<p>Outcome </p> <p>Sustained impartiality and governance integrity</p>	<p>Outcome </p> <p>Reinforced stakeholder confidence</p>

Independence Confirmed in 2025

All Directors’ independence was assessed in strict compliance with CSE Listing Rule Section 9 and the CA Governance Code 2023, with no exceptions applied.

7. LEADERSHIP & STRATEGIC STEWARDSHIP

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

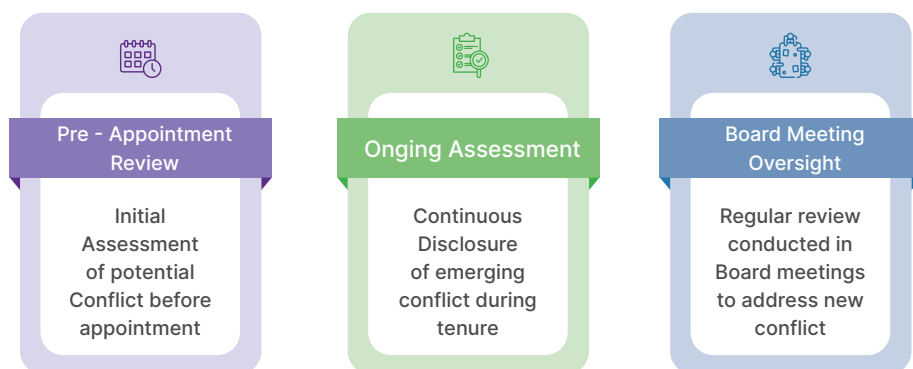
Review and Management of Conflicts of Interest (Principle D.6)

The Board is responsible for identifying, reviewing, and managing actual or potential conflicts of interest to preserve the independence and integrity of Directors' judgement.

Each declared conflict is assessed for its nature and materiality, and appropriate safeguards are implemented.

To strengthen oversight, the Company applies a structured Three-Way Governance Approach to ensure timely disclosure, independent review, and transparent resolution of conflict situations in line with regulatory and governance requirements.

Three-way Approaching to Eliminate Conflict of Interest



7.5 PROFESSIONAL DEVELOPMENT OF THE BOARD

(PRINCIPLES A.1.5, A.1.8)



The Board recognises that continuous professional development is essential to maintaining effective oversight, sound judgement, and strategic leadership. In line with Principles A.1.5 and A.1.8 of the Code of Best Practice on Corporate Governance 2023, the Company ensures that Directors are provided with ongoing opportunities to enhance

their knowledge, skills, and understanding of the business, regulatory environment, and emerging risks.

Periodic reviews are undertaken to identify individual and collective development needs, ensuring that the Board remains appropriately equipped to discharge its fiduciary duties and contribute meaningfully to long-term value creation.

To support this, Directors have access to:

Independent Professional Advice: Directors may obtain independent professional advice at the Company's expense where necessary to support their governance responsibilities (Principle A.1.3).

Access to Internal and External Expertise: The Board has direct access to the Company Secretary, senior management, Internal and External Auditors, industry specialists, and other external advisers to facilitate comprehensive oversight (Principles A.1.4 and A.6.1).

Financial and Performance Information: Directors receive regular financial updates, including budgets, forecasts, solvency metrics, and performance reports, enabling effective monitoring and strategic review (Principles A.6.1 and A.6.2).

Regulatory and Best Practice

Updates: The Board is kept informed of developments in regulatory requirements, corporate governance standards, risk management practices, and industry trends requiring Board attention (Principles A.1.2 and A.1.8).

Ongoing Training and Business

Insights: The Board participates in structured training sessions, workshops, and presentations delivered by management and external subject-matter experts. These sessions address strategic priorities, risk management developments, regulatory updates, technological advancements, and evolving market dynamics.

A Culture of Continuous Learning

To ensure a forward-looking and responsive Board, the Company fosters a culture of continuous learning. Management provides timely updates on macroeconomic, regulatory, and policy shifts. This structured engagement empowers Directors to evaluate emerging opportunities and evolving risks, driving proactive governance and informed decision-making.

Recent Knowledge Enhancement Initiatives

Fostering our continuous learning culture, the Board remains fully aware of the current status of the ongoing SLFRS 17 implementation. Members were also made aware of diverse insurance products to accurately evaluate their financial and operational impacts post-implementation.

7.6 APPOINTMENT, RE-ELECTION AND RESIGNATION OF DIRECTORS

(PRINCIPLES A.7.1, A.8, A.8.3)



Appointment of Directors (Principle A.7.1)

The appointment of Directors is governed by a formal, transparent, and structured process in accordance with the Company's Articles of Association, internal governance policies, and applicable regulatory requirements. The process is aligned with CSE Listing Rule Section 9, which requires Listed Entities to maintain a formal procedure for Board appointments through the Nominations and Governance Committee.

The Nominations and Governance Committee oversees the identification, evaluation, and recommendation of suitable candidates to ensure that Board composition reflects an appropriate balance of skills, experience, independence, and diversity consistent with the Company's strategic and regulatory environment.

The appointment framework is integrated with the Board's succession planning strategy, supporting orderly renewal while preserving institutional knowledge and governance continuity

The appointment process generally includes:

- **Board Capability Assessment –** Periodic evaluation of the Board's collective competencies, expertise, and diversity profile, and succession needs.
- **Identification of Requirements –** Determination of additional skills, industry experience, or regulatory expertise required to strengthen Board effectiveness.
- **Candidate Evaluation –** Assessment of qualifications, professional experience, integrity, independence, and compliance with fit and proper criteria.
- **Committee Recommendation –** Submission of shortlisted candidates to the Board for consideration.
- **Board and Shareholder Approval –** Formal appointment in accordance with the Articles of Association and regulatory requirements.
- **Public Disclosure –** Timely communication of appointments to the CSE and other stakeholders.

This structured approach ensures that Board appointments support strategic oversight, regulatory compliance, and long-term value creation Rationale for New Board Appointments.

Rationale for New Board Appointments

New Board appointments are guided by a strategic assessment of the Company's evolving governance and business requirements. The key considerations include:

Strategic Capability Alignment: Ensuring the Board possesses the appropriate mix of skills, industry expertise, and leadership experience necessary to support the Company's long-term strategic direction and enhance the quality of decision-making.

Strengthening Governance and Oversight: Enhancing Board effectiveness in areas such as risk management, regulatory compliance, capital stewardship, and performance oversight to respond effectively to a dynamic operating environment.

Addressing Skills and Diversity Gaps: Identifying and appointing Directors with specialised expertise—such as financial reporting, regulatory affairs, digital transformation, or risk management—while promoting diversity of perspective and experience.

Maintaining Rigorous Selection Standards: Applying a structured and comprehensive evaluation process to ensure that prospective Directors demonstrate integrity, independence, sound judgement, and alignment with the Company's governance framework and stakeholder expectations.

Resignation of Directors (Principle A.8.3)

In the event that a Director resigns prior to the completion of his or her term, a formal written notice of resignation must be submitted to the Board, clearly stating the effective date and reasons for such decision.

Upon receipt, the Board reviews and formally records the resignation, considering any governance, regulatory, or succession planning implications arising there from where required, appropriate steps are taken to ensure continuity of oversight and compliance with applicable regulatory requirements.

The resignation is promptly disclosed to the Colombo Stock Exchange (CSE), shareholders, and relevant regulatory authorities in accordance with statutory and listing obligations, ensuring transparency and timely communication.

7. LEADERSHIP & STRATEGIC STEWARDSHIP

Board Appointments, Retirements and Resignations During 2025

No Board appointments, retirements, or resignations occurred during the financial year 2025.

Re-Election of Directors (Principle A.8)

The re-election of Directors is conducted in accordance with the Company's Articles of Association and the Code of Best Practice on Corporate Governance 2023, ensuring a structured and transparent 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 Annual General Meeting (AGM) following their appointment. Thereafter, Directors stand for re-election at intervals not exceeding three years.

Rotation and Re-Election of Non-Executive Directors:

In line with governance best practice, the longest-serving Non-Executive Director since the last appointment or re-election offers himself or herself for re-election by shareholders. This process ensures periodic Board refreshment and accountability.

The continuation of a Director in office is subject to shareholder approval and the Board's assessment of the Director's performance, independence, and continued alignment with the Company's strategic and governance requirements.

Newly Appointed Directors: Any Director appointed during the year holds office until the next AGM and is eligible for re-election by shareholders at that meeting.

Disclosure of Directors for Re-Election:

Details of Directors seeking re-election at the AGM to be held on 31 March 2026 are provided in the Notice of Meeting (refer page 476).

Board Induction (Principle A.1.8)

The Company maintains a structured and comprehensive induction programme for all newly appointed Directors to ensure they acquire a thorough understanding of the Company's governance framework, strategic priorities, operational model, and regulatory environment. The programme is coordinated by the Company Secretary and designed to enable Directors to contribute effectively from the outset of their tenure.

The induction framework is structured across five key areas:

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



New Directors are introduced to the Company's business model, industry dynamics, competitive landscape, and senior leadership team. Briefings include an overview of strategic objectives, financial position, capital structure, and market positioning.

2. Corporate Values and Ethical Framework (Principles A.1.3, A.1.5)



Directors are familiarised with the Company's corporate culture, values, and ethical standards. This includes detailed guidance on the Code of Conduct, conflict of interest policies, and governance expectations to ensure alignment with best practice and regulatory standards.

3. Governance Structure and Regulatory Environment (Principles A.1.4, A.7.1)



The induction covers the Company's governance architecture, including the Articles of Association, Board Charter, Sub-Committee mandates, and decision-making protocols. Directors are also briefed on relevant IRCSL regulatory directions, CSE Listing Rules, and other statutory obligations applicable to the insurance sector.

4. Directors' Duties and Legal Responsibilities (Principles A.1.2, A.1.6)



Directors receive guidance on their fiduciary duties, statutory responsibilities, and oversight obligations. The legislative and regulatory framework governing risk management, compliance, solvency, and financial reporting is explained to ensure informed and responsible governance.

5. Operational and Risk Familiarisation (Principles A.6.1, A.6.2)



New Directors are provided with in-depth insights into operational processes, business strategy execution, internal control systems, enterprise risk management, and audit functions, enabling effective oversight of financial and non-financial performance.

Strategic Engagement and Ongoing Integration

In addition to the formal induction programme, newly appointed Directors participate in strategic planning sessions and management briefings. These engagements provide deeper insights into key business initiatives, emerging risks, regulatory developments, and operational challenges, fostering informed participation and meaningful contribution to Board deliberations.

Through this structured induction and integration process, the Company ensures that Directors are equipped to uphold strong governance standards, exercise independent judgement, and contribute to sustainable value creation.

7.7 BOARD MEETINGS

Information Supply to the Board

The Board receives timely, relevant, and comprehensive information to enable informed decision-making and effective oversight. Management provides high-quality Board papers and supporting documentation that are sufficient in depth and clarity.

Board materials are made available through a secure digital platform, enabling Directors to access Board packs, review documentation, request additional information, and provide comments electronically. This enhances efficiency, confidentiality, and preparedness.

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

Board Meeting Preparation Process

The Company maintains a structured and disciplined process to ensure Directors are adequately prepared for Board meetings. In circumstances requiring additional meetings to address urgent or time-sensitive

matters, relevant papers may be circulated at shorter notice as an exception to the standard meeting process, ensuring timely and responsive governance.

The Chairman, in consultation with the Managing Director, Directors, and the Company Secretary, finalises the agenda.

The Notice of Meeting, agenda, and Board papers are circulated at least seven days in advance of the meeting.

Directors utilise this period to review materials, seek clarifications, and prepare for deliberations.

Meeting Agenda Circulation

Agendas for Board meetings and Sub-Committee meetings are generally circulated one week in advance, while the Board Risk Sub-Committee agenda is circulated two weeks prior to the meeting, reflecting the depth and technical nature of matters discussed.

Where urgent matters arise, additional meetings may be convened and papers circulated at shorter notice, ensuring timely governance responsiveness.

Conduct of Board Meetings

During meetings, the Board engages in active deliberation of agenda items and may invite Key Management Personnel to provide clarification or insights on matters within their respective areas of responsibility.

Directors may participate physically or virtually through teleconference or video conference facilities, ensuring flexibility and full participation.

The Chairman facilitates open and constructive dialogue, encouraging balanced contributions from Executive and Non-Executive Directors while maintaining appropriate oversight and independence.

The Sub-Committee Chairperson provide updates on matters deliberated within their respective Committees.

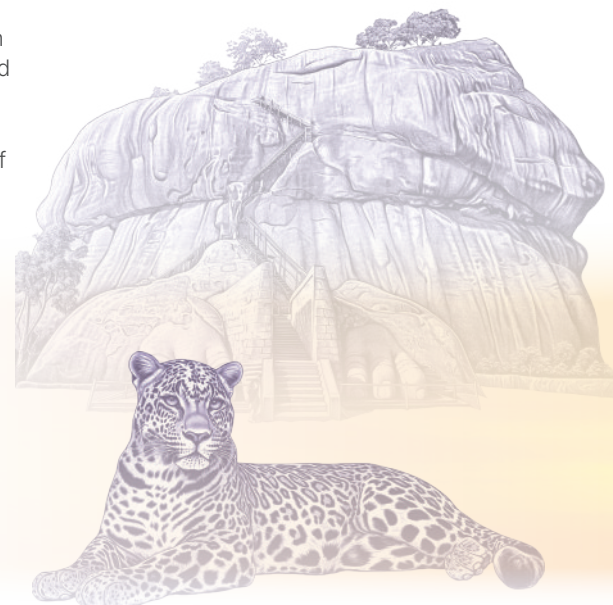
The Managing Director presents comprehensive updates on operational performance, financial results, regulatory developments, and industry trends.

The Company Secretary attends all meetings, advises on compliance with statutory and regulatory requirements, and ensures accurate recording of proceedings and resolutions.

Post-Meeting Follow-Up

The Board actively monitors the implementation of decisions and action items arising from meetings. Management provides progress updates through the Company Secretary to ensure timely follow-through.

Directors who are unable to attend a meeting are provided with the approved minutes and relevant documentation to ensure they remain fully informed of proceedings.



7. LEADERSHIP & STRATEGIC STEWARDSHIP

Board Attendance During 2025

The Board met four (4) times during the financial year 2025. The Board is mindful of Directors' external commitments and is satisfied that each Director devotes sufficient time and attention to fulfil their responsibilities effectively.

	Board Meetings	Audit Committee	Risk Committee	Remuneration Committee	Related Party Transactions Committee	Investment Committee	Nominations and Governance Committee
Independent Non-Executive Directors							
Mr. Sanjaya Mohottala	4/4	-	-	-	-	3/4	-
Mr. Lalith Withana	4/4	4/4	4/4	4/4	4/4	-	1/1
Mr. V. Govindasamy	3/4	3/4	-	4/4	3/4	2/4	1/1
Non-Executive Directors							
Mr. Ashok Pathirage	4/4	-	-	4/4	-	4/4	1/1
Mr. Hareesh Kaimal	4/4	-	-	-	-	-	-
Mrs. Fernanda Lima	3/4	-	4/4	-	-	3/4	-
Mr. Raimund Snyders	4/4	4/4	4/4	-	4/4	4/4	-
Executive Directors							
Mr. Ifthikar Ahamed	4/4	-	-	-	-	4/4	-
Total Meeting Attendance	94%	92%	100%	100%	92%	83%	100%

Key Activities of the Board During 2025

Key activities carried out by the Board during 2025 has been discussed on page 227.

7.8 BOARD SUB-COMMITTEES

The Company has established six Board Sub-Committees to which specific responsibilities and authority have been delegated in order to enhance governance effectiveness and oversight. Each Sub-Committee operates within clearly defined terms of reference approved by the Board.

The respective Sub-Committee Chairpersons are responsible for ensuring the effective discharge of delegated duties and for reporting deliberations, recommendations, and key decisions to the Board.

Role and Functioning of Sub-Committees

Through its Sub-Committee structure, the Board is able to provide focused oversight on specialised or complex

matters requiring detailed review and expert consideration. These Committees conduct in-depth analysis, evaluate risks and controls, and make recommendations to the Board to support informed decision-making.

This structured delegation enables the Board to allocate adequate time to strategic matters while ensuring rigorous scrutiny of financial, risk, governance, regulatory, and operational issues.

Each Sub-Committee operates under a formal charter outlining its composition, authority, and responsibilities. A summary of the activities undertaken by each Sub-Committee during the year is presented in the respective Committee Reports on pages 269–287.

The Company Secretary acts as Secretary to all Board Sub-Committees, ensuring proper documentation, regulatory compliance, and adherence to governance protocols.

