MS First Capital Insurance Limited
www.msfirstcapital.com.sg
(UEN 195000106C GST Reg. No. M2-0001676-9)

Corporate Governance Report

As at 23 June 2026

MS First Capital Insurance Limited (the "**Company**") was incorporated in Singapore on 09 December 1950 and is licensed by the Monetary Authority of Singapore ("**MAS**") to conduct general insurance business in Singapore.

The Board of Directors ("**Board**") and its directors (the "**Directors**"), together with the management of the Company ("**Management**"), place strong emphasis on maintaining high standards of corporate governance and are committed to upholding the values of integrity, honesty, and proper conduct in all aspects of the Company's operations and business dealings.

The Company has adopted corporate governance practices for the financial year ended 31 December 2025 ("**FY2025**") that are consistent with the Insurance (Corporate Governance) Regulations 2013 ("**CG Regulations**") and the MAS Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore issued on 09 November 2021 ("**CG Guidelines**"). Where differences arise between the CG Regulations and CG Guidelines, the Company complies with the CG Regulations.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board is collectively responsible for the long-term success of the Company, ensuring its viability and sustainability, and the delivery of sustainable value to shareholders and other stakeholders, while acting in the best interest of the Company.

The Board provides leadership and approves and oversees the implementation of the Company's strategic direction and overall business objectives. It also oversees Management's formulation of policies and processes to promote fair practices and high standards of business conduct.

The Board sets the tone from the top and promotes a sound corporate culture that reinforces ethical behaviour, accountability and prudent risk-taking across the Company.

In discharging its responsibilities, the Board has regard to the Company's Memorandum and Articles of Association ("**Constitution**"), applicable regulatory requirements, prevailing corporate governance practices, and the need to safeguard policyholders' interests and the Company's financial soundness. The Board retains ultimate responsibility for overseeing the adequacy and effectiveness of the Company's risk management and internal control systems. The Board oversees the Company's risk profile and ensures that risks are identified, assessed and managed within the approved risk appetite.

The Board Charter sets out the respective roles, responsibilities and accountability of the Board and Management. The Board focuses on strategic direction, oversight and governance, while Management is responsible for the day-to-day execution of the Company's strategies and operations. Matters reserved for the Board are articulated in the Annual Agenda Checklist of the Board and its Committees to ensure appropriate oversight and/or approval. These include, among others, the approval of strategic and operating plans, the risk appetite framework, performance targets, and the appointment of Directors and key management personnel. The Board ensures that the Company's corporate governance framework is robust, effective and remains aligned with regulatory expectations and evolving business needs.

The Board, through its Nominating Committee, ensures that Directors and key management personnel ("**KMP**") possess the appropriate expertise and experience having regard to the Company's business strategy, risk profile and nature of operations. It also ensures that adequate resources are in place to manage both financial and non-financial risks faced by the Company.

All Directors are required to act objectively in the discharge of their duties and in the interest of the Company. Directors who have conflicts of interest recuse themselves from deliberations and decisions on such matters and abstain from voting where appropriate.

Roles and Responsibilities

The principal roles and functions of the Board include:

a) reviewing and approving the Company's overall strategy and ensuring alignment with long-term objectives and policies;
b) overseeing Management's performance and ensuring the Company is appropriately resourced to achieve its objectives;
c) ensuring the Company operates in compliance with applicable laws, regulations, and internal policies;
d) upholding high standards of corporate governance, ethical conduct, and risk culture;
e) ensuring that minutes of Board and Board Committee meetings record key deliberations, decisions taken, and, where appropriate, the views expressed by Directors;
f) taking into account the interests of shareholders, policyholders and other stakeholders;
g) overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosures controls and procedures, and the adequacy and effectiveness of the internal controls and risk management systems;
h) approving the Company's risk appetite and overseeing, through the Risk Management Committee, the establishment and operation of an independent risk management function and capital management strategy, including the optimal allocation of capital resources, and the quality of the risk management processes and reporting;
i) overseeing, through the Nominating Committee, succession planning for key senior management positions and the appointment and resignation of directors and KMP;
j) overseeing, through the Remuneration Committee, the Company's remuneration framework;
k) reviewing and approving material transactions, including acquisitions and disposals;
l) providing a balanced and transparent assessment of the Company's performance, financial position and prospects, including regulatory reporting; and
m) considering environmental, social and governance factors in strategy formulation and overseeing the Company's sustainability initiatives.