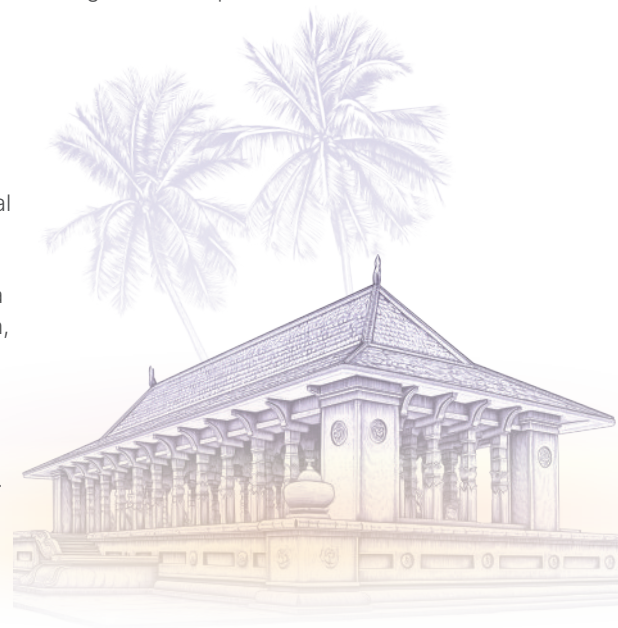
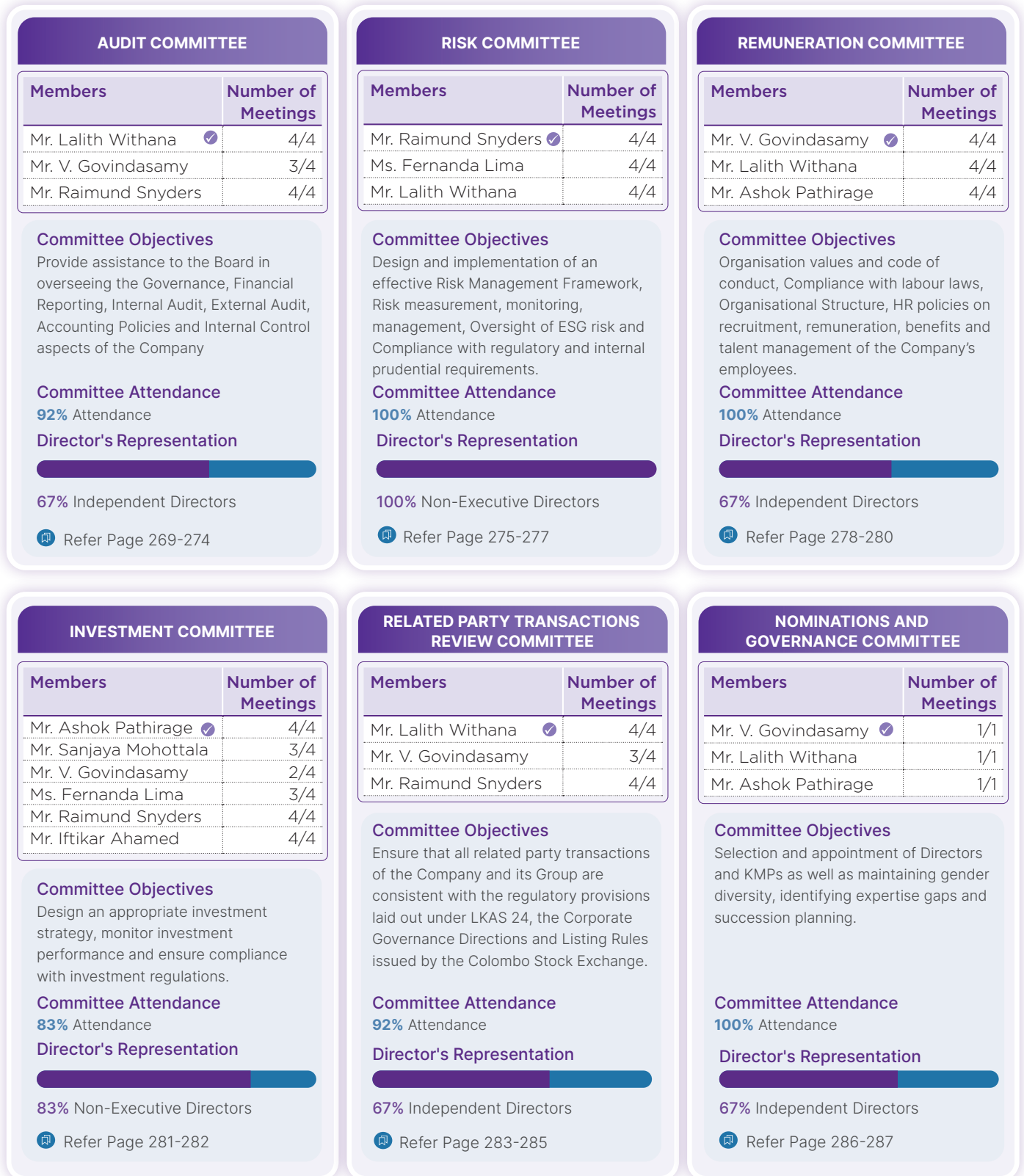


Figure: Board Sub-Committee Details



✓ Committee Chairman

7. LEADERSHIP & STRATEGIC STEWARDSHIP

7.9 BOARD INVOLVEMENT IN IT GOVERNANCE

IT Governance Approach

The Board of Directors recognises that robust Information Technology (IT) governance is no longer just an operational necessity, but a strategic imperative that drives enterprise value, resilience, and sustainable growth. Because technology fundamentally underpins our business model and customer experience, the Board retains ultimate accountability for IT governance, elevating it from traditional technical management to high-level strategic oversight.

Leveraging Technology and Automation

Softlogic Life has systematically embedded advanced technology across its core operations, moving beyond simple digitisation to high-impact innovation. Through pioneering initiatives such as Claim IT, the fully digitised e-Advisor sales platform, and the integration of Robotic Process Automation (RPA) and Artificial Intelligence, the Company has fundamentally enhanced both operational agility and the customer experience.

As we continue to scale these technology-enabled capabilities, the Board maintains rigorous oversight to ensure this rapid innovation remains anchored within a well-controlled, secure, and strategically aligned environment. By harmonising cutting-edge automation with robust governance, the Board ensures that technological advancement serves as a disciplined engine for sustainable competitive advantage.

Regulatory Alignment & Best Practices

The Board ensures that appropriate governance and oversight are maintained over the Company's information technology framework and these steps are inline with the Guideline on IT Governance for Directors issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Operationalising It Governance: Translating Strategy into Action

Effective IT Governance is essential for harmonising technology investments with corporate goals and mitigating operational exposure. Our organisation has established a highly mature framework that comprehensively addresses five core areas. By embedding technology planning into board-level strategy, enforcing rigorous security controls, and maintaining tested frameworks for continuity, we guarantee our technology function acts as a secure, resilient driver of sustainable growth. The following breakdown highlights our specific, proactive measures which align with Guideline on IT Governance for Directors issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).



01

Strategic Alignment

The Company synchronises operations with long-term goals by embedding the IT budget directly into the 3-year plan and discussing these requirements at Board meetings. Furthermore, strategic technological investments such as our comprehensive software implementation for SFRS 17 compliance guarantee that IT initiatives remain fully aligned with complex regulatory mandates and drive overarching corporate strategy forward.



02

Risk Management

IT and cybersecurity are fully integrated into the Company's Enterprise Risk Management (ERM) framework. The Board actively oversees Risk Management to protect digital assets and mitigate emerging tech risks within our defined appetite. To combat vulnerabilities, our rigorous defense includes continuous staff awareness, targeted phishing simulations, and strict Segregation of Duties (SOD). This harmonised oversight ensures all IT initiatives perfectly align with long-term strategic and resilience objectives.



03

Resource Management

The organisation optimises its infrastructure, talent, and investments by formally evaluating capability requirements alongside long-term financial forecasting. To further maximise the value of our Human Capital and collaborative networks, the Company deploys innovative digital tools including AI-driven quizzes and gamified leaderboards that actively elevate and sustain high levels of stakeholder engagement.



04

Performance Measurement

To track the success of service delivery and project implementation, the company enforces clear accountability mechanisms. Annual Key Performance Indicators (KPIs) are established for the tech function and rigorously evaluated at year-end. This commitment to operational excellence is tracked through strict, real-time metrics, exemplified by our advanced claim settlement platform, which consistently achieves a one-day processing rate of over 90%.



05

Value Delivery

The organisation guarantees the uninterrupted provision of business benefits and safeguards its assets through a completed Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP). By regularly analysing these protocols internally and presenting them annually to the Board, the Company ensures it can maintain critical operations and protect shareholder value even during severe disruptions.

7.10 BOARD INVOLVEMENT IN SUSTAINABILITY MANAGEMENT ESG RISK AND OPPORTUNITY REPORTING

BOARD LEADERSHIP IN SUSTAINABILITY



- The Board recognises sustainability as integral to long-term value creation and policyholder protection.
- ESG considerations are embedded within Board-approved strategy and corporate objectives.
- Sustainability oversight forms part of regular Board and Committee deliberations.

BOARD OVERSIGHT OF ESG RISKS



- The Board reviews ESG-related risks within the Enterprise Risk Management framework.
- The Environmental & Social Risk Policy operates under Board supervision.
- ESG risks are evaluated alongside financial, operational, and regulatory risks.

RISK APPETITE & CAPITAL ALIGNMENT



- The Board ensures sustainability risks are considered within the Risk Appetite Framework.
- ESG factors are aligned with capital adequacy, solvency, and long-term financial resilience under the RBC regime.
- Sustainability oversight supports disciplined capital allocation decisions.

SUSTAINABILITY-RELATED RISK GOVERNANCE (SLFRS S1 & S2)



- The Board oversees sustainability-related financial risks and opportunities in accordance with SLFRS S1 and SLFRS S2.
- Sustainability-related disclosures are integrated into governance, strategy, risk management, and financial reporting processes under Board supervision.
- The Board ensures that material sustainability factors are assessed for their impact on capital resilience, solvency, and long-term value creation.

STRATEGIC VALUE CREATION



- The Board considers ESG-driven opportunities in product governance and digital innovation.
- Sustainability initiatives are aligned with long-term strategic growth objectives.
- Board oversight promotes responsible and inclusive business practices.

REPORTING, DISCLOSURE & ASSURANCE



- The Board oversees sustainability disclosures aligned with GRI Standards and the Integrated Reporting Framework.
- SLFRS S1 and S2 are embedded within the Company's reporting architecture under Board supervision.
- ESG disclosures are independently assured by KPMG to reinforce credibility and accountability.

LONG-TERM RESILIENCE & STAKEHOLDER PROTECTION



- The Board recognises the interdependence between ESG performance, solvency, and policyholder obligations.
- Sustainability considerations inform strategic planning and long-term resilience.
- The Board remains committed to responsible growth and contribution to the UN SDGs.

7.11 CORPORATE MANAGEMENT Executive Leadership and Authority

The Corporate Management Team operates under the authority delegated by the Board of Directors and Shareholders, and is responsible for executing the Company's approved strategy and managing day-to-day operations in line with established governance frameworks (Principles A.1.1 and A.1.7).

The team exercises executive authority within clearly defined limits and is accountable for:

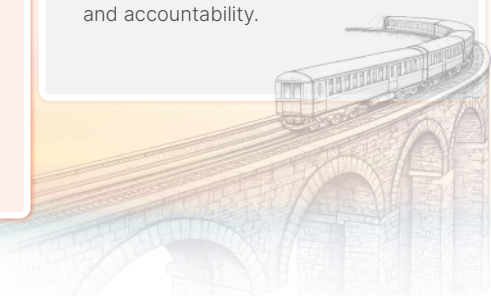
- Implementing the strategic direction approved by the Board;
- Driving operational performance, regulatory compliance, and disciplined risk management;
- Maintaining effective internal controls and governance standards;
- Ensuring that business activities align with statutory requirements, IRCSL regulations, and corporate governance best practices; and
- Providing timely and transparent reporting to the Board to support informed oversight.

The Company's organisational structure is presented on page 30, and profiles of the Corporate Management Team are available on pages 213-214.

Performance Evaluation of the Managing Director and Corporate Management Team (Principles A.9.1 and A.9.3)

The Managing Director's performance evaluation is disclosed on page 232.

The performance of the Corporate Management Team is assessed annually through a structured and transparent framework aligned with the Company's strategic objectives. At the beginning of each financial year, measurable performance targets are established based on the Board-approved Corporate Plan.



7. LEADERSHIP & STRATEGIC STEWARDSHIP

The Managing Director evaluates the Corporate Management Team against agreed financial and non-financial objectives, considering key performance indicators as well as external factors such as economic conditions and industry developments. This process reinforces accountability, encourages continuous improvement, and supports sustainable long-term growth.

Setting Annual Targets for the Managing Director

The Board, in consultation with the Managing Director, sets clear financial and non-financial performance targets aligned with the Company's short-, medium-, and long-term strategic priorities.

These objectives are embedded within the Annual Corporate Plan, which is reviewed and approved by the Board to ensure consistency with the Company's governance framework and strategic direction.

Progress against these targets is monitored regularly by the Board, with performance assessments reflecting both internal execution and prevailing market conditions.

Key Focus Areas of the Corporate Plan



- Market share growth and business expansion
- Revenue growth (GWP) through disciplined underwriting and distribution strategies
- Profitability and capital efficiency
- Dividend sustainability
- Employee remuneration and talent development
- Integration of ESG principles into business strategy

Code of Conduct and Ethical Leadership

Members of the Corporate Management Team are required to adhere to the Company's Code of Conduct, which defines ethical standards, professional responsibilities, and governance expectations. Further details are provided on page 248.

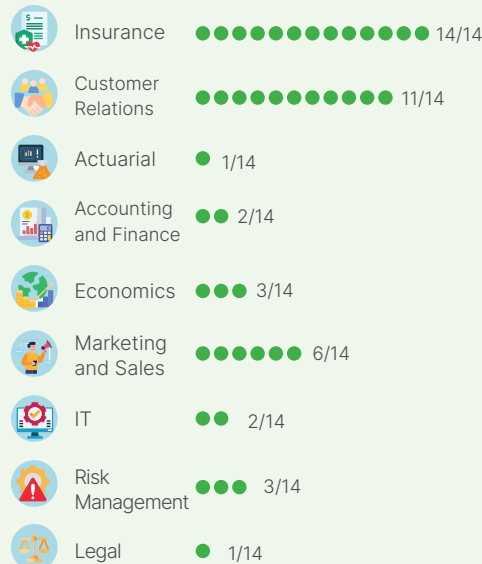
Remuneration and Leadership Diversity

Remuneration of the Corporate Management Team is structured in alignment with performance outcomes, strategic priorities, and long-term sustainability objectives, under the oversight of the Remuneration Committee.

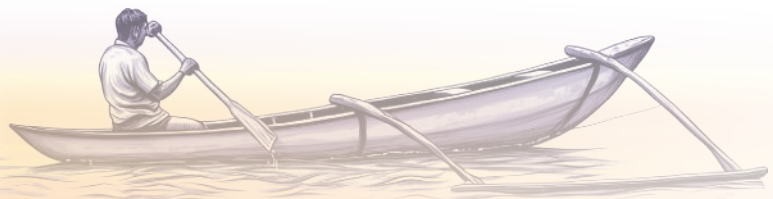
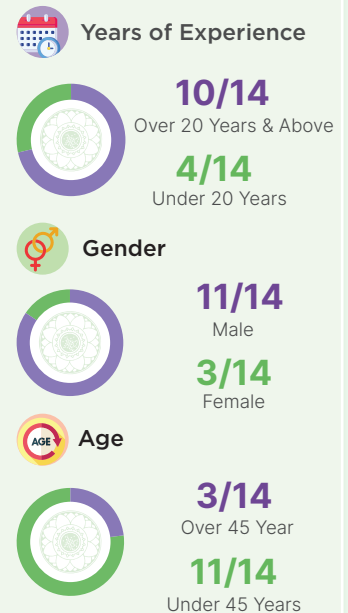
The Company recognises diversity as a driver of innovation, resilience, and sound decision-making. The Corporate Management Team reflects diversity across professional expertise, tenure, age, and gender, contributing to a balanced and forward-looking leadership structure.

The composition of the Corporate Management Team is illustrated in the accompanying graphic, demonstrating the Company's commitment to inclusive and strategic leadership.

Figure: Corporate Management Composition Expertise*



*An individual may fall into several expertise areas



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 Technical Officer
 Head of Marketing
 Chief Risk Officer
 Chief Human Resources Officer

COMMITTEE OBJECTIVES

Oversee the Company's sustainability strategy, ensuring alignment with corporate values, regulatory expectations, and stakeholder priorities, while monitoring sustainability initiatives and integrating ESG considerations into business strategy and operations.

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

ASSET AND LIABILITY MANAGEMENT COMMITTEE

MEMBERS

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

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

8. RESPONSIBLE CONDUCT & STAKEHOLDER TRUST

8.1 GOVERNING FOR OUR POLICYHOLDERS

At Softlogic Life, our balance sheet is the ultimate testament to our commitment. As of December 31, 2025, Policyholder Liabilities represent 85% of our total liabilities. Safeguarding these funds is not merely a regulatory requirement; it is our most critical governance priority.

We do not view governance as a static compliance exercise, but as a "Safety Vault" for our 1.3 million+ policyholders. Our approach is integrated into four (4) governance pillars that ensure financial security, product suitability, and service excellence.

Pillar 1: Financial Stewardship & Fund Integrity

The vast majority of our obligations are managed through a "Protection-First" financial framework, ensuring we remain ready to honour our long-term promises.

- **Segregation of Funds (IRCSL Direction 15):** We maintain strict physical and accounting segregation between Shareholder and Policyholder funds. This "firewall" ensures that the Life Insurance Fund is utilised exclusively for the benefit of our customers, insulated from broader corporate risks.

This segregation is operationalised through five distinct policyholder funds and a shareholder fund each with its own dedicated investment mandate and oversight by independent custodians. To support this physical separation, our financial systems utilise a robust "Segment Concept" of accounting, ensuring that every transaction is granularly tracked and attributed to the correct fund. This multi-layered architecture ensures that there is no mixing of funds—even between different policyholder categories—with all assets remaining strictly ring-fenced at all times.

- **Prudent Valuation & Independent Assurance:** Our insurance contract liabilities are valued using rigorous actuarial standards. Softlogic Life stands unique in the industry by

conducting quarterly valuations of the Life Fund, ensuring real-time monitoring of policyholder protection. These valuations are certified by our appointed actuary, Willis Towers Watson (WTW), providing independent assurance on the adequacy of our liabilities.

- **Equitable Allocation:** Our commitment to equity is built upon two core pillars: the distribution of customer benefits and the rigorous allocation of expenses. The distribution of benefits—including bonuses, dividends is governed by frameworks designed to ensure every payout is strictly aligned with the specific terms and conditions of the issued policy. Complementing this, our expense allocation framework mandates that only costs directly relevant and attributable to the Life Fund are recorded against it. This framework further governs the precise allocation of expenses between the various funds within the Life Fund, preventing any single fund from disproportionately bearing shared costs and ensuring the integrity of customer returns remains protected.

In 2025, the Board conducted a review of the expense allocation framework, carefully evaluating the underlying basis and the specific cost drivers used to distribute overheads. Following this deep-dive assessment, the Board formally approved the 2025 Expense Allocation Policy. To ensure these governance standards are strictly mirrored in our operations, the approved allocations are recorded within our accounting system using the Segment Concept which ensures that every expense is precisely attributed to its respective fund.

- **Asset and Liability Management:** Our Asset and Liability Management framework is designed to match the duration and cash flow of our assets with our policyholder obligations. By maintaining a disciplined investment strategy, we manage liquidity and market risks while optimising returns

within a Board-approved risk tolerance. This ensures that the Company remains solvent and liquid across all economic cycles.

- **Managing Long-term Solvency & Capital Resilience:** Softlogic Life maintains a sophisticated Capital Projection Framework to safeguard our long-term commitment to policyholders. We utilise a Risk-Based Capital (RBC) framework to continuously monitor how various risk factors—including market, credit, and operational risks—and their associated sensitivities are evolving. This analysis allows us to understand the potential impact on our capital position under different market conditions, ensuring that our capital remains resilient and provides a robust buffer that secures policyholder liabilities across all economic cycles.

To operationalised this oversight, we monitor our Capital Adequacy Ratio (CAR) on a monthly basis, allowing for more informed and timely decision-making. As of December 31, 2025, Softlogic Life has maintained a stable CAR of 245%, which stands significantly above the regulatory requirement of 120%. This robust solvency position is further validated by our appointed actuary, WTW (Willis Towers Watson), providing independent assurance over the accuracy of this ratio and the adequacy of our capital buffers.

Pillar 2: Strategic Onboarding & Suitability (IRCSL Direction 1)

Protection begins at the first point of contact. We ensure that every policyholder enters into a contract that is precisely aligned with their needs.

- **Tailor Made Product Portfolio:** In compliance with IRCSL Direction 1, we implement a formal Customer Needs Assessment during the onboarding process. This fosters consumer confidence and enhances long-term retention by ensuring product suitability. Our diversified portfolio addresses specific life-stage requirements:

- **Family Protection:** Softlogic Life Family Plan
 - **Child Education:** Softlogic Life Child Plan
 - **Retirement:** Softlogic Life Retirement Plan (with protection options)
 - **International Cover:** Good Health Series & Global Protection
 - **Investment & Savings:** Saving Protection & Investment Protection Plans
- **Transparency through IPIDs:** We provide Insurance Product Information Documents (IPIDs) in Sinhala, Tamil, and English. By removing "fine print" ambiguity, we empower customers to make fully informed decisions.
 - **Integrity in Onboarding:** Robust Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) processes are embedded within our digital onboarding systems. Automated risk-profiling and periodic reviews ensure the stability and sustainability of our entire risk pool.
 - **Net Promoter Score (NPS) Framework:** Purpose of this is to establish a consistent and standardised approach for measuring customer satisfaction across all service channels, ensuring comparability, transparency, and regulatory compliance. The Net Promoter Score (NPS) methodology, data validation processes, auditor confirmations, and reporting mechanisms are fully aligned with and comply with all prescribed regulatory and professional standards. Robust controls are in place to ensure the accuracy, integrity, and reliability of survey data, with independent verification and structured reporting to support transparency and effective oversight.

Pillar 3: Increase the Policy Holder Confidence (IRCSL Direction 2)

Confidence is built through consistent, high-quality interactions. We govern our service levels to ensure accountability across the entire insurance lifecycle.

- **The Policyholders' Charter:** This Board-approved "Social Contract" outlines the rights of our policyholders and our commitment to them. It is published transparently on our website and socialised across our workforce and agency force to ensure a customer-centric culture.
- **The 3M Model (Monitor, Measure, Manage):** We utilise the 3M Model to track policyholder interactions against clearly defined KPIs. This data-driven oversight ensures that service quality is maintained at a superior level across all touchpoints.
- **Information Disclosure :** Softlogic Life Insurance PLC has clearly indicated its status as a company licensed by the IRCSL in customer communication documents , promotional materials, digital platforms and all the Softlogic Life branches in line with regulatory requirements.
- **Enhancing Policyholder Protection :** Softlogic Life Insurance PLC has implemented measures to enhance policyholder protection through increased transparency, customer awareness initiatives, and strengthened service practices.

Pillar 4: Education & Empowered Literacy

A protected policyholder is an informed policyholder. We proactively bridge the information gap to enhance insurance literacy across Sri Lanka.

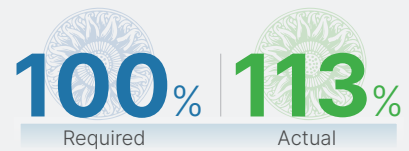
- **Insurance Literacy Initiatives:** Through a blend of digital, print, and in-person platforms, we provide ongoing education on policy terms, benefits, and rights. This empowers our customers to maximise the value of their coverage.
- **Disclosure & Accountability:** We clearly disclose our licensed status and regulatory standing across all promotional and 3M touchpoints. This transparency provides policyholders with the assurance that they are backed by a strictly regulated and ethically governed institution.

GOVERNANCE HIGHLIGHTS

DETERMINATION RATIO

Regulatory Determination Ratio Maintained with a 13% Asset Buffer

Determination Ratio Status



Segregated Funds in line with IRCSL Direction 15



2025 Expense Allocation Policy Approved by Board



3M Model used for Monitoring of Policyholder Interactions



8. RESPONSIBLE CONDUCT & STAKEHOLDER TRUST

8.2 GOVERNING OUR PEOPLE

At Softlogic Life, our employees are the "engine of innovation" behind our market success. Employee governance is the framework that ensures this engine runs with integrity, fairness, and transparency. By aligning our people strategy with the best Governance practices, we create a workplace where merit is rewarded and ethical conduct is non-negotiable.

Our approach is integrated into following four (4) governance pillars.

Pillar 1: The Policy Framework for Integrity

Our governance is rooted in a comprehensive suite of policies that regulate the employee lifecycle addressing key areas including recruitment, training and development, transparent communication, reporting structures, performance management, equal opportunities for career progression, talent management, and succession planning.

- **Core Policies:** Code of Conduct, Remuneration, Recruitment & Selection, Learning & Development, Grievance Handling, Disciplinary, Absence Management, and Study Leave.
- **Independent Validation:** To ensure ongoing compliance, the Internal Audit Department, in collaboration with an outsourced consultancy firm, conducts annual audits of our HR policies. This ensures our practices meet the highest regulatory standards and industry benchmarks.

Pillar 2: A Performance-Driven Culture

We believe that high performance should be met with high reward. Our governance ensures that this link is objective, data-driven, and transparent across all levels of the organisation.

- **Holistic Appraisals:** Performance is a key determinant of remuneration and career progression for all employees, ranging from junior staff to executive management, including the Managing Director of the Company. Employees—from junior staff to Department Heads—undergo structured Mid-year and Year-end evaluations managed by the Human Resources function. These are fully align with the CA Sri Lanka Code of Best Practice on Corporate Governance
- **Executive Accountability:** In accordance with the CA Sri Lanka Code of Best Practice, the Board of Directors conducts a rigorous Annual Performance Evaluation of the Managing Director, ensuring that leadership is held to the highest standards of strategic delivery.
- **The Remuneration Benefit:** The Remuneration Committee oversees the benefits for the Managing Director, Executive Management, and the wider workforce. In 2025, variable bonuses were fully disbursed based on a Board-approved Target Achievement Matrix, ensuring that financial rewards are directly earned through performance.
- **Equitable Remuneration:** Overseen by the Remuneration Committee, our framework is guided by fairness, accounting for the cost of living, industry benchmarks, and internal pay structures.
- **Comprehensive Benefit Structure:** To attract and retain top talent, our compensation includes:
 - Fixed component
 - Variable components
 - Retirement benefits
 - Other employee benefits

Pillar 3: Talent Stewardship & Succession

Governance ensures the Company's longevity by protecting its future leadership.

- **Succession Planning:** Our Board-level oversight includes a structured approach to identifying and nurturing the next generation of leaders.
- **Talent Management:** We utilise a robust governance framework to identify "High Potentials" and provide them with accelerated career pathways, reducing institutional risk and ensuring business continuity.

Pillar 4: Transparency & Communication

Open dialogue is a cornerstone of our governance. We ensure that employees are not just informed, but engaged in the Company's journey.

- **Transparent Reporting:** From clear reporting structures to open forums with leadership, we remove silos and foster a culture of accountability.
- **Internal Compliance:** We maintain a "Zero Tolerance" policy toward non-compliance, supported by regular internal audits and awareness programs on our Whistle-blowing and Anti-Bribery policies.

RECRUITMENT & SELECTION POLICY



The Recruitment and Selection Policy sets out clear guidelines for identifying and selecting suitable candidates to fill vacancies within the organisation. Each department assesses and forecasts its manpower requirements annually, which are incorporated into the Corporate Plan and submitted to the Board of Directors for approval. This approach ensures that recruitment decisions are aligned with the Company's strategic objectives, operational needs, and approved budget.

8.3 GOVERNING OUR SALES FORCE

A strong and motivated sales force is critical to business growth, and Softlogic Life fosters a high-performance culture across its sales teams. Through competitive incentive structures and a results-driven environment, the Company promotes sustained performance, continuous improvement, and market leadership.

Our approach is integrated into following four (4) governance pillars.

Pillar 1: Regulatory Rigour & Qualified Recruitment

- IRCSL Compliance (Direction 2):**
 As directed by the Insurance Regulatory Commission of Sri Lanka (IRCSL), all insurance agents are required to pass a pre-recruitment examination conducted by the Sri Lanka Insurance Institute or any other institution approved by the Commission.
- Rigorous Verification:** A comprehensive framework ensures only well-qualified, licensed professionals represent the Company.
- Competency-Led Selection:** Recruitment guidelines prioritise integrity and customer-centricity to build a sustainable sales foundation.

Pillar 2: Performance-Oriented Culture & Incentives

This pillar aligns sales motivation with the Company's strategic objectives and the long-term security of the Life Fund.

- Strategic Incentive Schemes:** Predefined annual incentive frameworks align agent rewards with ethical value creation and business growth.
- Quality-Driven Remuneration:** Our career roadmap and rewards prioritise "Quality of Business" to protect the long-term interests of our policyholders.

Pillar 3: Continuous Professional Development (CPD)

This pillar focuses on the constant evolution of our sales force's knowledge capital to navigate a changing regulatory landscape.

- Advanced Knowledge Management:** Structured CPD programmes are regularly updated to enhance technical competence and professional ethics.
- Virtual Operations & Training:** Our fully virtual platform facilitates seamless operations and real-time training, maintaining high standards of digital agility.

Pillar 4: Conduct & Accountability

This pillar enforces strict oversight to ensure that market conduct remains transparent and fair.

- Market Conduct Oversight:** Formal guidelines for investigations and complaints ensure any deviation from standards is addressed via board-monitored processes.
- Ethical Sales Standards:** Integration of regulatory requirements into daily operations ensures advisors prioritise product suitability and informed decision-making.
- Code of Conduct for Sales Personnel:** This directive is intended to promote ethical behaviour among sales personnel by establishing clear standards of professional conduct. The key requirements include developing a formal code of conduct, incorporating those standards into contractual arrangements, and carrying out periodic reviews to ensure continued relevance and compliance.

GOVERNANCE HIGHLIGHTS

Performance Evaluation Process

Corporate Plan Approved by the Board



Corporate Objective set by the Management



Goal Setting by employees



Mid Year & Year end Evaluation



100% Completed ✓



Breaches in Company Code of Conduct and Ethics



Sales Agents passed the pre-recruitment Exam



8. RESPONSIBLE CONDUCT & STAKEHOLDER TRUST

8.4 GOVERNANCE WITH ETHICAL INFRASTRUCTURE

Softlogic Life's governance is anchored by an "Ethical Infrastructure" that ensures we operate with transparency, protection of sensitive data, and maintain a zero-tolerance stance against financial crime and corruption. This framework provides the essential checks and balances required to sustain stakeholder trust in a complex regulatory environment.

Our approach is integrated into following four (4) governance pillars.

Pillar 1: Ethical Conduct & Accountability

(PRINCIPLE D.6)



Softlogic Life Insurance PLC is committed to maintaining the highest standards of ethical conduct, integrity, and compliance in all its business activities. This Code of Business Conduct & Ethics outlines the principles and expectations applicable to Directors, Key Management Personnel, and all employees of the Company.

The Code promotes compliance with applicable laws and listing requirements, responsible dealings in the Company's shares, prevention of bribery and corruption, protection of confidential information, and ethical decision-making. It also encourages the prompt reporting of any illegal, fraudulent, or unethical behaviour to those charged with governance. No waivers were granted to any Director during the period under review.

Softlogic Life Insurance PLC has maintained the policies to comply with the Code of Business Conduct and Ethics and following policies are covered the main criteria's of the company. (Principle D 6.1)

Code of Conduct - Conflict of Interest, Entertainment and gift, Corporate, Opportunities, Confidentiality, Fair

Dealing, Protection and proper use of Company assets including information assets, compliance with laws, rules and regulations (Including insider trading law)

Anti-Money Laundering & Counter Terrorist Financing Policy - Bribery and Corruption

Accounting Policies and Accounting Manuals - Accurate accounting and record-keeping.

Manual of Financial Authority (MOFA) - Accurate accounting and record-keeping, Fair & transparent procurement policies.

Manual of Supplier Evaluation Committee - Fair & transparent procurement policies

Privacy Notice Policy - Confidentiality

IT Asset Management Policy/ Computing Devices Usage Policy - Protection and proper use of Company assets including information assets.

Employee Grievance Handling Policy - Covers workplace-related complaints including Sexual harassment, discrimination and abuse and other employment-related concerns, providing a formal resolution mechanism.

Whistleblowing Policy - Provides a confidential mechanism to report illegal, fraudulent, unethical, or serious misconduct, including violations of Company policies.

Principle D 6.2

The Company has implemented a process to identify and promptly report material and price-sensitive information.

Principle D 6.5

The Code of Ethics is included in the induction and training programme for all new employees.

Whistleblower Policy (Principle D.6.4)

Softlogic Life Insurance PLC has adopted a Whistleblower Policy in line with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Listing Rules of the Colombo Stock Exchange. The Policy enables stakeholders to report illegal, fraudulent, unethical, or serious misconduct, including violations of company policies in a secure and confidential manner, while ensuring protection against retaliation.

Reporting Mechanisms

Concerns may be raised through written communication, email, or the Company's dedicated 24/7 Whistleblower Hotline, which supports voice calls, SMS, WhatsApp, and Viber. Whistleblowers may direct their concerns to the following independent resources or officers of the Company:

Independent Reporting Channels:

Chairman of the Board Audit Committee; Group Director – Human Capital & Taxation

Officers of SLI: Managing Director, Deputy Chief Executive Officer, Chief Corporate Services Officer, Chief Human Resources Officer, Chief Risk Officer, Chief Audit and Compliance Officer

Investigation Process

All disclosures are independently investigated under the direction of the Chief Audit and Compliance Officer, with support from relevant Department Heads where required. Investigation findings are submitted to the Chairman of the Audit Committee or the Corporate Management Team, and appropriate disciplinary action is taken in accordance with the Company's Code of Conduct and internal policies where allegations are substantiated.

Pillar 2: Data Sovereignty & Privacy (PDPA No. 9 of 2022)

This pillar ensures the lawful, fair, and transparent processing of personal and sensitive data in an increasingly digital landscape.

- **Privacy Notice Policy:** Implemented in full compliance with the Personal Data Protection Act, No. 9 of 2022 (PDPA). This framework is supported by robust cybersecurity controls and formalised third-party data protection agreements.
- **Data Collection & Scope:** We collect personal info (name, contact, financial data) and sensitive data (medical records, claims history, criminal convictions, and biometric data) only where necessary for legitimate business, regulatory, or contractual purposes.
- **Technical Resilience:** The policy outlines our practices for collection, storage, and disclosure, ensuring technical data (IP addresses, browser types) and personal data are processed lawfully and transparently to manage cyber risks and maintain confidentiality.

PRIVACY NOTICE POLICY (PERSONAL DATA PROTECTION ACT, NO. 9 OF 2022)



The Privacy Notice Policy has been established in accordance with the Personal Data Protection Act No. 9 of 2022. The purpose of this policy is to inform individuals about the Company's practices regarding the collection, use, maintenance, disclosure, processing, and storage of personal data that may be provided through access to or use of this website, or otherwise collected by the Company.

Pillar 3: Financial Crime Combat (AML/CFT Framework)

A comprehensive framework to identify, mitigate, and monitor money laundering and terrorist financing risks in line with international and statutory requirements.

- **Regulatory Context:** In line with Financial Action Task Force (FATF) recommendations and IAIS Insurance Core Principles, the Company maintains an effective AML/CFT programme. We adhere to the Insurers (Customer Due Diligence) Rules, No. 1 of 2019 issued by the Financial Intelligence Unit, and the updated AML/CFT guidelines for insurers and brokers issued by the IRCSL.
- **Compliance Framework:** Our policies further comply with the Financial Transactions Reporting Act No. 6 of 2006, the Prevention of Money Laundering Act No. 5 of 2006, and the Convention on the Suppression of Terrorist Financing Act.
- **Board-Approved AML/CFT Program:** Periodic enterprise-wide risk assessments are formally documented and reported to the Board and Board Audit Committee (BAC). The Company maintains an AML/CFT Policy, supported by standard operating procedures, manuals, and control frameworks, which are reviewed annually and implemented consistently across all business units and distribution channels.
- **Operational Due Diligence:** We have established PEP screening, approval, and Enhanced Due Diligence (EDD) procedures. Source of funds and wealth verification are fully implemented with senior management oversight.

- **Reporting & Systems:** Suspicious Transaction Reports (STRs) and Prescribed Activity Event (PAE) reports are submitted via the goAML platform within regulatory timelines. Threshold controls for cash and EFT are enforced through system-based controls.
- **Compliance & Audit:** A senior management-level Compliance Officer with direct access to the Board and BAC oversees the framework. Its effectiveness is subject to regular independent internal audits and structured training programmes are conducted for all relevant stakeholders.

Pillar 4: Anti-Corruption & Procedural Control (Internal Shield)

This pillar utilises specific operational manuals to prevent bribery and ensure strict financial discipline across all corporate activities.

- **Fraud Risk Management Policy:** Explicitly clarifies the Company's Zero-Tolerance stance on any fraudulent activity, including corruption, bribery, or theft, and confirms strict management actions for violations.
- **Manual of Financial Authority (MOFA):** Defines the specific scope and extent of responsibility and accountability relating to maintaining satisfactory financial controls and procedures.
- **Manual of Supplier Evaluation Committee (MOSEC):** Provides strict guidelines on the supplier evaluation and selection process, ensuring best practices and transparency are practiced during the course of business.

8. RESPONSIBLE CONDUCT & STAKEHOLDER TRUST

8.5 GOVERNING OUR SHAREHOLDERS

Annual General Meeting – AGM (Principle C.1/F.2)

The Annual General Meeting (AGM) serves as an important platform for shareholders to engage directly with the Board and participate in key decision-making matters reserved for shareholders. The Board utilises the AGM as a primary forum to communicate effectively with shareholders and actively encourages their participation.

Matters considered at the AGM typically include the adoption of the Annual Report and Financial Statements, the appointment of Directors and Auditors, and the approval of special resolutions as required under the Articles of Association and the Companies Act No. 07 of 2007.

(Principle C.1.4) - The Chairman ensures that the Chairpersons of the Board Sub-Committees — including the Audit Committee, Risk Committee, Nominations and Governance Committee, and Remuneration Committee, Investment Committee and Related party Transaction Review Committees be present at the AGM, to respond to any inquiries made by the shareholders.

The Company Secretary, **Softlogic Corporate Services (Pvt) Ltd**, is responsible for coordinating and conducting the Annual General Meeting (AGM) in accordance with statutory and regulatory requirements. The Company Secretary also facilitates effective communication between shareholders and the Board of Directors, ensuring that shareholders are provided with the opportunity to engage directly with the Board and raise any relevant queries or concerns during the meeting.

Shareholder Notice

Notice of AGM is circulated to all shareholders at least 15 working days in advance, in compliance with the Companies Act. Ref page no 476.

Voting Process at the AGM

Separate resolutions are presented for each substantially distinct matter to ensure clarity and transparency. Shareholders are entitled to vote “For” or “Against” each resolution, or to withhold their vote.

Voting via Proxy

Each resolution is accompanied by a proxy appointment form, enabling shareholders to appoint a proxy to vote on their behalf.

Shareholder Feedback

The Company has provided shareholders with an “Investor Feedback Form,” offering them the opportunity to share their views and comments on the Company. The feedback form is included in Annexure 2 on pages 479-480 of this Annual Report

Individual Shareholders (Principle F.1)

The Company also encourages individual shareholders who invest directly in its shares to undertake adequate analysis or obtain independent professional advice when making investment or divestment decisions.

Institutional Shareholders (Principle E-1)

The Company maintains structured communication with institutional investors, brokers, and financial analysts to enhance their understanding of its operations, strategy, and future plans, while encouraging open dialogue on matters that may influence their perception of the Company's value. The Board and Management strictly comply with statutory and ethical requirements to ensure the confidentiality of price-sensitive information.

Highlights of 26th AGM held in 28th March 2025

The Company held an AGM on the 28th March 2025 at Auditorium of Asiri Central Hospital, Colombo.