Board Committees

The Board has established the Audit Committee ("**AC**"), Risk Management Committee ("**RMC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"), (collectively "**Board Committees**"), each with clearly defined written terms of reference ("**ToR**"). The ToRs of each Board Committee are reviewed at least annually, and any amendments are submitted to the Board for approval.

The Board has delegated certain responsibilities to the Board Committees while retaining overall responsibility and oversight. The Board ensures that the scope of delegated authority to each Board Committee is clearly defined and remains subject to regular review. Each Board Committee reports on its activities to the Board on a quarterly basis, or more frequently where required.

Meetings and Attendance

The Board and Board Committees meet regularly throughout the year, and at least four (4) times annually or as otherwise provided for under their respective ToRs, to review the performance of the business and Management, oversee key activities of the Company, and consider matters of strategic and operational significance. All Directors actively participate in Board deliberations, and decisions are taken objectively in the interests of the Company.

Where necessary, additional Board and Board Committee meetings were convened on an ad hoc basis to address specific matters arising from, inter alia, changes in Board composition, the review of Directors' fees, and the nomination and appointment of Directors and KMP, as well as other governance and operational matters within their respective mandates. Directors may participate in meetings via audio or video conferencing, as permitted under the Constitution.

The table below sets out the number of scheduled meetings of the Board and Board Committees held during FY2025, and the attendance of each Director at these meetings.

Name of Director[1]	Board	AC	RMC	RC
Dileep Nair	4/4	2/2	2/2	2/2
Vikas Shukla	4/4	-	-	-
Graham Lee	2/2	2/2	2/2	2/2
Daniel Neo	2/2	2/2	2/2	-
Mrs. Lee Ai Ming	2/2	2/2	2/2	1/2[#]
Clemens Philippi	4/4	4/4	4/4	2/2
Hiroshi Hagiuda	4/4	-	-	-
Atsuhiro Saeki	4/4	-	-	-
Ajit Nair	1/1	-	1/1	1/1
Arumugam Muthu	2/2	2/2	2/2	-
Lee Kwong Foo, Edward	1/1	1/1	1/1	1/1
Tetsuya Adachi	4/4	4/4	4/4	2/2

[#]*Medically unfit to attend 1 meeting and on hospitalisation leave*

During FY2025, the majority of the NC matters were considered and approved via resolutions in writing, with ad hoc meetings convened primarily for the nomination and appointment of directors and KMP. The NC will, going forward, convene scheduled meetings to consider key matters within its remit. Accordingly, attendance at NC ad hoc meetings is not reflected in the attendance table above.

In assessing Directors' commitment, the Board takes into account attendance and participation at all scheduled and ad hoc meetings, as well as the consideration and approval of matters via resolutions in writing.

[1] *Please refer to pages 12 and 13 for details of changes in Board composition during FY2025 and up to the date of this Report.*

Induction and Continuous Professional Development

Upon appointment, new Directors undergo a comprehensive and tailored induction programme to familiarise them with their roles and responsibilities. This induction includes briefings and reference materials covering Directors' duties, the Board Charter, the ToR of the Board Committees, and relevant Group policies. New Directors also meet with key members of Management and receive briefings on the Company's business and operations, industry-specific regulatory developments, risk profile, risk management framework and governance practices.

To support the ongoing effectiveness of the Board, the Company has implemented a structured annual training plan to facilitate continuous development of Directors. The training plan is aligned with core competency areas and is refreshed annually to reflect regulatory developments, Company's strategic priorities and risk profile. Directors receive ongoing training through briefings and presentations by internal subject matter experts, as well as regular updates at Board meetings on business and financial performance, risk matters and relevant regulatory developments. Where appropriate, the Company may also arrange for external subject-matter experts or professional advisers to brief the Board on relevant regulatory, industry, risk, or technical matters.

The Company Secretary works closely with the Chairman of the Board and all Board Committee Chairs, the NC, the Chief Executive Officer, and relevant function heads, where appropriate, to identify and address specific training needs of individual Directors. Independent Non-Executive Directors ("**INEDs**") are also supported in their ongoing development through participation in external director training programmes conducted by recognised professional institutions, including the Singapore Institute of Directors. Directors' training and development activities are tracked annually.

For FY2025, the NC was satisfied that the induction and training programmes implemented were adequate and effective in equipping Directors, including newly appointed INEDs, with the necessary knowledge and competencies to discharge their responsibilities. The NC will continue to review and enhance the training programmes to ensure their relevance and effectiveness in meeting the evolving needs of the Company and its Directors.