Matters discussed at the AGM included:

1. 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 2024 and the Report of the Auditors thereon.
2. To re-elect Mr. S. W. Mohottala, who retires by rotation in terms of Articles 98 (a) of the Articles of Association of the Company as a Director of the Company.
3. 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 2025.

Shareholder Communications during 2025 (Principle E.1.1)

- Mar 2025** : Notice of the 26th Annual General Meeting
- Mar.2025** : AGM meetings resolutions are approved by shareholders
- Mar.2025** : Acquisition of 100% shares of Allianz Life (subject to regulatory approval)
- Jul.2025** : Completion of Allianz Life acquisition with regulatory approval
- Aug.2025** : Interim dividend announcement - Rs. 4.50 per share
- Sep.2025** : Disclosure of dealings in relevant interest in shares of Softlogic Capital PLC

9. RISK, ACCOUNTABILITY & ASSURANCE

Softlogic Life maintains a rigorous system of internal and external oversight to ensure the precision of our financial reporting, the resilience of our IT governance, the security of our operational assets and Risk Management. This framework provides the technical foundation for transparency, ensuring the Company consistently meets its solvency requirements and wider regulatory obligations.

We manage this through two integrated strategic dimensions: The Governance Shield and The Assurance Lens.

9.1 PART A: THE GOVERNANCE SHIELD

The Shield represents the structural barriers and regulatory boundaries established by the Board to prevent risk and ensure compliance.

1. Internal Control Framework

Board Stewardship of Internal Controls (Principle D.2.2.1)

The Board is responsible for establishing a robust framework to ensure that internal controls are properly designed, effectively implemented, and continuously monitored. This provides reasonable assurance over the reliability of financial reporting, the effectiveness and efficiency of operations, and compliance with applicable laws and internal policies.

Quarterly Effectiveness Reviews (Principle D.2.2.3)

In line with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka, the Board of Directors of Softlogic Life reviews the Company's internal control framework on a quarterly basis and implements appropriate measures to ensure continued effectiveness. In addition, the Audit Committee conducts quarterly evaluations of internal control processes and promptly initiates corrective actions where any control weaknesses or non-compliance issues are identified.

2. IT & Cybersecurity Governance

Level 01 : Identification of IT Connectivity and Cybersecurity Risks (Principle G.1)

The Board has implemented a structured framework to identify and manage cybersecurity risks associated with both internal and external system connectivity. IT risk exposures are regularly reported to the Board Risk Committee. During the year, the Company strengthened its security posture through the deployment of Web Application Firewalls (WAF), SD-WAN protections, and Endpoint Detection and Response (EDR) controls. Regular penetration testing and vulnerability assessments are conducted to address emerging threats. Infrastructure upgrades, engagement of a managed security services provider, and alignment with ISO 27001:2022 further enhanced the Company's cybersecurity governance and resilience.

Level 02 : Appointment of CISO and Cybersecurity Risk Management Framework (Principle G.2)

The Board has approved an IT Risk Management Framework aligned with international standards and established robust governance structures to oversee cybersecurity risk. Regular reporting is provided to the Board and Board Risk Committee. An Internal Information Security Steering Committee, led by the Managing Director and senior executives, strengthens oversight. The Company maintains formal vendor risk management, periodically tests its BCP and DRP, conducts independent ITGC audits, and has initiated the ISO 27001:2022 certification process to enhance governance and control maturity.

Level 03 : Board Agenda and Cybersecurity Risk Discussions (Principle G.3)

Cybersecurity risk is a standing agenda item at Board and Board Risk Committee meetings. The Board regularly reviews the Company's cyber risk posture, control environment, and remediation progress based on management updates, audit findings, and testing results. Incident reporting mechanisms and governance

dashboards further support effective oversight and timely risk management.

Level 04 : Independent Review and Assurance (Principle G.4)

The Board ensures the effectiveness of the cybersecurity framework through independent reviews and periodic assurance. Third-party assessments, penetration testing, and vulnerability scans are conducted regularly, with findings reviewed at Board level and remediation closely monitored. The ongoing ISO 27001:2022 certification initiative further enhances independent validation and continuous improvement of information security controls.

Level 05 : Disclosure of Cybersecurity Risk Management Process (Principle G.5)

The Company maintains a formal cybersecurity risk management framework in compliance with the CA Code. This framework includes policies on information security, access control, incident management, vendor risk, business continuity, and disaster recovery. Cyber risks are integrated into the enterprise risk management process with regular reporting to governance committees, demonstrating the Company's commitment to a secure and resilient IT environment.

3. Regulatory Compliance

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

Governance Oversight and Regulatory Compliance Framework

Softlogic Life maintains a structured and proactive compliance management framework designed to ensure full

9. RISK, ACCOUNTABILITY & ASSURANCE

adherence to statutory, regulatory, and listing requirements. The framework is anchored on continuous regulatory surveillance, structured impact assessment, accountability at management level, and Board-level oversight.

Process for Monitoring Compliance Status

- The Compliance Officer maintains a comprehensive register of regulatory requirements together with their respective deadlines.
- Relevant departments are notified in advance regarding upcoming regulatory obligations.
- The Compliance Officer coordinates with Department Heads to ensure timely completion of all compliance requirements.
- A monthly compliance status report is submitted to the Managing Director.

Process for Managing New Regulations

- The Compliance Officer obtains and reviews information relating to newly issued statutory and regulatory requirements.
- An impact assessment is conducted to evaluate how the new regulations affect the Company's operations, policies, and procedures.
- The findings are communicated to the relevant Department Heads and the Managing Director for necessary action.
- A consolidated update on new regulatory developments is presented to the Audit Committee on a quarterly basis.

Risk Based Capital

Risk-Based Capital (RBC) is a regulatory capital framework adopted within the Sri Lankan insurance industry to ensure that insurers maintain adequate capital in line with the level and nature of risks they undertake. Under this approach, the capital requirement is directly linked to the Company's risk profile, including insurance risk, market risk, credit risk, operational risk, and liquidity risk.

At Softlogic Life Insurance PLC, the RBC framework forms a core component of its enterprise risk management and solvency oversight processes. The Company continuously monitors its Capital Adequacy Ratio (CAR) to ensure compliance with the regulatory minimum requirement prescribed by the Insurance Regulatory Commission of Sri Lanka (IRC SL). By maintaining a CAR significantly above the required threshold, Softlogic Life demonstrates strong financial resilience and its ability to withstand adverse stress scenarios.

IRC SL Guidelines on Market Conduct of the Insurers (2025)

The purpose of this framework is to ensure the fair, transparent, and consistent treatment of policyholders by promoting ethical conduct, regulatory compliance, and customer-centric practices throughout the insurance lifecycle, including product design, marketing, policy administration, claims management, and customer service.

• Key Action Plans

The Company has established minimum standards for the conduct of business to ensure consistency, integrity, and compliance across all operations. A culture of fair treatment is embedded through policies, training, and oversight mechanisms that guide employee behaviour and decision-making. These measures are designed to safeguard policyholder interests by promoting transparency, ethical practices, and customer-centric outcomes throughout the insurance lifecycle.

The Company has a Board-approved Market Conduct and Fair Treatment Policy supported by clearly defined governance structures, key performance indicators (KPIs), and monitoring mechanisms, all of which are fully operational. Robust advertisement review and approval processes are in place, with all promotional and marketing materials subject to Compliance review prior to release to ensure accuracy, fairness, and regulatory compliance. In addition, standardised quotation and proposal formats are

utilised, with pricing structures and disclosures aligned with the directives and guidelines issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL).

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

The Colombo Stock Exchange (CSE) revised its Corporate Governance requirements applicable to listed entities, previously set out under Rule 7.10 and Section 9, by consolidating them into a unified framework under the updated Section 9 of the Listing Rules. Mandatory compliance with the revised framework is effective from 2024.

A detailed breakdown of compliance is provided on pages 288-294 of this Annual Report.

4. Risk Management

The Board recognises effective risk management as a critical component of sustainable value creation and long-term resilience. The Company maintains a structured risk management framework designed to identify, assess, monitor, and manage key risks across all areas of operations. This framework is aligned with regulatory requirements and integrates risk considerations into strategic decision-making, ensuring that emerging risks and opportunities are proactively addressed.

As a life insurance provider, the Company is exposed to a range of risks including insurance risk, market risk, credit risk, liquidity risk, operational risk, regulatory and compliance risks, as well as technology and cybersecurity risks. In addition, the Company recognises the growing importance of climate-related risks and sustainability considerations, which are increasingly integrated into the overall risk management approach.

Full details of the Company's risk management framework are provided on pages 107-113 of this Annual Report.

9.2 PART B: THE ASSURANCE LENS

The Lens represents the independent investigative and analytical functions that provide transparency and objective validation of our controls.

1. Internal Audit Function

- Independence and Reporting Structure:** The Internal Audit Function (IAF) operates independently under the oversight of the Audit Committee. To ensure total independence from operational units and Senior Management, staff report directly to the Chief Audit and Compliance Officer. As the third line of defence, the function provides the Audit Committee with objective assurance on the adequacy and sustainability of the internal control framework.
- Risk-Based Methodology:** As the third line of defence, the IAF performs independent reviews in accordance with a risk-based audit plan and methodology approved by the Audit Committee. It assures the Committee that risk management processes are both effectively designed and properly implemented.
- Advanced Data Analytics:** To enhance audit coverage and effectiveness, the IAF utilises an IT specialist to perform data analytics and IT-related audit support using tools such as QlikSense.

Internal Audit Operating Methodology

Softlogic Life's Internal Audit Function operates through two key units: the Audit and Assurance Unit and the Claims & Fraud Monitoring 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.
- Claims & Fraud Monitoring Unit (CFMU)**
OBJECTIVE - This specialised unit assists management in detecting and deterring fraud and misapplication. It conducts daily sample-based audits of health claims and targeted reviews of areas with significant cash inflows and

outflows to prevent financial leakages. The CFMU also conducts fraud and whistle-blower investigations, reporting outcomes quarterly to the Audit Committee.

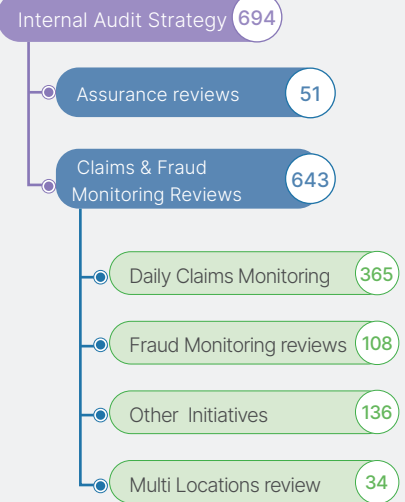
2. External Assurance (External Audit)

- Appointment and Reporting Mandate:** The Company's external audit is conducted by Messrs. KPMG, Chartered Accountants, who were re-appointed for the ensuing year at the 2025 Annual General Meeting. The External Auditors report to the Audit Committee on whether the Financial Statements present a true and fair view in accordance with SLFRS and LKAS, providing independent validation and advising on corrective actions based on audit findings.
 - Independence and Ethical Compliance:** The Board Audit Committee conducts an annual evaluation of the independence and objectivity of the External Auditors. As of the reporting date, no circumstances were identified that could impair their independence. All audit professionals adhere to strict ethical standards.
- Company maintains established guidelines governing the engagement of External Auditors for non-audit services to mitigate any potential threats to an acceptable level.

- Quarterly Audit Certification:** In a commitment to enhanced transparency, Softlogic Life obtains certification from the External Auditors for all quarterly surplus declarations. These figures are verified prior to publication with the Colombo Stock Exchange (CSE), ensuring that interim financial reporting meets the same rigorous standards as the annual audit.
- Continuous Governance Strengthening:** All audit findings and significant developments are reported to the Audit Committee on a quarterly basis. The Committee reviews these observations and initiates appropriate actions to further strengthen the Company's financial reporting and internal control environment, ensuring long-term governance excellence.

GOVERNANCE HIGHLIGHTS

Internal Audit Monitoring



100%

Internal audit reviews completed in 2025

4 quarters

External assurance & actuarial certification successfully completed



All IRCSL Directions, Guidelines & Circulars are complied

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

1. PREFACE

The Board of Directors of Softlogic Life Insurance PLC (“the Company”) is pleased to present the Integrated Annual Report of the Company and its subsidiary (“the Group”) for the year ended 31 December 2025. This Report includes the Audited Financial Statements of the Group and the Company together with the Independent Auditor’s Report thereon, prepared in compliance with all applicable statutory and regulatory requirements.

In line with the Company’s commitment to transparency and enhanced stakeholder engagement, the Annual Report is made available in multiple digital formats, including AI-powered tools.

2. REGULATORY FRAMEWORK AND COMPLIANCE

The Company is a licensed insurance company registered under the Regulation of Insurance Industry Act No. 43 of 2000 (RII Act) and incorporated under the Companies Act No. 17 of 1982. The Company was subsequently re-registered in accordance with the provisions of the Companies Act No. 07 of 2007 under Registration No. PQ 31. The registered office of the Company is located at Level 16, One Galle Face Tower, Colombo 02, Sri Lanka.

The ordinary shares of the Company have been listed on the Diri Savi Board of the Colombo Stock Exchange (CSE) since November 2000. The ultimate parent of the Company is Softlogic Holdings PLC, while Softlogic Capital PLC, the immediate parent company, held 51% of the issued shares of the Company as at 31 December 2025.

This Report provides the information and disclosures required under the Companies Act No. 07 of 2007, the Regulation of Insurance Industry Act No. 43 of 2000 and amendments thereto, Directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL), the Listing Rules of the Colombo Stock Exchange (CSE), the Code of Best Practice on Corporate Governance issued by CA Sri Lanka, and other applicable regulatory requirements.

The level of compliance with the provisions of Section 168 of the Companies Act No. 07 of 2007 and other applicable statutory requirements is presented in the sections that follow. In addition, comprehensive disclosures on compliance with mandatory regulatory directions and voluntary governance frameworks are provided on pages 288 to 304 of this Report.

Accordingly, the following disclosures are presented:

- Compliance with the requirements of Sections 7.6 and 9 of the Listing Rules of the Colombo Stock Exchange (CSE) (pages 288 to 294).
- Compliance with Direction No. 17 on Corporate Governance for Insurance Companies issued under the Regulation of Insurance Industry Act No. 43 of 2000 by the Insurance Regulatory Commission of Sri Lanka (IRCSL) (page 295).
- Compliance with the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka (pages 296 to 304).

3. STRATEGIC OVERSIGHT AND REPORTING FRAMEWORK

The Board provides strategic direction to the Company through an annual planning process and continuous oversight of key initiatives to address emerging risks and opportunities. Following its review of the business plan and financial projections, the Board confirms that the Company has adequate resources and systems in place to continue its operations for the foreseeable future.

4. REVIEW OF BUSINESS

The principal business activity of the Company is the provision of life insurance services and this remained unchanged during the financial year.

During the year, the Company completed the strategic acquisition of 100% of the shareholding in Softlogic Life Insurance Lanka Limited (formerly Allianz Life Insurance Lanka Limited) on 11 July 2025 following receipt of all required

regulatory approvals. This acquisition represents a significant milestone in the Company’s growth strategy and strengthens its distribution capabilities and market presence. Further details of the acquisition are provided in Section 10 of this Report.

A detailed review of the Company’s operational and financial performance during the year is presented in the Operational Review section on pages 40 to 50.

5. BOARD OF DIRECTORS

The Board of Directors of the Company as at 31 December 2025 comprised eight (8) Directors (2024: 8 Directors) possessing extensive financial, regulatory and commercial expertise. The profiles of the Directors are presented on pages 210 to 212 of this Annual Report.

A comprehensive overview of the Board’s governance framework, composition, independence and committee structure is provided on pages 226 to 241, together with further information on the roles and responsibilities of the Board.

5.1 Board Evaluation

The Board undertakes an annual evaluation process to assess its effectiveness, performance and governance practices. The evaluation covers the performance of the Board as a whole, Board Committees and individual Directors, including the Chairman.

The outcomes of the evaluation are reviewed collectively by the Board and used to identify areas for continuous improvement. A summary of the Board evaluation process and key outcomes is provided on page 232.

5.2 Directors’ Remuneration

Directors’ remuneration is determined in accordance with the approved remuneration policy of the Company, taking into consideration regulatory requirements, market benchmarks and the level of responsibilities undertaken.

Executive Directors' remuneration is linked to performance, while Non-Executive Directors receive fees commensurate with their responsibilities and committee memberships. Further details of the remuneration policy and disclosures relating to Directors' remuneration are provided on page 433 of this Annual Report.

6. DIRECTORS' RESPONSIBILITY FOR THE ANNUAL REPORT

The Board of Directors has approved and authorised for issue the Financial Statements of the Group and the Company for the year ended 31 December 2025, together with the comparative figures for the financial year 2024 and the Independent Auditor's Report thereon.

The appropriate number of copies of the Annual Report will be submitted to the Colombo Stock Exchange (CSE) and the Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) within the prescribed statutory deadlines.

The Statement of Directors' Responsibility for Financial Reporting is presented on page 263 of this Annual Report.

6.1 Directors' Responsibility For Financial Reporting

In accordance with the provisions of Sections 150(1), 151, 152 and 153(1) and (2) of the Companies Act No. 07 of 2007 and amendments thereto, the Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company.

The Board confirms that the Financial Statements, together with the material accounting policies and notes to the Financial Statements presented on pages 315 to 436, have been prepared in accordance with Sri Lanka Accounting Standards as required by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Companies Act No. 07 of 2007.

6.2 Directors' Responsibility For Corporate Governance

The Board of Directors is responsible for ensuring that the Company maintains sound corporate governance practices

and complies with all applicable statutory and regulatory requirements.

Further details relating to the Company's corporate governance framework and regulatory disclosures are provided in the Regulatory Framework and Compliance Section of this Report (Section 2).

7. EXTERNAL AUDITOR

7.1 Appointment of Auditor

Messrs. KPMG were appointed as the External Auditors of the Company at the Annual General Meeting held on 28 March 2025 to audit the Financial Statements for the year ended 31 December 2025.

Being eligible, KPMG have expressed their willingness to continue in office. A resolution to reappoint Messrs. KPMG as External Auditors of the Company and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting scheduled to be held on 31 March 2026.

7.2 Auditors' Remuneration

Audit fees and fees for other services provided during the year are disclosed in Note 21 to the Financial Statements on page 342.

7.3 Auditors' Independence

Messrs. KPMG have provided a written confirmation of independence in accordance with Section 163(3) of the Companies Act No. 07 of 2007.

The Board Audit Committee has reviewed the audit and non-audit services provided during the year and is satisfied that such services do not impair the independence of the External Auditors.

7.4 Independent Auditor's Report

The Independent Auditor's Report on the Financial Statements is set out on pages 312 to 314 of this Annual Report.

8. GOING CONCERN

Having reviewed the business plans and strategies of the Company, the Directors have assessed the Company's ability to continue as a going concern and are satisfied that it has adequate resources to continue its operations 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.

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

The Company maintained a Capital Adequacy Ratio ("CAR") of 245% as at 31 December 2025 (2024: 298%), exceeding the regulatory minimum of 120%, while also complying with the statutory minimum capital requirement of Rs. 500 million with stated capital of Rs. 1,062.5 million.

10. ACQUISITION OF SOFTLOGIC LIFE INSURANCE LANKA LIMITED

On 11 July 2025, the Company acquired 100% of the shareholding in Softlogic Life Insurance Lanka Limited (formerly Allianz Life Insurance Lanka Limited) for a total consideration of Rs. 1,426 million, following receipt of all required approvals from the IRC SL. The acquisition represents a strategic milestone, strengthening the Company's market presence and distribution network. It qualifies as a business combination under SLFRS 3 – Business Combinations and has been accounted for in the consolidated financial statements. While the subsidiary continues to operate as a separately licensed insurance entity, it is governed under the Group's risk management and internal control frameworks. Further details are provided in Note 2.14 to the Financial Statements..

11. TURNOVER (GROSS WRITTEN PREMIUM)

The Group's turnover, represented by Gross Written Premium, is derived solely from its principal activity of life insurance. Both the Company and its subsidiary, Softlogic Life Insurance Lanka Limited (formerly Allianz Life Insurance Lanka Limited), operate within this single line of business.

The Board confirms that no other classes of business were undertaken during the year. Detailed revenue figures are provided in the Notes to the Financial Statements on page 331.

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

12. DIVIDENDS AND RESERVES

The Company distributed interim dividends during the year under review. This included a dividend of Rs. 4.50 per share for the Financial year 2025. Further details are provided in Note 24 – Dividend per Share on page 345 of the Financial Statements.

The Directors confirm that the Company satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 in relation to the above dividend distributions. The Directors obtained the required Auditors’ certificate confirming the solvency of the Company prior to the declaration of such dividends.

The movement and composition of the Company’s reserves during the year under review are presented in the Statement of Changes in Equity on pages 318 to 319 of this Annual Report.

13. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, confirm that all statutory payments due to the Government, regulatory authorities and in relation to employees, including taxes, duties, levies and other statutory

obligations, have been duly paid or where relevant adequately provided for in the Financial Statements.

The Directors further confirm that there are no outstanding statutory payments as at the reporting date other than those payable in the ordinary course of business.

14. ANNUAL GENERAL MEETING

The Twenty-Seventh (27th) Annual General Meeting of the Company will be held on 31 March 2026 at 10.30 a.m. The Notice of the Annual General Meeting is set out on page 476 of this Annual Report.

15. GOVERNANCE OF RISK AND INTERNAL CONTROLS

The Board oversees the Company’s enterprise-wide risk management framework and internal control systems to ensure financial integrity, regulatory compliance and operational effectiveness. The Audit Committee and the Board Risk Management Committee periodically review the effectiveness of these controls and risk management processes.

16. DIGITAL TRANSFORMATION AND CYBER SECURITY

The Board continues to prioritise digital transformation as a key strategic pillar to enhance operational efficiency, strengthen customer experience and support data-driven decision-making.

During the year, the Company leveraged advanced technologies, including artificial intelligence and automation, to streamline operational processes. Notably, AI-enabled solutions are now used to automate the reading and assessment of medical prescriptions, improving the speed, accuracy and consistency of claims adjudication.

The Board also maintains strong oversight of cyber security and data protection. Robust governance frameworks and technology controls are in place to safeguard customer information and strengthen resilience against emerging cyber threats. Oversight is exercised through regular Board-level reviews and risk reporting mechanisms.

17. 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
17.1 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 and the Group	321
17.2 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	315-317
17.3 Auditors’ Report on the Financial Statements of the Company.	Section 168 (1) (c)	Refer Independent Auditors’ Report	312-314

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
17.4	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	326
17.5	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 51: Related Party Disclosure	433
17.6	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 51.6 : Transactions with KMP	433
17.7	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	342
17.8	Information on Directorate of the Company during and at the end of the accounting period	Section 168 (1) (h)	Board of Directors Board Composition 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. Haresh Kaimal was re-elected at the 27th AGM held on 31st March 2026. Refer Notice of Meeting on page 476 for proposed Director re-election for 2026. Refer Appointments, Re-election and Resignation of Directors.	210-212 230-231 235
17.9	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	342
17.10	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, 2025. Refer External Assurance under Risk, Accountability and Assurance	253
17.11	Acknowledgement of the contents of this Report/ Signatures on behalf of the Board	Section 168 (1) (k)	The Board of Directors has acknowledged the contents of this Annual Report as disclosed in the Annual Report of The Board of Directors	262

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

18. 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), 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
18.1 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	321
18.2 Financial Investments	(Section 25 (1) - RII)	Details of the Company's investment portfolios, their classifications, valuation information and accounting policies have been disclosed in the Notes to the Financial Statements. Note 30 : Financial Investments	361
18.3 Property Plant and Equipment and Capital Expenditure	(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 27 : Property, Plant, Equipment	346 350
18.4 Total Available Capital (TAC)	(Section 26 (1) - RII)	The TAC of the Company as at 31st December 2025 was Rs. 32,425 Mn. (2024 - Rs. 31,892Mn.) which is well above the minimum requirement of Rs.500Mn. Details are given in Notes to the Financial Statements. Note 40.15 : Solvency Margin	388
18.5 Loans to Directors	(Section 29 (1) - RII)	Directors are not entitled to obtain any kind of loans from the Company.	279
18.6 Directors' Responsibility for Financial Reporting	(Section 150 and 151 - C.A)	Refer Statement of Directors' Responsibility For Financial Reporting	263-264
18.7 Auditors' Independence	(Section 163(3) - C.A)	Refer External Assurance under Risk, Accountability and Assurance	253
18.8 Annual General Meeting	(Section 133 & 135 (a) - C.A)	Refer Notice of Annual General Meeting	476
18.9 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	279
18.10 Board Responsibility on the Annual Report	(Section 166(1) - C.A)	Annual Report of The Board Of Directors	254
18.11 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.	350
18.12 Market Value of Properties	(L.R.7.6 (xii))	Note 27: Property, Plant, Equipment	

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
IRCSL - Insurance Regulatory Commission of Sri Lanka

Disclosure Requirement	Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
18.13	Stated Capital	(L.R.7.6 (ix)) During the year the Company offered a share buyback option to its Shareholders and as a result the Stated Capital of the Company changed. Details of the Stated Capital are provided in Notes to the Financial Statements. Note 36: 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 42: Loans and Borrowings	378 389
18.14	Issue of Shares or Debentures	(L.R.7.6 (xiii)) During the year, the Company has not issued any shares to raise new capital. The Company has not issued any Debentures.	
18.15	Distribution Schedule of Shareholdings	(L.R.7.6 (x)) The distribution schedule and the shareholding percentages have been disclosed. Refer Investor relations	
18.16	Substantial Shareholdings	(L.R.7.6 (iii)) The names and shareholding percentages of the top 20 shareholders as at 2025 and for the comparative period have been disclosed. Refer Investor relations	446
18.17	Share information, Ratios and market price information	(L.R.7.6(xi)) Share information, applicable ratios and market price information are disclosed. Refer Investor relations	
18.18	New Board Appointments During 2025	(L.R. 8) There were no new appointments to the Board during 2025. Refer Appointments, Re-election and Resignation of Directors.	235
18.19	Retirement and Re-Election	(L.R. 8 and Direction -17 B (a), B (b) by IRCSL) Refer Appointments, Re-election and Resignation of Directors.	235
18.20	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.	446
18.21	Information on Directors as at 31st December 2025	(L.R.7.6 (i)) Board of Directors Board Composition	210 230
18.22	Internal Controls and Exposure to Risk	(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 49: Risk and Capital Management	275-277 400

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
 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
18.23	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 51: Related Party Disclosures	433
18.24	Employee Share option schemes (ESOS) and employee share purchase schemes (ESPS)	(L.R.7.6(xiv)) The Company does not have any employee share ownership/option plans. Refer Remuneration Committee Report	278-280
18.25	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 (IRC SL), 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	269-274
18.26	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
18.27	Directors' disclosure of interest	RBP Director's interest in contracts with the Company is provided in page 266 Please refer Remuneration Committee Report for Remuneration and other benefits of the Directors No Director is entitled to loans	217 40-50
18.28	Future Outlook / Future Developments	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	217
18.29	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	238 237
18.30	Equitable Treatment to Shareholders	RBP The Company has ensured at all times that all shareholders are treated equitably. Refer Responsible conduct and stakeholder trust	250

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
IRC SL - Insurance Regulatory Commission of Sri Lanka

Disclosure Requirement		Governing statute/rule	Reference for Compliance and other necessary disclosures	Page reference
18.31	Focus on New Regulations	RBP	<p>SLFRS 17 will take effect from January 1, 2026, requiring significant operational and IT system changes.</p> <p>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.</p> <p>The International Sustainability Standards Board (ISSB) has introduced SLFRS S1 and S2, emphasising sustainability and climate-related risks</p> <p>Refer Annual Report of The Board of Directors</p>	254
18.32	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.	435
18.33	Liabilities and Provisions	RBP	<p>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.</p> <p>Note 40 : Insurance Contract Liabilities</p> <p>Note 41 : Employee Benefit Liabilities</p>	381 387
18.34	Corporate Governance	(RBP L.R.7.6 (xv))	<p>The Company has complied with all Mandatory and Voluntary Corporate Governance codes and the extent of compliance is as follows,</p> <ul style="list-style-type: none"> • Listing Rules issued by CSE • Direction 17 issued by the Insurance Regulatory Commission of Sri Lanka. • Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka 	288-294 295 296-304
18.35	Events After the Reporting Period	RBP	<p>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.</p> <p>Note 53: Events After the Reporting Period</p>	485
18.36	Corporate Social Responsibility (CSR)	RBP	<p>The CSR initiatives of the Company are detailed under 'Management Discussion and Analysis'.</p> <p>Refer Our sheltering canopy of community care</p>	202
18.37	Sustainability	RBP	<p>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'</p> <p>Refer The path of prosperity: our moonstone of sustainability</p>	200
18.38	Environmental Protection	RBP	<p>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'</p> <p>Refer Natural Capital</p>	195
18.39	Employment Policy	RBP	<p>The Company policy is to respect the merits of the individuals and provide career opportunities, irrespective of gender, race or religion.</p> <p>The Company's strength of manpower as at 31st December 2025 was 1,144. (2024 - 947).</p> <p>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.</p> <p>Refer Human Capital</p>	139

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
 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
18.40	Technology	RBP Our strategy is underpinned by technology, which is now more deeply integrated into our business than ever before. We leverage digital platforms across all processes to deliver superior products and services, ensuring operational agility and an enhanced customer experience. Refer Intellectual Capital	184
18.41	Operational Excellence	RBP The Company continues to drive policy and process standardisation while optimising existing technology platforms to increase efficiency and reduce operating costs Refer Operational Review..	40-50
18.42	Code of Conduct and Ethics	RBP The Company mandates strict adherence to its Code of Business Conduct and Ethics for all employees and Directors. During the year, no violations were reported, and both Directors and Key Management Personnel formally declared their compliance with these standards. Refer Responsible Conduct and Stakeholder Trust	248
18.43	Bribery and Corruption	RBP Company has introduced a framework, setting out policies and guidelines to prevent corruption and bribery. Refer Anti-corruption & procedural control	249
18.44	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	229
18.45	Taxation	RBP Income taxes are computed using the enacted rate of 30%. The Company has recognised a deferred tax asset based on the availability of future taxable profits to utilise tax losses within the foreseeable future. Refer Notes to the Financial Statements Refer Note 22 – Income Tax Expenses	342
18.46	Donation	RBP No Donations were made during the year by the Company.	-

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

IRCSL - Insurance Regulatory Commission of Sri Lanka

19. 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

06th March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

This statement outlines the responsibilities of the Board of Directors concerning the Financial Statements of Softlogic Life Insurance PLC (the Company) and the Consolidated Financial Statements of the Company. (Financial Statements). The responsibilities of the External Auditors in relation to the Financial Statements are outlined on pages 312-314 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 the Statement of Financial Position as at 31st December 2025, 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 2025; 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 page 330 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 2025, 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 269-274. The Board of Directors also approves the Interim Financial Statements prior to their release, following a review and recommendation by the Audit Committee.

- e. 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.
- f. The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report.
- g. 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 267-268 of this Annual Report.
- h. 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

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

Company satisfies the solvency test after such distributions are made in accordance with Section 57 of the Companies Act No. 07 of 2007 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.

- i. 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.softlogiclif.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.
- j. All shareholders in each category have been treated equitably in accordance with the original terms of issue.
- k. The Company has met all the requirements under the Section 07 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable.
- l. 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.

- m. 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 317 as required by the Sections 150 (1) (c) of the Companies Act No. 07 of 2007 and other regulatory requirements.
- n. 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 312-314.
- o. 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
06th March 2026

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

The Financial Statements of Softlogic Life Insurance PLC (the Company) and the Consolidated Financial Statements of the Company (Financial Statements) as at 31st December 2025 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 312-314. 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 269-274.

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 54 Provisions and Contingencies on page 435 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 2025 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

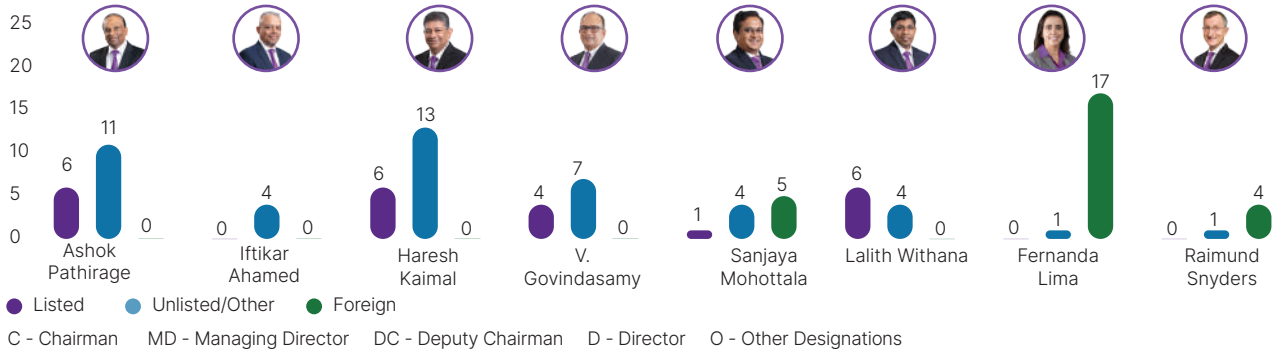
Sgd.
Nuwan Withanage
Chief Financial Officer

Colombo, Sri Lanka
06th March 2026

DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

Directors' interests in contracts as per Sections 168(e) and 192 of the Companies Act No. 07 of 2007, are recorded in the Interests Register. Related entities are identified under CSE Listing Rule 9.10.4(e), with detailed LKAS 24 disclosures in Note 51 (page 433).

SUMMARY OF DIRECTORSHIPS



No.	Position	Company
Ashok Pathirage		
1	C/MD	Softlogic Holdings PLC
2	C/MD	Asiri Surgical Hospital PLC
3	C	Odel PLC
4	C/MD	Asiri Hospital Holdings PLC
5	C	Softlogic Capital PLC
6	C	Softlogic Finance PLC
7	C/MD	Central Hospital Ltd.
8	C/MD	Ceysand Resorts Ltd.
9	C/MD	Softlogic Retail (Pvt) Ltd.
10	C	Softlogic Supermarkets (Pvt) Ltd.
11	C	Softlogic Properties (Pvt) Ltd.
12	D	Footwear Retailer Ltd.
13	D	Odel Properties One (Pvt) Ltd.
14	D	Asiri A O I Cancer Centre (Pvt) Ltd.
15	D	Softlogic Retail Holdings (Pvt) Ltd.
16	D	Asiri Port City Hospital (Pvt) Ltd.
17	D	Softlogic Life Insurance Lanka Ltd
Iftikar Ahamed		
1	D	Softlogic Stockbrokers (Pvt) Ltd.
2	D	Softlogic Asset Management (Pvt) Ltd.
3	D	Softlogic Australia (Pty) Ltd.
4	D	Softlogic Life Insurance Lanka Ltd
Haresh Kaimal		
1	D	Softlogic Holdings PLC
2	D	Odel PLC
3	D	Softlogic Finance PLC
4	D	Asiri Hospital Holdings PLC
5	D	Softlogic Capital PLC
6	D	Asiri Surgical Hospital PLC
7	D	Softlogic Australia (Pty) Ltd.
8	D	Softlogic Information Technologies (Pvt) Ltd.
9	D	Softlogic BPO Services (Pvt) Ltd.
10	D	Softlogic Retail Holdings (Pvt) Ltd.
11	D	Softlogic Restaurants (Pvt) Ltd.
12	D	Softlogic City Hotels (Pvt) Ltd.
13	D	Softlogic Supermarkets (Pvt) Ltd.
14	D	Softlogic Corporate Services (Pvt) Ltd.
15	D	Softlogic Brands (Pvt) Ltd.
16	D	Odel Properties One (Pvt) Ltd.
17	D	Saber Travel Network Lanka (Pvt) Ltd.
18	D	S R One (Pvt) Ltd.
19	D	Softlogic Life Insurance Lanka Ltd
V. Govindasamy		
1	D	Watawala Plantations PLC
2	DC	Sunshine Holdings PLC
3	D	United Motors Lanka PLC
4	D	Dialog Axiata PLC
5	C	Sunshine Wilmar (Pvt) Ltd.
6	D	Lanka Island Resorts Ltd.
7	D	Softlogic Life Insurance Lanka Ltd

No.	Position	Company
8	D	Saga Consultancy Services (Pvt) Ltd
9	D	Lonach Dairy Limited
10	D	Ceylon Business Development Corporation (Pvt) Ltd
11	O*	Central Bank of Sri Lanka
Sanjaya Mohottala		
1	D	Alani Holdings Pvt Ltd
2	D	1976 Corp Pvt Ltd
3	D	Alani Bangladesh Pvt Ltd (Bangladesh)
4	D	IFINITY PTE. LTD.
5	D	Softlogic Life Insurance Lanka Ltd
6	D	Nation Development Bank PLC
7	D	Orbital Knight Pte. Ltd.
8	D	nCinga Innovations Pte. Ltd.
9	O*	nVentures Pte. Ltd.
10	O*	Boston Consulting Group (India) Private Limited
Lalith Withana		
1	D	HNB Finance PLC
2	D	Commercial Development Company PLC
3	D	Waskaduwa Beach Resort PLC
4	D	Hikkaduwa Beach Resort PLC
5	D	Citrus Leisure PLC
6	D	Agility Consulting Services (Pvt) Ltd.
7	D	Serendipity Leisure (Pvt) Ltd.
8	D	Softlogic Life Insurance Lanka Ltd
9	D	Hunter & Company PLC
10	D	Lanka Canneries (Pvt) Ltd
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
16	D	Softlogic Life Insurance Lanka Ltd
17	D	Artemisia Investments Pte. Ltd.
18	D	LeapFrog Investors (Guernsey) L.P.
Raimund Snyders		
1	D	AIICO PLC
2	D	Nigerian Insurance Group
3	D	mLife Insurance
4	D	Ghanaian Insurance Company
5	D	Softlogic Life Insurance Lanka Ltd

O* - representing a role other than a Director

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 275-277 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 269-274.