Access to Information

Directors are provided with relevant and timely information by Management on matters to be considered or approved by the Board. For matters requiring approval, the information provided typically includes background and explanatory materials, relevant facts and analysis, the implications and merits of the proposal, risk assessments and mitigating measures, budgets where applicable, and Management's recommendation.

Directors have ready access to the Company's Constitution, Board Charter, Board Committee ToRs and relevant Group policies through the Company's secure board portal. A summary of the roles, responsibilities and key functions of the Board and each Board Committee is set out in this Report to provide stakeholders with appropriate visibility of the Company's governance structure.

Management executives who can provide further clarification are generally present at Board and Board Committee meetings during the discussion of such matters. Where appropriate, other individuals or external experts may also be invited to brief the Board or the Board Committees.

In addition, Directors have full and unrestricted access to Management and may request further information at any time to support their decision-making. Directors may also seek independent professional advice, where necessary and appropriate, in the discharge of their duties, at the Company's expense.

All deliberations and decisions of the Board and Board Committees, including any concerns raised by the Directors, are properly recorded in the minutes maintained by the Company Secretary.

Company Secretary
Directors have separate and independent access to the Company Secretary. The Company Secretary attends Board and Board Committee meetings and is responsible for preparing the minutes of such meetings, save that she may be excluded from meetings or parts thereof where matters relating to employees or employee-related issues are deliberated by the NC and RC.

The Company Secretary supports the Chairman in ensuring that appropriate Board procedures are followed and assists the Board in complying with applicable laws, regulations, and governance requirements are complied with. She also facilitates corporate governance matters, including the induction and ongoing development of Directors, as well as engagement between the Board and Management. The Company Secretary operates independently within the governance framework and is accountable to the Board.

The appointment and removal of the Company Secretary is subject to the approval of the Board.

Principle 2: Board Composition and Guidance

The Board has an appropriate balance of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board comprises 9 Directors as set out below:

Dileep Nair Independent Non-Executive Director	Dileep was appointed to the Board on 9 November 2021 and was appointed as Independent Chairman of the Board on 14 August 2025. He is also the Chairman of the NC and a member of the RMC and RC. Dileep is responsible for providing leadership to the Board. He has more than 40 years of experience in governance and public service in the Singapore Civil Service and the United Nations. He was with the Ministry of Foreign Affairs serving as the High Commissioner to the Republic of Ghana from 2013 to 2016. Prior to that, he was the Ambassador to the Laos People's Democratic Republic from 2011 to 2013 and the Consul-General to the Emirate of Dubai from 2006 to 2010. He was also the Under-Secretary-General for Internal Oversight Services at the United Nations from 2000 to 2005. <u>Non-listed company and other principal commitments</u> - Board member of National Council of Social Services - Treasurer and Chairperson of Finance Committee of Brahm Centre - Chairman of Board of Trustees of Sree Narayan Mission. <u>Academic and professional achievements</u> Advanced Management Program at Harvard Business School Masters in Public Administration from Havard Kennedy School Bachelor of Engineering (Mechanical) from McGill University, Canada

Vikas Shukla Executive Director and Chief Executive Officer	Vikas was appointed as an Executive Director and the CEO of the Company on 1 July 2024. He has overall executive responsibility for the management of the Company's business and operations. He leads the management team in implementing the strategies, policies and decisions approved by the Board and Board Committees and is accountable for the day-to-day management of the Company. This includes ensuring that sound and effective systems of risk management and internal controls are established, maintained and operating effectively at all times. Vikas joined the Company in 2019. Before becoming the CEO of the Company, he held the position of Chief Risk Officer. He brings a wealth of experience and a deep understanding of the Company's operations. With nearly 38 years in the non-life insurance industry across diverse markets, including several years in senior management positions, he has effectively managed key stakeholder relationships, including boards of directors, broker and regulators. His expertise spans both commercial and retail lines of business across various distribution channels. <u>Academic and professional achievements</u> - Bachelor of Science from Lucknow University - Associate of Insurance Institute of India (specialization in Marine Insurance) - Certificates in Surplus Markets and Reinsurance Operations (AICPCU, USA) - Award from the Chartered Insurance Institute (U.K.) - Co-authored two academic papers: o Actuarial Basis for Savings Linked General Insurance Products" - presented at the Global Conference of Actuaries (2000) o "Long Term Return Linked Products in General Insurance – Relevance to the Indian Market" - presented at the Conference of Asia Pacific Reinsurers and Insurers' Association (APRIA 2001)
Graham Lee Independent Non-Executive Director	Graham was appointed to the Board on 27 June 2025. He is also the Chairman of the AC and a member of the RMC and RC. Graham retired as a Partner of PricewaterhouseCoopers ("**PwC**") Singapore in 2017, after nearly 20 years in partnership and close to 40 years with member firms of the PwC global network. His professional experience spans Singapore, Australia and the United States, with assignments undertaken across Asia and Europe, and exposure to Africa and South America through both client and internal roles. <u>Listed company and other principal commitments</u> - Independent non-executive director and Chairman of the Audit Committee of Delfi Limited - Board member of the Robert Connor Dawes Foundation

	Academic and professional achievements - Bachelor of Economics - Monash University, Australia - Chartered Accountant (past Member of The Institute of Chartered Accountants Australia & New Zealand) - Singapore Chartered Accountant (past Fellow of the Institute of Singapore Chartered Accountants) - Member, Singapore Institute of Directors
Daniel Neo Independent Non-Executive Director	Daniel was appointed to the Board on 27 June 2025. He is also the Chairman of the RMC and a member of the AC and NC. Daniel has over 20 years of senior leadership experience in the insurance industry, including more than 13 years as a Regional and Country CEO, and prior roles as Chief Financial Officer and Chief Risk Officer. He has served as Chairman, Director and Board Committee member of operating and joint-venture entities across multiple Asian jurisdictions, and brings deep experience in corporate governance, risk management, compliance and regulatory frameworks. He has comprehensive knowledge of both life and general insurance, supported by strong financial and operational expertise, and contributes seasoned judgment and regional perspective in supporting the Board's oversight role. Non-listed company and other principal commitments - Global Strategic Advisor with Samsung Fire & Marine Insurance, South Korea. - Independent Non-Executive Director of Swiss Re Asia Pte. Ltd. Academic and professional achievements - Master of Accountancy from Truman State University, Missouri, USA - Bachelor of Science in Business Administration from Truman State University, Missouri, USA - Executive Education – Leading Global Business from Harvard Business School
Mrs. Lee Ai Ming Independent Non-Executive Director	Ai Ming was appointed to the Board on 30 June 2025. She is also the Chairperson of the RC and a member of the AC and NC. Ai Ming was a lawyer until her retirement in 2025. She has over 40 years of experience in the areas of commercial litigation, real estate, financial instruments, intellectual property and cybersecurity. She previously served as Deputy Managing Partner and Head of the Intellectual Property & Technology Group at Rodyk & Davidson LLP. She was appointed a Justice of the Peace by the President of the Republic of Singapore in 2016 and serves on various government committees such as the Board of Visiting Justices, PSC Disciplinary Panel of Persons and the Institutional Discipline Advisory Committee. Ai Ming has extensive experience in corporate governance having served on several SGX mainboard listed entities since 2007. She has served on the boards

	of Keppel Land Limited, K-Reit, Keppel T&T and HTL Holdings Ltd. She also served on the board of the Agri-Veterinary Authority, the predecessor to the Singapore Food Agency. <u>Listed company and other principal commitments</u> - Independent non-executive director of Lendlease Global Commercial REIT (a real estate investment trust listed on the Main Board of Singapore Exchange Securities Trading Limited) - Director of Temasek Life Sciences Laboratory Limited - Director of HomesToLife Ltd (a furniture manufacturer listed on NASDAQ). <u>Academic and professional achievements</u> Bachelor of Laws (Honours), National University of Singapore
Mr. Norihiro Tanaka Non-Executive Director	Tanaka-san was appointed on the Board on 15 May 2026. He is a member of the AC, RMC, RC and NC. Tanaka-san is the Chairman of MSIG Asia Pte. Ltd. ("**MSIG Asia**") and an Executive Officer of MS&AD Insurance Group. He also serves as a Director of MSIG Asia, having joined the organisation in 2025 as an Executive Officer. In this role, he was responsible for leading strategy formulation and execution across the Asia region, including oversight of M&A activities, contributing to the growth and development of the Group's regional operations. Tanaka-san has over 30 years of experience in the insurance industry, with deep expertise across underwriting, marketing, and business operations. He has extensive international experience, having previously served as General Manager of MS Amlin Underwriting Ltd (UK) and as a Supervisory Board Member of MS Amlin AG, the Group's reinsurance vehicle. Throughout his career within the Group, Tanaka-san has worked closely with Boards, Committees, and senior management, with a strong understanding of governance, risk management, internal controls, audit, and financial reporting. He has also held senior leadership roles in Japan and the United States, including leading a significant liability and cyber insurance portfolio and driving underwriting and reinsurance initiatives. <u>Non-listed company and other principal commitments</u> As part of his executive responsibilities within the Group, Tanaka-san serves on the boards of several entities across the MSIG network, including MSIG Insurance (Singapore) Pte. Ltd, MSIS Pte. Ltd., MSIG Insurance (Thailand) Public Limited, MSI Holding (Thailand) Company Limited, MSIG Service and Adjusting (Thailand) Co Ltd, Ueang Mai Co., Ltd, Yardhimar Company Limited, MSIG Berhad, BPI/MS Insurance Corporation, MSIG Insurance (Vietnam) Co Ltd, FLT Prime Insurance Corporation, KBZ MS General Insurance Company Limited and PT. Asuransi MSIG Indonesia. He is also the Chairman of the Executive Committee overseeing MSI branch operations in Thailand, Australia and New Zealand.