On behalf of the Board;

Sgd.
Ashok Pathirage
Chairman

Sgd.
Iftikar Ahamed
Managing Director

Sgd.
Lalith Withana
Chairman – Audit Committee

Colombo, Sri Lanka
06th March 2026

AUDIT COMMITTEE REPORT

COMPOSITION

The Board Audit Committee (“the BAC”) comprises three (03) Non-Executive Directors, out of where a majority (02) of are independent.

Name	Attendance
Mr. Lalith Withana - Chairman (Appointed on 22 Jul 2021) Independent Non-Executive Director	4/4
Mr. Raimund Snyders (Appointed on 15 Feb 2021) Non-Executive Director	4/4
Mr. V. Govindasamy (Appointed on 22 Jul 2021) Independent Non-Executive Director	3/4

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

Coordination Secretary

Chief Audit and Compliance Officer

Secretary to the Committee


Softlogic Corporate Services (Pvt) Ltd

THE COMMITTEE FOCUSED ON IT AND CYBERSECURITY GOVERNANCE, FRAUD RISK REDUCTION, SLFRS 17 READINESS, AND REGULATORY AND FINANCIAL OVERSIGHT.

INEDs Representation
67%

NEDs Representation
100%


Compiled


Compiled

Directors' Count
2 | **1**
Local | Foreign

OVERVIEW

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.

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 (UK). He is a Management Consultant with more than 25 years of experience in organisational development, business transformation, finance, human resources, manufacturing, supply chain management, market development, public sector governance and project management.

The Chairman possesses extensive expertise in financial reporting, governance, risk oversight and internal control frameworks, which provides the Committee with strong technical leadership.

The other members of the Committee bring diverse professional backgrounds including finance, insurance, risk management, regulatory compliance and corporate governance. Collectively, the Committee has the necessary financial literacy, industry knowledge and governance experience to effectively discharge its responsibilities.

Further details of the qualifications, experience and profiles of the Committee members are provided in the Board of Directors' profiles appearing on pages 210-212 of this 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 12th November 2025.

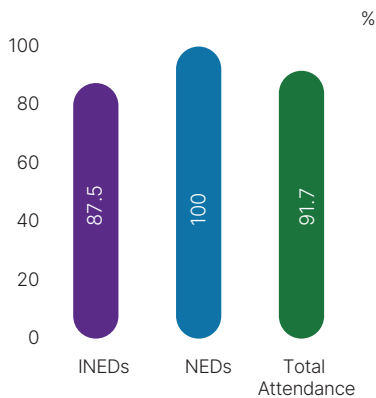
The Committee has the cooperation of the management and complete access to information and may invite any Director or executive officer to attend its meetings.

Furthermore, in line with its fiduciary duties and the Listing Rules of the Colombo Stock Exchange, the Committee is empowered to promptly report any matter to the Exchange if it believes a reported breach of requirements has not been satisfactorily resolved by the Board of Directors.

REGULATIONS/RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The composition, authority and responsibilities of the Board Audit Committee are governed by the applicable corporate governance framework, including:

COMMITTEE ATTENDANCE OVERVIEW



INEDs - Independent Non-Executive Directors
NEDs - Non-Executive Directors

AUDIT COMMITTEE REPORT

- The Listing Rules of the Colombo Stock Exchange (CSE);
- The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka; and
- The Regulation of Insurance Industry Act, No. 43 of 2000, together with Directions issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL).

The Committee ensures that its structure and operations remain fully aligned with these regulatory requirements. Details of the Company's compliance with the applicable governance and regulatory framework are set out on page 221 of this Annual Report.

OBJECTIVES

The Board of Directors empowers the Committee to:

- Ensure that the Company maintains an effective and well-managed financial reporting system capable of delivering accurate, reliable and timely financial information to the Board, regulators and shareholders.
- Review the Interim and Annual Financial Statements prior to submission to the Board to safeguard the integrity, transparency and completeness of financial disclosures.
- Evaluate the appropriateness and consistency of accounting policies and ensuring compliance with applicable accounting standards, statutory requirements and regulatory obligations.
- Oversee the assessment, discussion and disclosure of the impact of new and revised accounting standards and regulatory pronouncements on the Financial Statements.

- Examining the adequacy, effectiveness and efficiency of the Company's risk management framework, internal control systems and governance processes in addressing existing and emerging risks.
- Ensure that business operations are conducted in compliance with applicable laws, regulations, supervisory directives and the Company's approved policies and procedures.
- Monitor adherence to strong corporate governance principles and the highest standards of ethical conduct and industry best practices in the interests of all stakeholders.
- Oversee the activities, performance, independence and objectivity of the internal, external and outsourced auditors, including reviewing audit findings and ensuring timely implementation of recommendations.

ACTIVITIES IN 2025

1. Meetings

The Audit Committee convened four (04) meetings during the financial year ended 31 December 2025. Details of member attendance are disclosed on page 238 of this Annual Report. Representatives of the Company's External Auditors, Messrs. KPMG, attended all scheduled meetings by invitation. Senior Management was invited to attend meetings, as required, to present reports and provide clarifications on matters within their respective areas of responsibility.

The Committee also met separately with the External Auditors, without the presence of Management, to facilitate independent discussions where necessary.

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 2025 before 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, considering the requirement to make necessary provisions for the expected loss impairment.

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

During the year under review, the Committee continued to exercise close oversight of the implementation of SLFRS 17 – Insurance Contracts in preparation for its mandatory adoption with effect from 1st January 2026.

The Company remained under the Committee's supervision in relation to the development and formalisation of accounting policies and methodological applications, as well as the implementation of the required actuarial and finance system enhancements.

Substantially all key technical and policy decisions in these areas were finalised during the year, and the Company progressed to the system testing and data population phase. The Committee reviewed regular progress reports to monitor adherence to the approved project plan and timelines and to oversee the Company's readiness for full compliance with the new standard.

Oversight of the Strategic Acquisition and Integration of Softlogic Life Insurance Lanka Limited

The Committee reviewed matters relating to the acquisition and integration of Softlogic Life Insurance Lanka Limited during the year to ensure appropriate governance, financial reporting, and risk oversight throughout the transaction and integration process.

Key areas reviewed by the Committee included:

- **Financial Due Diligence** – Assessment of the financial due diligence procedures undertaken prior to completion of the acquisition and evaluation of key financial assumptions.

- **Accounting Treatment** – Review of the accounting treatment applied to the acquisition, including purchase price allocation, valuation of identifiable assets and liabilities, and recognition of goodwill in accordance with applicable financial reporting standards.

- **Internal Controls and Governance** – Oversight of the integration of the acquired entity into the Company's financial reporting, risk management, and internal control frameworks.

- **Integration Progress and Risk Management** – Monitoring of management updates on the operational and financial integration process, including potential integration risks and mitigation measures.

- **Goodwill and Post-Acquisition Performance** – Review of the monitoring framework established for post-acquisition performance and the annual impairment assessment of goodwill.

The Committee will continue to monitor the integration progress and financial performance of the acquired business to ensure that the transaction delivers the expected strategic benefits while maintaining robust financial governance.

Implementation of SLFRS S1 and S2

The Audit Committee continued to oversee the Company's sustainability and climate-related disclosures in accordance with SLFRS S1 and SLFRS S2, following the Company's early adoption of these standards in the previous year. The Committee reviewed the processes used to identify, assess, and monitor material sustainability and climate-related risks and opportunities, ensuring that appropriate governance, controls, and reporting frameworks remain in place. Through this oversight, the Committee supported the continued enhancement of the Company's sustainability disclosures, reinforcing transparency, accountability, and the long-term resilience of the business.

Going Concern

The Committee reviewed Management's assessment of the Company's ability to continue as a going concern, including liquidity projections, capital adequacy, stress testing outcomes and regulatory solvency requirements. Based on the information reviewed, the Committee was satisfied that the going concern basis of preparation remained appropriate for the foreseeable future.

3. Internal Controls & Risk Management

Internal Controls

The Committee, with the support of the Internal Audit Department and the External Auditors, continued to oversee the adequacy and effectiveness of the Company's internal control framework. This included monitoring procedures designed to safeguard assets, prevent the leakage of material information to unauthorised persons ensure the reliability of financial reporting, promote operational efficiency and ensure compliance with applicable laws and regulations.

Particular attention was given to the monitoring and follow-up of Premium Receivables and the effectiveness of controls surrounding revenue recognition and collections. The Committee also reviewed internal control procedures introduced to address newly identified and emerging risks, ensuring that appropriate mitigating measures were implemented in a timely manner.

Based on the work performed, the Committee reviewed and recommended the Directors' Statement on Internal Controls over Financial Reporting for inclusion in the Annual Report.

In line with the oversight of internal controls, the Committee received formal assurance from the Managing Director (MD) and the Chief Financial Officer (CFO), confirming that the Company's internal control over financial reporting

AUDIT COMMITTEE REPORT

and its operations are designed and operating effectively in all material respects.

The Committee is satisfied that the Company's system of internal controls provides reasonable assurance, though not absolute assurance, against material misstatement, loss or fraud, and that the controls in place are appropriate to the size and complexity of the Company's operations.

Risk Management

The Committee maintained regular engagement with the Risk Management Committee to remain informed of key risk exposures and mitigation strategies. Updates were received on financial, operational, regulatory and emerging risks to support the Committee in fulfilling its statutory and governance responsibilities. A detailed report of the Risk Management Committee is presented on pages 275-277 of this Annual Report

Cyber Security Review

Recognising the growing significance of cyber risk within the financial services sector, the Committee maintained oversight of the Company's cybersecurity framework during the year. Periodic IT security assessments, vulnerability testing results and infrastructure control monitoring reports presented by Management and assurance functions were reviewed.

Updates were received on enhancements implemented to strengthen IT security controls protecting the Company's digital infrastructure, customer data and critical operations. These included improvements to access management protocols, network security architecture, system monitoring and incident response mechanisms.

The Committee also reviewed cyber incident reporting and escalation procedures to ensure effective detection, containment and recovery

measures. Based on the reviews and assurances received, the Committee was satisfied that appropriate preventive, detective and responsive controls operated to mitigate cybersecurity risks.

Operational Deficiencies Risk and Business Continuity Planning

Operational deficiencies identified through internal reviews were discussed at Committee meetings together with Management's corrective action plans. The Committee monitored the implementation of recommendations to strengthen control effectiveness.

The Committee also reviewed the adequacy of the Company's Business Continuity Planning (BCP) and Disaster Recovery (DR) arrangements, including periodic testing and readiness assessments, and was satisfied that appropriate frameworks support the continuity of critical business operations.

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, 49 Internal Audit assurance reports were summarised and 162 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 2025;

- 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.
- Implemented and reviewed the policy on engaging external auditors for non-audit services, ensuring compliance with ethical guidelines and reporting necessary improvements to the Board.
- 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 2024 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 its annual evaluation of the External Auditor's independence, objectivity and the overall effectiveness of the audit process. This assessment included a review of the audit scope, quality of communications, professional scepticism exercised and the robustness of audit findings. To the best of the Committee's knowledge and based on confirmations received, the External Auditors have no relationships with the Company other than in their capacity as independent auditors.

In compliance with the Companies Act No. 07 of 2007 and the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka, the Committee obtained a formal written declaration from Messrs. KPMG confirming that they are independent of the Company and that no relationships exist which could impair their objectivity.

In accordance with Company policy and regulatory best practice, the lead Audit Partner is subject to mandatory rotation every seven (07) years to safeguard independence.

To further reinforce governance maturity and ensure transparency, the Committee met with the External Auditors, without the presence of Management, to facilitate open and independent dialogue. The Committee also met separately with the Head of Internal Audit to discuss matters relating to internal control, audit findings and independence of the internal audit function.

Based on these assessments and discussions, the Committee was satisfied that the External Auditor remained independent and objective throughout the year under review.

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.

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.

Data Protection Governance

The Audit Committee exercised oversight over the Company's compliance with the Personal Data Protection Act (PDPA), ensuring that appropriate data governance frameworks and security protocols were implemented and maintained.

During the year, the Committee reviewed the PDPA compliance framework and the associated implementation roadmap, including policy development, data classification processes, consent management procedures and breach notification protocols. The Committee also reviewed the governance structure supporting data protection, including the role and reporting responsibilities of the designated Data Protection Officer (DPO).

In addition, the Committee considered assurance mechanisms supporting data privacy compliance, including scheduled Internal Audit reviews and ongoing IT security assessments. Based on the updates received, the Committee was satisfied that appropriate controls and monitoring processes were in place to safeguard customer data and support regulatory compliance.

AML / CFT Oversight

Given the regulatory sensitivity of Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) obligations within the insurance sector, the Audit Committee maintained structured and continuous oversight of the Company's AML/CFT framework during the year. The Committee reviewed the results of the enterprise-wide AML/CFT risk assessment and evaluated the adequacy of controls implemented to mitigate identified risks.

AUDIT COMMITTEE REPORT

The Committee monitored the effectiveness of the Suspicious Transaction Reporting (STR) framework, including escalation protocols, reporting timelines and internal monitoring mechanisms. Updates were received on regulatory compliance reviews relating to customer due diligence (CDD), enhanced due diligence (EDD) and transaction monitoring processes to ensure alignment with applicable legal and supervisory requirements.

In addition, the Committee reviewed ongoing AML/CFT training initiatives conducted across relevant operational levels and considered emerging regulatory developments to ensure timely updates to policies and procedures. Based on the reviews undertaken and assurances received from Management and Compliance, the Committee was satisfied that robust systems and controls were in place to detect, prevent and report suspicious activities, providing reasonable assurance of compliance with applicable AML/CFT obligations.

Corporate Governance

The Company is fully compliant with Section 9 - corporate governance listing rules of the Colombo Stock Exchange (CSE), Direction 17 issued by IRCSL and the Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka.

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. 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.

8. 2026 Focus Areas

As part of its continued commitment to strengthening corporate governance, risk oversight and regulatory compliance, the Audit Committee has identified the following strategic priorities for the forthcoming year to further enhance financial integrity, operational resilience and sustainable value creation:

- To enhance financial reporting transparency, disclosure quality and governance practices, supported by strengthened oversight mechanisms and the use of advanced analytics and monitoring tools to reinforce the integrity and reliability of financial information.
- To further strengthen cybersecurity risk management by reinforcing IT security controls, continuous infrastructure monitoring and cyber resilience frameworks, including

the integration of AI-enabled threat detection and automated monitoring solutions to safeguard digital infrastructure, customer data and critical business operations.

- To closely oversee the final phase of SLFRS 17 implementation, ensuring system stability, data accuracy, governance readiness and full regulatory compliance ahead of its effective application.
- To expand oversight of sustainability reporting and ESG disclosures in alignment with SLFRS S1 and S2, enhancing internal controls over non-financial reporting and leveraging digital tools to improve data quality, monitoring and assurance.
- To strengthen AML/CFT compliance and financial crime prevention frameworks through enhanced enterprise-wide risk assessments, technology-driven transaction monitoring, AI-supported anomaly detection and proactive engagement with evolving regulatory developments.

9. 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
06th March 2026

RISK COMMITTEE REPORT

COMPOSITION

The Board Risk Committee (“the Committee”) consists of Three Non-Executive Directors, out of whom one is independent.

Name	Attendance
Mr. Raimund Snyders Chairman (Appointed on 05 Feb 2019) Non-Executive Director	4/4
Mrs. Fernanda Lima (Appointed on 15 Feb 2019) Non-Executive Director	4/4
Mr. Lalith Withana (Appointed on 15 Aug 2023) Independent Non-Executive Director	4/4

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

THE COMMITTEE PROVIDED STRONG AND PROACTIVE OVERSIGHT OF THE COMPANY’S ENTERPRISE-WIDE RISKS, REINFORCING RISK APPETITE, STRENGTHENING ESG AND CYBERSECURITY GOVERNANCE, AND ENSURING RESILIENCE THROUGH DISCIPLINED MONITORING AND STRATEGIC RISK MANAGEMENT.

NEDs Representation

100%



Compiled

Directors' Count

1 Local | 2 Foreign

OVERVIEW

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.

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 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 210-212.

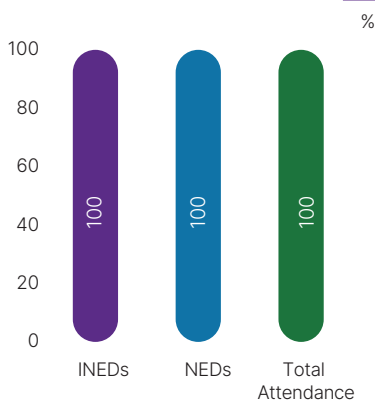
Authority of the Board Risk Committee

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.

COMMITTEE ATTENDANCE OVERVIEW



INEDs - Independent Non-Executive Directors

NEDs - Non-Executive Directors

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 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 Risk Management :** 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 constructive feedback on evaluated risks using an Environmental, Social, and Governance (ESG) framework, enhancing oversight of sustainability reporting and aligning disclosures with global standards such as S1 and S2.
 - Evaluated bi-annual Risk Control Self-Assessment (RCSA) findings to assess the effectiveness of risk controls, identify operational gaps, and recommend targeted improvements.
 - Ensured management accountability by reviewing actions taken to address high-risk items, reinforcing governance practices and promoting a strong risk-aware organisational culture.
 - Closely monitored updates on Foreign Currency Debt Restructuring and assessed potential impacts on the Company's net operating profit (NOP), ensuring timely mitigation measures.
 - Addressed staff turnover risks by implementing targeted mitigation strategies for both sales and non-sales personnel, supporting workforce stability and operational continuity.
 - Oversaw IT risk management, regularly monitoring potential threats to business continuity and implementing proactive mitigation measures to safeguard critical operations.
 - Provided guidance on compliance with the Data Protection Act, ensuring adherence to legal and regulatory requirements for data security and privacy.
 - Reviewed and approved all policies under the Company's Risk Governance Framework, maintaining comprehensive oversight and consistency in risk management practices.

ACTIVITIES IN 2025

Regular Activities

- Conducted a comprehensive review and assessment of the adequacy and effectiveness of the Company's existing risk management controls, including continuous monitoring of economic and political risks and their potential impacts on business operations.
- Approved the Company's risk appetite and associated parameters for FY 2025, ensuring that strategic risk tolerance remains aligned with the evolving economic, market, and regulatory landscape.

Acquisition and Integration Risk Oversight – Softlogic Life Insurance Lanka Limited

During the year, the Committee reviewed the key risks associated with the acquisition and subsequent integration of Allianz Insurance Lanka Limited. The Committee assessed management's evaluation of strategic, operational, regulatory, and financial risks arising from the transaction and the adequacy of mitigation measures implemented to address such risks.

Particular attention was given to the integration of risk management frameworks, internal controls, and governance processes to ensure alignment with the Company's enterprise risk management structure. The Committee also reviewed potential impacts on capital adequacy, solvency requirements, and regulatory compliance to ensure that the Company continues to operate within approved risk appetite levels.

The Committee received periodic updates from management on integration progress, key risk indicators, and mitigation strategies, and will continue to monitor the integration process to ensure that risks associated with the acquisition are effectively managed while supporting the Company's long-term strategic objectives.

Committee Risk Oversight and Governance

The committee assessed the impact of various risks, including economic, political, persistency, and claims risks, with a strong focus on mitigation measures, liability valuations, and changes in assumptions. During meetings, the committee concentrated on evaluating risks across key categories as outlined below:

Credit Risk: The committee oversaw the credit risk rating framework, ensuring timely identification of rating changes and potential deterioration in investment quality.

Liquidity and Market Risk: The committee exercised governance oversight over liquidity and market risks by regularly reviewing treasury limits against micro- and macro-economic conditions, assessing counterparty and country exposures, evaluating the company's liquidity and funding needs, and overseeing semi-annual liquidity stress testing aligned with the Company's Liquidity Coverage Ratio.

Operational Risk: The committee provided governance oversight of operational risk management by reviewing fraud risk assessments to promote a risk-aware organisational culture, assessing the effectiveness of internal controls through Risk and Control Self-Assessments (RCSAs), identifying key operational risks across business units, and implementing measures to mitigate fraud through strengthened controls, process reviews, awareness initiatives, and enhanced monitoring.

Information & Security Risk: The committee monitored advanced cybersecurity technologies for web and email threat prevention and oversaw the implementation of sensitive data protection systems, including data loss prevention, encryption, and access control mechanisms. It also reviewed the IT Security Strategy for 2026-27, focusing on enhancing cyber resilience through zero-trust architecture, AI-driven threat intelligence, and cloud security improvements.

ESG and Climate Risk: The committee identified and analysed material ESG and climate risks that could impact financial performance, reputation, and long-term sustainability. It also evaluated opportunities arising from positive ESG practices.

Claims Risk: The committee 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.

Persistency Risk: The committee addressed persistency risks driven by macroeconomic conditions and advised on tighter mitigation measures.

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 risk identification, mitigation, and monitoring, with a focus on enterprise-wide Key Risk Indicators (KRIs) and timely escalation of emerging risks.

The Committee will assess previously identified risks, including market volatility, liquidity pressures, persistency trends, and claims experience, ensuring operations remain within approved risk appetite and tolerance levels.

Risk governance will be strengthened through continuous benchmarking of policies, methodologies, and internal controls against global best practices, supporting compliance and resilience.

Oversight of sustainability and climate-related risks will be enhanced by aligning disclosures with SLFRS S1 and S2, integrating ESG considerations into strategic and operational decision-making.

Finally, the Committee will focus on cybersecurity, AI model governance, digital transformation risks, policyholder behaviour, and longevity/pandemic exposures to ensure the Company remains adaptive, resilient, and future-ready.

Sgd.
Raimund Snyders
Chairman - Risk Committee

Colombo, Sri Lanka
06th March 2026

REMUNERATION COMMITTEE REPORT

COMPOSITION

The Board Human Resource and Remuneration Committee (“the Committee”) consists of three Non-Executive Directors, a majority of whom are independent

Name	Attendance
Mr. V. Govindasamy - Chairman (Appointed on 01 Jul 2021) Independent Non-Executive Director	4/4
Mr. Ashok Pathirage (Appointed on 09 Jul 2011) Non-Executive Director	4/4
Mr. Lalith Withana (Appointed on 01 Jul 2021) Independent Non-Executive Director	4/4

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

THE COMMITTEE FOCUSED ON REMUNERATION GOVERNANCE, PERFORMANCE MANAGEMENT AND MARKET-ALIGNED COMPENSATION.

INEDs Representation

67%

NEDs Representation

100%



Compiled ✓



Compiled ✓

Directors' Count

3 Local | 0 Foreign

OVERVIEW

The 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.

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 RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

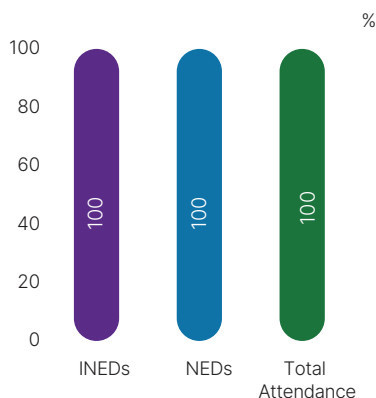
The Board established the Remuneration Committee in accordance with Rule 7.10.5 of the Colombo Stock Exchange's Listing Rules, and its composition and powers are in accordance with the Listing Rules.

THE KEY OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

The Committee is entrusted with ensuring that the Company's remuneration and succession framework supports long-term value creation, prudent risk management, and alignment with stakeholder interests. In fulfilling its mandate, the Committee is responsible for the following:

- Determining the remuneration of the Chairman, Managing Director, and other members of the Board, ensuring that no Director participates in decisions relating to his or her own remuneration.
- Reviewing and approving the remuneration, benefits, and incentive structures of Key Management Personnel (KMP), including the establishment of measurable performance parameters, individual goals, and targets aligned with the Company's strategic objectives and risk appetite.
- Formulating and recommending to the Board clear guidelines, policies, and structured frameworks governing remuneration across Executive Staff, and overseeing the effective implementation of such frameworks.
- Periodically reviewing market benchmarks and industry data to ensure that executive compensation remains competitive, performance-driven, and consistent with the Company's strategic direction and financial sustainability.
- Evaluating the performance of the Managing Director and KMP against pre-agreed objectives, key performance indicators, and risk-adjusted targets, ensuring accountability and transparency.
- Identifying and recommending to the Board any additional expertise or competencies required to

COMMITTEE ATTENDANCE OVERVIEW



INEDs - Independent Non-Executive Directors

NEDs - Non-Executive Directors

strengthen Board composition and governance effectiveness.

- Approving annual salary increments, performance bonuses, and revisions to benefits, allowances, and incentive schemes in line with approved policies and performance outcomes.
- Ensuring that employee remuneration structures are appropriately linked to individual performance, level of responsibility, technical expertise, and contribution toward achieving the Company's strategic and operational objectives.
- Reviewing and making recommendations or determinations on disciplinary matters involving Key Management Personnel, particularly in instances resulting in significant financial or reputational impact to the Company.

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 51.6.1 on page 433 of this report.

1. Non-Executive Directors Remuneration

No remuneration is paid to Non-Executive Directors other than standard 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's Remuneration

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 Remuneration

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 2025, which was conducted by the Chairman and Committee members and was deemed to be satisfactory.

REMUNERATION COMMITTEE REPORT

PROFESSIONAL ADVICE

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

ACTIVITIES IN 2025

During the year under review, the Committee continued to strengthen the Company's performance-driven remuneration framework and governance oversight. Key activities undertaken in 2025 included:

- Reviewing and approving the performance bonuses payable in respect of the 2025 financial year, determined in accordance with the approved Variable Pay Plan (VPP) applicable to Executive Staff, ensuring alignment with financial performance, risk outcomes, and strategic objectives.
- Approving annual salary increments for Executive Staff based on individual performance evaluations, competency assessments, and overall Company performance for 2025.
- Reviewing and endorsing enhancements to the performance-based incentive framework for 2025 to further align remuneration outcomes with long-term value creation, prudent risk management, and sustainability objectives.
- Conducting a comprehensive evaluation of the performance of Corporate Management members, including the Managing Director and Deputy Chief Executive Officer, against pre-agreed key performance indicators, strategic milestones, and governance benchmarks.
- Approving the continuation and rationalisation of interim allowances and cost-of-living adjustments in consideration of prevailing macroeconomic conditions, while maintaining financial prudence.

- Commissioning independent external remuneration consultants to conduct market benchmarking surveys, enabling the Committee to evaluate staff compensation against industry standards and make informed, competitive, and sustainable remuneration decisions.

THE YEAR AHEAD

In the year ahead, the Committee will continue to review and enhance the Company's Remuneration Policy and compensation frameworks applicable to Key Management Personnel and all employees, ensuring alignment with strategic objectives, regulatory expectations, and market competitiveness. The overarching objective remains to attract, retain, and incentivise high-calibre talent while maintaining financial prudence and equitable reward structures.

The Committee will also oversee further strengthening of human capital frameworks, with emphasis on organisational design, role clarity with job evaluation, performance management systems, structured reward and recognition mechanisms.

Through these measures, the Committee aims to reinforce a performance-driven culture, ensure leadership continuity, and support the long-term sustainability of the Company.

Sgd.

V. Govindasamy

Chairman – Remuneration Committee

Colombo, Sri Lanka

06th March 2026

INVESTMENT COMMITTEE REPORT

COMPOSITION

The Board Investment Committee (“the Committee”) consists of Managing Director and five Non-Executive Directors.

Name	Attendance
Mr. Ashok Pathirage – Chairman (Appointed on 09 Jul 2011) Non-Executive Director	4/4
Mr. Iftikar Ahamed (Appointed on 09 Jul 2011) Managing Director	4/4
Mrs. Fernanda Lima (Appointed on 15 Feb 2019) Non-Executive Director	3/4
Mr. V. Govindasamy (Appointed on 16 Jan 2020) Independent Non-Executive Director	2/4
Mr. Raimund Snyders (Appointed on 05 Feb 2020) Non-Executive Director	4/4
R. Sanjaya Mohottala (Appointed on 22 Jul 2021) Independent Non-Executive Director	3/4

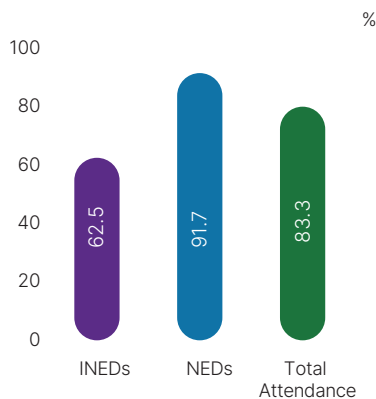
Regular Attendees by invitation

Senior Vice President – Treasury
Chief Financial Officer
Chief Risk Officer
Investment Officer - Leapfrog Investments
Head of Research – Softlogic Stock Brokers (Pvt) Ltd

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

COMMITTEE ATTENDANCE OVERVIEW

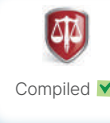


INEDs - Independent Non-Executive Directors
NEDs - Non-Executive Directors

THE COMMITTEE AFFIRMS THAT THROUGHOUT THE YEAR, THE COMPANY’S INVESTMENT ACTIVITIES WERE CONDUCTED WITHIN APPROVED RISK PARAMETERS, SUPPORTED BY ROBUST OVERSIGHT, DISCIPLINED ASSET ALLOCATION, AND ADHERENCE TO REGULATORY AND GOVERNANCE STANDARDS.

NEDs Representation

83%



Compiled ✓

Directors' Count

4 Local | 2 Foreign

OVERVIEW

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.

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.

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 the Treasury / Fund management team and the executive management of the Company on investment-related activities.

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 210-212 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.

INVESTMENT COMMITTEE REPORT

PROFESSIONAL ADVICE

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

ACTIVITIES IN 2025

- The Committee conducted regular reviews of the macroeconomic environment, including inflation trends, interest rate movements, exchange rate developments, liquidity conditions, sovereign risk dynamics and equity market performance. These insights guided discussions on portfolio positioning, duration strategy and opportunities arising from improving market conditions.
- The Committee conducted periodic reviews of overall portfolio performance, evaluating fund-wise returns, benchmark comparisons and the impact of declining interest rates on valuation gains and reinvestment strategies.
- The Committee reviewed the capital gains realised during the year, driven largely by declining interest rates and favourable market liquidity, and assessed their implications for future portfolio optimisation and yield sustainability.
- The Committee evaluated the performance of the equity portfolio, including the divestment of the equity shareholding. The Committee discussed the strategic rationale, market timing, realised returns and the effect of the sale on sectoral exposures and liquidity buffers.
- The Committee reviewed and approved several special investment proposals, after assessing return potential, market conditions, counterparty exposures and compliance with regulatory limits and internal investment policies.
- The Committee evaluated new investment opportunities emerging from the improved macroeconomic

landscape, lower borrowing costs and rising investor confidence, ensuring proactive rebalancing and strategic deployment of excess liquidity.

- The Committee discussed and endorsed the revised investment strategy designed in response to low interest rates and strengthened economic conditions, with a focus on optimising duration, capturing yield opportunities, enhancing portfolio diversification and strategically increasing allocations to alternative asset classes where appropriate.
- The Committee reviewed updates on the foreign loan, including utilisation, repayment status, terms and conditions.
- In connection with the acquisition of Softlogic Life Insurance Lanka Limited (formerly Allianz Life Insurance Lanka Limited), the Committee reviewed the subsidiary's investment portfolio composition, performance and asset allocation as part of the pre-acquisition due diligence and following completion of the transaction, to ensure alignment with the Group's investment strategy.

COMMITTEE EVALUATION

The Committee completed the evaluation process with a self-assessment in 2025, conducted by the Chairman and Committee members, which was deemed satisfactory.

THE YEAR AHEAD

In the year ahead, the Committee will continue to provide robust oversight of the Company's investment strategy with increased focus on dynamic asset allocation, capital preservation, risk-adjusted return optimisation and effective liquidity management. The Committee will closely monitor macroeconomic trends, interest rate expectations, foreign exchange

volatility and regulatory developments to ensure investment decisions remain aligned with the Company's risk appetite and Asset-Liability Management (ALM) framework.

Key priorities will include strengthening duration management, enhancing diversification across traditional and alternative asset classes, and ensuring optimal balance sheet alignment across funds. The Committee will also oversee ongoing integration of the Allianz Life Insurance Lanka Limited (Renamed as Softlogic Life Insurance Lanka Limited) investment portfolio, management of foreign currency exposures, investment performance, and maintenance of adequate capital and liquidity buffers in line with evolving market conditions.

Sgd.

Ashok Pathirage

Chairman – Investment Committee

Colombo, Sri Lanka
06th March 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

COMPOSITION

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

Name	Attendance
Mr. Lalith Withana – Chairman (Appointed on 22 Jul 2021) Independent Non-Executive Director	4/4
Mr. Raimund Snyders (Appointed on 22 Jul 2021) Non-Executive Director	4/4
Mr. V. Govindasamy (Appointed on 22 Jul 2021) Independent Non-Executive Director	3/4

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.

INEDs Representation

67%



Compiled ✓



Compiled ✓

Directors' Count

2 Local | 1 Foreign

OVERVIEW

The Related Party Transactions (RPT) Committee plays a critical governance role in safeguarding fairness, transparency, and market integrity in transactions involving related parties. The Committee rigorously reviews and evaluates all related party transactions to ensure they are conducted on arm's length terms and in the best interests of the Company and its shareholders. It determines the appropriate approval thresholds and provides oversight on disclosure requirements, advising the Board to ensure full compliance with the CSE Listing Rules and applicable regulatory frameworks.

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.

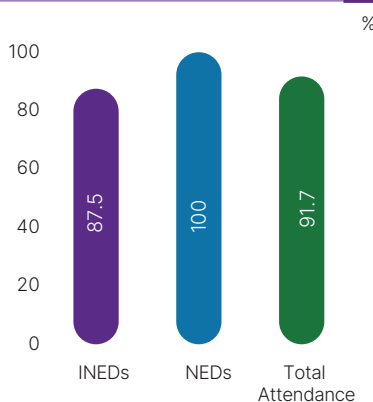
THE OBJECTIVES, RESPONSIBILITIES, AND DUTIES OF THE COMMITTEE

- 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

The Committee adopts a structured and control-based approach in identifying, reviewing, and monitoring Related Party Transactions (RPTs). Periodic declarations are obtained from each Director and Key Management Personnel (KMP) upon appointment,

COMMITTEE ATTENDANCE OVERVIEW



INEDs - Independent Non-Executive Directors

NEDs - Non-Executive Directors

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

bi-annually, and annually thereafter, with quarterly updates required for any changes to previously disclosed interests. These declarations are submitted to the Company Secretary, who serves as the primary custodian of related party records.

To reinforce this disclosure-based framework, the Company also relies on formal management certifications confirming the completeness and accuracy of related party information and transactions reported during each quarter. A system-enabled process facilitates the identification and capture of related party transactions across the Company's operational network, enabling ongoing monitoring. In addition, related party transaction data is cross-checked against finance and accounting records to ensure accuracy and completeness of reporting. The Committee reviews quarterly management reports detailing RPTs undertaken, including confirmation that such transactions are conducted on arm's length terms and in the best interests of the Company and its shareholders.

This multi-layered framework ensures that oversight of related party transactions is supported by formal controls, independent review mechanisms, and documented governance processes, rather than reliance on declarations alone.

ACTIVITIES IN 2025

Reviewed and strengthened oversight of the Company's investment in Commercial Paper issued by the Parent Company, focusing on the recovery of interest arrears, adequacy of collateral, and the development of an actionable repayment plan, resulting in improved alignment with the Company's risk management framework and enhanced capital protection.

Coordinated with the Risk Committee to enhance oversight over related

party investment exposures, emphasising prudent capital protection and establishing timely recovery mechanisms, which reinforced the Company's ability to manage associated risks effectively.

Monitored the progress of the Lead Management System initiative across Group entities, concentrating on its commercial justification, performance evaluation, and compliance with the Personal Data Protection regulatory framework, thereby ensuring the initiative's alignment with both business goals and regulatory requirements.

Advised Management to ensure that all customer consents for data-sharing arrangements with related parties are properly obtained and documented, mitigating potential regulatory and reputational risks and reinforcing trust in the Company's data management practices.

Introduced and monitored enhanced internal controls concerning related party policy issuance, mandating the settlement of existing obligations and upfront payments for new policies, which prevented preferential treatment and promoted fairness and transparency within related party transactions.

Reviewed recurring related party transactions such as travel and other services, advising Management to ensure that competitive quotations are consistently obtained, evaluated, and adequately documented, which bolstered the Company's commitment to transparency and good governance.

Confirmed that no special concessions or benefits were granted to related parties beyond those available under normal commercial terms, thereby maintaining the integrity of the Company's business practices and ensuring compliance with corporate governance standards.

OVERSIGHT AND GOVERNANCE EFFECTIVENESS STATEMENT

Following its detailed reviews and evaluations throughout the year, the Committee is confident that the Company's framework for managing related party transactions has functioned effectively, adhering to both regulatory standards and internal governance protocols. The Committee has ensured that the systems and procedures in place were robust, transparent, and aligned with best practice, thereby supporting the Company's commitment to sound governance and proper risk management of related party transactions.

SAFEGUARDING STAKEHOLDER INTERESTS AND INVESTOR CONFIDENCE

In an environment of heightened regulatory scrutiny and evolving stakeholder expectations, effective oversight of Related Party Transactions (RPTs) is fundamental to maintaining investor confidence and protecting minority shareholder interests. As a listed entity, the Company recognises that robust governance over related party dealings is not merely a compliance obligation under the Listing Rules of the Colombo Stock Exchange (CSE), but a critical safeguard of market integrity, capital protection, and equitable treatment of all shareholders.

The Committee's oversight framework is therefore designed to reinforce transparency, ensure arm's length decision-making, and uphold the highest standards of accountability, thereby strengthening trust among investors, regulators, and other key stakeholders.

RELATED PARTY TRANSACTIONS/ DISCLOSURES DURING THE YEAR

No related party transactions requiring immediate disclosure or shareholder approval under applicable listing rules, specifically Rule 9.14.6 and Rule 9.14.7 (a), were identified during the year

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 51 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 Committee confirms that it has discharged its responsibilities in accordance with its Charter and applicable regulatory requirements during the year under review.

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
06th March 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

COMPOSITION

The Board Nomination Committee ("the Committee") comprises three (03) Non-Executive Directors, out of whom, majority (02) are independent.

Name	Attendance
Mr. V. Govindasamy - Chairman (Appointed on 01 Jul 2021) Independent Non-Executive Director	1/1
Mr. Ashok Pathirage (Appointed on 09 Jul 2011) Non-Executive Director	1/1
Mr. Lalith Withana (Appointed on 01 Jul 2021) Independent Non-Executive Director	1/1

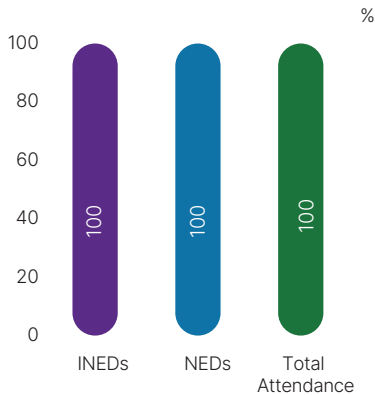
Regular Attendees by invitation

Managing Director
Chief Human Resources Officer

Secretary to the Committee

Softlogic Corporate Services (Pvt) Ltd

COMMITTEE ATTENDANCE OVERVIEW



INEDs - Independent Non-Executive Directors

NEDs - Non-Executive Directors

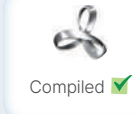
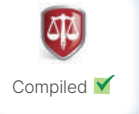
THE COMMITTEE FOCUSED ON BOARD COMPOSITION, DIRECTOR NOMINATIONS, SUCCESSION PLANNING, AND GOVERNANCE OVERSIGHT.

INEDs
Representation

67%

NEDs
Representation

100%



Directors' Count
2 Local | 0 Foreign

OVERVIEW

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.

CHARTER OF THE COMMITTEE

The Committee operates under a Board-approved Charter to ensure oversight over the selection of Directors, the CEO (MD), and Key Management Personnel (KMP).

- **Policy & Process:** Documented policies and processes are in place for the nomination of Directors, focusing on qualifications, competencies, and independence.
- **Board Diversity:** The Committee recognises Board diversity—encompassing a range of experience, skills, age, and gender—as an essential factor for effective Board performance and strategic growth. For detailed metrics, refer to page 230-231.
- **Re-election Policy:** In accordance with the Company's Articles of Association and governance best practices, all Directors are required to submit themselves for re-election at regular intervals and at least once in every three (3) years.

METHODOLOGY OF THE COMMITTEE

The Committee meets as and when necessary to assess the suitability of individuals for appointment as Directors and Key Management Personnel. The methodology involves:

- **Gap Analysis:** Reviewing the structure and competencies of the current Board to identify necessary skills or knowledge gaps.
- **Evaluation:** Assessing candidates against the "Fit and Proper" criteria and ensuring a balanced mix of independence and diversity.
- **Verification:** Obtaining declarations from all Directors through a prescribed format to confirm status of independence and identify potential conflicts of interest.
- **Engagement:** Consulting with the Chairman and Managing Director on leadership requirements for long-term sustainability and strategic growth.
- **Induction & Training Framework:** The Committee maintains a formal process for conducting induction and orientation programmes for new Directors on corporate governance and securities regulations. It also mandates periodic updates for existing Directors to ensure ongoing regulatory compliance.

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.
- 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 2025

The Committee met to assess the suitability of individuals for appointment and conduct mandate-related affairs.

Key activities included:

- **Independence:** Obtained declarations from all Directors confirming their status of independence and absence of conflicts of interest.
- **Review of the senior management:** committee reviewed the senior management members (Head of departments) and their functions. Committee also discussed on the succession planning for the organisation.
- **Evaluations:** Conducted periodic evaluations of the performance of the Board of Directors and the CEO to ensure effective discharge of responsibilities.
- **Communication:** Maintained processes to ensure Independent Directors are promptly informed of major issues through regular briefings and Board papers. The committee notes following actions.
 - **Induction:** As there were no new appointments to the Board in 2025, no formal induction programs were conducted.
 - **Annual Updates:** Committee notes that existing Directors received updates on Corporate Governance, Listing Rules, and securities market regulations during the year.
- **Re-election of Directors:** The Committee recommended the re-election of Mr. Haresh Kaimal, who retires by rotation in terms of Article 98 (a) at the 27th AGM held on 31st March 2026.

THE YEAR AHEAD

In 2026, the Nominations and Governance Committee will continue to assist the Board in fulfilling its fiduciary responsibilities by focusing on effective leadership continuity and governance excellence. Key initiatives will include a comprehensive review of the Board Skills Matrix to ensure alignment with the Company's 2026 strategic roadmap, particularly regarding health insurance leadership and digital innovation. The Committee will also lead the annual Board and CEO performance evaluation process and ensure that all Directors receive continuous professional updates on evolving regulatory frameworks, including any new CSE Listing Rules. By maintaining a proactive approach to nomination and governance, we aim to protect stakeholder interests and support the Company's vision of sustainable growth and long-term value creation.

Sgd.

V. Govindasamy

Chairman – Nominations and Governance Committee

Colombo, Sri Lanka

06th March 2026

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

✓ 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	254	
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	321	
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	446	
iv)	a) Disclose float market capitalisation and related information, public holding %, No. of shareholders Refer Investor Relations	446	
	b) No foreign Currency-denominated Shares listed on the exchange and related information	-	
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	446	
vi)	Information regarding the entity's material foreseeable risk factors is provided. Refer Risk Management	107	
vii)	The Company did not encounter any issues related to employees or industrial relations during the year 2025.	-	
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 27 on Property Plant and Equipments	350	
ix)	The details of the shares issued by the Company are provided. Refer to Note 36 on Stated Capital	378	✓
x)	The distribution schedule outlining the number of shareholders and the percentage of their total holdings in each category is provided. Refer Investor Relations	446	
xi)	The list of applicable ratios and the market price information is provided Refer Investor Relations	446	
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 27 on Property Plant and Equipments	350	
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	254	
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 51 on the Related Party Disclosures	433	
xvii) - xix)	The Company has not issued; foreign currency-denominated securities, Sustainable Bonds, Perpetual Debt Securities, Infrastructure Bonds, Shariah-compliant Debt Securities, or High-Yield Corporate Debt Securities listed on the CSE	-	


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, 2025, reinforcing its commitment to strong governance.

 Complied

Principle	Compliance and Implementation	Page No.	Status
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
	The Company has complied with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules. Refer Annual report of the Board of Directors	254	
9.2	Policies		
9.2.1	The Company has implemented the policies below, which have been disclosed on the Company website along with information regarding their existence and implementation details. a) Policy on 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	The Company has fully complied with the Internal Code of Business Conduct and ethics Refer Responsible Conduct and Stakeholder Trust	248	
9.2.3-9.2.4	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. Refer Transformative Governance Initiatives for 2025		
9.3	Board Committees		
9.3.1-9.3.2	The Company maintains 6 Board sub-committees including 4 mandatory committees required by CSE listing rules. Refer respective committee reports. a) Nominations and Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee The composition, responsibilities, and disclosures required in respect of the above Board committees have been disclosed.	286-287 278-280 269-274 283-285	
9.3.3	The Chairperson of the Board of Directors is not the Chairperson of any Board committees referred to in Rule 9.3.1 above.	239	

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

✓ Complied

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 Responsible Conduct And Stakeholder Trust	250	
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 the 26th virtual AGM held are disclosed in Responsible Conduct And Stakeholder Trust . Refer Notice of Meeting for details of the 27th AGM	 250 476	✓
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 Leadership And Strategic Stewardship	228	✓
9.5.2	The Company has adopted the Policy on matters relating to the Board of Directors. Refer Leadership And Strategic Stewardship	226-243	
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)	228	✓
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	226	
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.	226	✓
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.	238	✓
9.8.3- 9.8.4	The criteria for determining independence have been disclosed. Refer the Independence of Director as at 31st December 2025	233	
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.	233	✓
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	226-241	✓
9.10.2	There were no new appointments to the Board during 2025.	236	
9.10.3	There were no changes to the composition of the Board Committees referred to in Rule 9.3	239	
9.10.4	All information required in relation to Board of Directors under this rule has been disclosed under Board Leadership in Governance.	226-241	✓

Principle	Compliance and Implementation	Page No.	Status
9.11	Nominations and Governance Committee		
9.11.1-9.11.3	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. The Committee operates under a set of written terms of reference that clearly define its scope, authority, and responsibilities. Refer to Nominations and Governance Committee report	286-287	
9.11.4	Composition of the Committee: The Nominations and Governance Committee comprises two [2] Independent Non Executive Directors and one [1] Non-Executive Director. An Independent Director serves as the Chairperson. The committee composition has been disclosed. Refer to Nominations and Governance Committee report	286-287	✓
9.11.5	Functions of the Committee: 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. Refer to Nominations and Governance Committee report	286-287	
9.11.6	Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. 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. All the relevant details available have been disclosed in the Committee Report.	286-287	✓
9.12	Remuneration Committee		
9.12.1 – 9.12.5	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. The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties, and requirements for meeting quorum. Refer Remuneration Committee Report	278-280	✓

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

✔ Complied

✔ Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.12	Remuneration Committee (Contd.)		
9.12.6	<p>Composition of the Committee: The Company operates with a separate Remuneration Committee. The Remuneration Committee comprises two [2] Independent Non-Executive Directors and one [1] Non-Executive Director. An Independent Director serves as the Chairperson. Refer Remuneration Committee Report</p>	278-280	
9.12.7	<p>Functions of the Committee: The committee, recommends and assesses the relevance of the remuneration payable to the Executive Directors of the Company. Refer Remuneration Committee Report</p>	278-280	✔
9.12.8	<p>Disclosures: During the year, the Company has demonstrated compliance with the necessary disclosure requirements, as follows. a) Chairperson and members of the Remuneration Committee and their Directorships. b) Statement on Remuneration Policy. c) Aggregate remuneration of Executive and Non-Executive Directors. For (a) and (b) refer Committee Report For (c) refer Financial Statement Disclosure</p>	278-280	
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. The Committee operates under a set of written terms of reference that clearly outline its scope, authority, duties. Refer Audit Committee Report</p>	269-274	
9.13.3	<p>Composition of the Committee: The Audit Committee comprises 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. Refer Audit Committee Report.</p>	269-274	
9.13.4	<p>Functions of the Committee: 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. Refer Audit Committee Report</p>	269-274	✔

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>	269-274	
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>	283-285	
9.14.2	<p>Composition of the Committee:</p> <p>The Committee comprises 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>	283-285	
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>	283-285	
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>	283-285	
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>	283-285	

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

✔ Complied

✔ Early Adopted

Principle	Compliance and Implementation	Page No.	Status
9.14.7	Disclosures: 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. Refer Related Party Transaction Review Committee Report	283-285	
9.14.8	Disclosures in the Annual Report: 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. Refer Annual Report of Board of Directors	283-285	✔
9.14.9	Acquisition and Disposal of Assets from/to related parties: No substantial acquisitions or disposals occurred during the year. Refer Note 51 Related Party Disclosure	283-285	
9.14.10	Exempted Related Party Transactions: The Company has noted the definition given under exempted related party transactions when determine the related party transactions of the Company.	283-285	
9.16	Additional disclosures		
	i) The Board of Directors has disclosed all material interests in Entity contracts and refrained from voting on such matters. Refer Annual Report of the Board of Directors	254	
	ii) The Board has reviewed internal controls and obtained reasonable assurance of effectiveness. Any inability to declare is explained. Refer Annual Report of the Board of Directors	254	✔
	iii) The Board stays informed about applicable laws, rules, and regulations. Refer Annual Report of Board of Directors	254	
	iv) The Board discloses instances of non-compliance and material fines in Entity- operated jurisdictions. Refer Annual Report of Board of Directors	254	

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 by CA Sri Lanka		
	Refer the Code of Best Practice on Corporate Governance.	296-304	✓
B.1	A minimum of two Directors of the Board must be citizens and residents of Sri Lanka		
	The Board comprises eight (8) Directors, and six (6) of them are citizens and residents of Sri Lanka. Refer the Composition of the Board.	230-231	✓
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.	230-231	✓
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.	230-231	✓
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".	288-294	✓
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.	266	✓
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".	288-294	✓
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.	221	✓
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.	230-231	✓





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.	226	
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.	238	
A.1.2	Roles & Responsibilities		
	The 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: 2025-2026 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.		
	Approving budgets and major capital expenditures: The Budget and the Corporate Plan for the year 2025 was evaluated and approved.	226	
	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.		

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
A.1.2	Roles & Responsibilities (Contd.)		
	<p>Ensuring all stakeholder interests are considered in corporate decisions: The Board considers the views/impact on all stakeholders when making decisions.</p> <p>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 2025.</p> <p>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.</p> <p>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-Committees have continuously reviewed and monitored the progress of the business.</p> <p>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.</p> <p>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 members who have expertise in different areas.</p>	226	
A.1.3	Act in accordance with the laws of the Country		
	<p>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</p>	221	
A.1.4	Access to advice and services of the Company Secretary		
	<p>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.</p>	228	
A.1.5	Independence judgment		
	<p>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.</p>	232	

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.1.6	Dedicate adequate time and effort to matters of the Company		
	The Board of Directors 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"	238 226	✓
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.	263-264	✓
A.1.8	Board induction and training		
	The Company Secretary facilitates a comprehensive induction programme 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.	236	✓
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.	217	✓
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.	217 228	✓
A.4	Financial Acumen and Knowledge		
	All the Directors have extensive experience and financial acumen, although their experience lies in different industries.	226	✓
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 Director's 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.	233-234 230-231	✓

✓ Complied




Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
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].	237	✓
A.7	Appointment to the Board		
	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.		
	There were no new appointments to the Board during the year. Refer Nominations and Governance Committee Report.		✓
	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.	286-287	
	Refer Nominations and Governance Committee Report	278-280	
	Refer Remuneration Committee Report		
A.8	Re-election and Resignation of Directors		
	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.		✓
	Refer the Re-Election of Directors'	278	
A.9	Appraisal of Board Performance		
	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.		✓
	Refer the section on "Board Competency Evaluation".	229	
A.10	Disclose Information in Respect of Directors as Specified in the Code		
	Profiles including qualifications, expertise, and appointments.	210-212	
	Material business interests of Directors.	266	
	Whether Executive, Non-Executive and/or Independent Director.	238	✓
	Total number of Board seats held by each Director in other companies.	266	
	Number/percentage of Board meetings of the Company attended during the year.	238	
	Members of Committees and attendance at Board meetings and committee meetings.	238	
A.11	Appraisal of the Chief Executive Officer [CEO]/MD		
	The performance of the MD is evaluated annually based on the agreed objectives set by the Board in consultation with MD.		✓
	Refer the section on Performance Evaluation of the MD.	232	

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

 Complied




Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
B	DIRECTORS' REMUNERATION		
B.1	Remuneration Procedure		
	<p>The 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 regard 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. Refer the Remuneration Committee Report.</p>	232 278-280	
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.</p> <p>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 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 Remuneration Committee report.</p>	278-280	
B.3	Disclosure of Remuneration Policy		
	<p>Refer the Remuneration Committee report.</p> <p>Remuneration paid to Board of Directors – Refer Note 51.6.1 to Financial Statements.</p> <p>There were 14 key management personnel who directly reported to the CEO/MD during the year and the aggregate remuneration was Rs. 276 Mn.</p>	278-280 433	
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. Refer the Form of Proxy</p>	476 477-478	

 Complied





Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
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 Responsible Conduct And Stakeholder Trust</p>	250	
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>	285	
D	ACCOUNTABILITY AND AUDIT		
D.1	Present a balanced and understandable assessment of the Company's financial position, performance and prospects		
	<p>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.</p> <p>The following disclosures as required by the code are included in the Annual Report;</p>		
	Management Discussion and Analysis.	15-208	
	Annual Report of the Board of Directors.	254-262	
	Statement of Directors' Responsibility.	263-264	
	Directors' Statement on Internal Controls.	267-268	
	Managing Director's/CEO and Chief Financial Officer's Responsibility Statement.	265	
	The responsibilities of the External Auditors in relation to the Financial Statements are set out in the Auditors Report.	312-314	
	Note 51 to Financial Statements - Related Party Disclosures.	433	
	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	52-53	

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.2	Risk management and internal control to safeguard shareholders' investments and Company assets.		
	<p>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.</p> <p>Refer Risk Governance and Management. Refer the Audit Committee Report. Refer Internal Assurance [Internal Audit].</p>	269-274 253 107-113	
D.3	Audit Committee		
	<p>The Audit Committee consists of Two (2) Independent Non-Executive Directors and one (1) 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.</p> <p>Refer the Audit Committee Report. Refer Internal Assurance.</p>	269-274 253	
D. 4	Risk Committee		
	<p>The Risk Committee consists of Two (2) Non-Executive Directors and one (1) 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>	275-277	
D.5	Related Party Transactions Review Committee		
	<p>The Committee consists of Two (2) Independent Non-Executive Directors and one (1) 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. Refer Note 51 on Financial Statements - Related Party Disclosures.</p>	283-285 433	

 Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
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>	<p>248</p> <p>217</p> <p>446</p> <p>248</p>	
D.7	Corporate Governance Disclosures		
	<p>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.</p> <p>Refer Annual Report of the Board of Directors.</p>	254	
E	INSTITUTIONAL INVESTORS		
	<p>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.</p> <p>Refer Investor Relations.</p>	446	
F	OTHER INVESTORS		
	<p>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.</p> <p>Refer the Annual Financial Statements.</p> <p>Refer the Form of Proxy.</p>	<p>315-436</p> <p>477-478</p>	

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

✔ Complied

Principle	Implication by the Softlogic Life Insurance PLC	Page No	Status
G	INTERNET OF THINGS AND CYBER SECURITY		
	<p>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.</p> <p>Refer IT and Cybersecurity Governance.</p> <p>Refer the Risk Committee Report.</p>	<p>251</p> <p>275-277</p>	✔
H	SUSTAINABILITY: ESG RISK AND OPPORTUNITIES		
	<p>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.</p> <p>Refer Managing climate and sustainability.</p> <p>Refer the Risk Governance process.</p> <p>Refer Risk Management.</p>	<p>72-119</p> <p>108</p> <p>107</p>	✔
I	SPECIAL CONSIDERATIONS FOR LISTED ENTITIES		
1.2 - 1.4	<p>The Company upholds governance policies and oversees the implementation details as per the section 9.2.1 in CSE Listing rules.</p> <p>Refer the company website</p> <p>Refer Listing Rules Issued by CSE</p>	 <p>288-294</p>	✔