	Academic and professional achievements Bachelor of Arts in Law, Aoyama Gakuin University (Tokyo, Japan)
Mr. Clemens Philippi Non-Executive Director	Clemens was appointed to the Board on 19 May 2022. He is a member of the AC, RMC, RC and NC. He is an Executive Officer of MS&AD Insurance Group Holdings, and Chief Strategy Officer for the Group's International Business. He concurrently serves as the CEO and Director of MSIG Asia, overseeing 15 markets and 17 business units. With over 20 years of international insurance experience across Asia, Europe, and Japan, Clemens has held multiple senior regional leadership roles, and is recognised for driving strategic transformation, sustainable growth and strong governance across diverse markets. He served as a Board Member and Treasurer for the Singaporean-German Chamber of Industry and Commerce until 2021. Non-listed company and other principal commitments As part of his executive responsibilities within the Group, Clemens also sits on the boards of several entities across the network, including MSIG Insurance (Hongkong) Limited, MSIG Berhad, MSIG Insurance (Malaysia) Bhd, BPI/MS Insurance Corporation, MSIG Insurance (Thailand) Public Company Limited, Ueang Mai Co., Ltd and Yardhimar Company Limited. Clemens is also a director of the Singapore International Chamber of Commerce. Academic and professional achievements An Executive Council Member of the International Insurance Society since 2023, and mentor to its Leaders of Tomorrow programme, Clemens is passionate about fostering global industry collaboration and advancing the insurance sector's role in supporting resilient economies and communities. He attained his Master's Degree in Germany's University of Trier, majoring in Japanese Studies with a minor in Business Administration and Political Science. He also studied at Loyola Marymount University, one of the U.S.' top universities, on a sports scholarship, where he obtained his Bachelor's Degree with a major in Asian-Pacific Studies and a minor in Business Administration
Mr. Hiroshi Hagiuda Non-Executive Director	Hagiuda-san was appointed to the Board on 1 January 2024. Hagiuda-san is Head of Asia Pacific Operations in the International Planning Department at Mitsui Sumitomo Insurance Company, Limited ("**MSI**"), where he is responsible for supporting the planning and monitoring of business strategies and growth initiatives for entities across the Asia Pacific region. With over 20 years of experience in the international insurance and reinsurance industry, Hagiuda-san has held senior management roles across Japan, the United Kingdom and Germany. His prior appointments include a directorship at MS Amlin Corporate Services in the United Kingdom, Assistant General Manager of the Lloyd's & Reinsurance Section at MSI in Japan, and Head of Corporate

	Office at MSIG Insurance Europe AG in Germany. He has also held managerial roles at Mitsui Sumitomo Insurance (Europe) Co., Ltd. in London. Throughout his career, Hagiuda-san has been actively involved in business transformation, strategic development, corporate governance, and cross-border operations. <u>Non-listed company and other principal commitments</u> Haiguda-san is also a Non-Executive Director of MSIG Insurance (Singapore) Pte. Ltd. and MSIG Asia, as well as a member of the Executive Committee of MSI's Australia and New Zealand Branch. Across these appointments, he supports the sustainable growth and strategic development of MSI Group's business across the Asia Pacific and Oceania regions and contributes to board oversight and governance. <u>Academic and professional achievements</u> Bachelor of Economics from Gakushuin University, Japan
Mr. Atsuhiro Saeki Executive Director	Saeki-san was appointed to the Board on 15 May 2024 as an Executive Director. In addition to his role on the Board, Saeki-san currently serves as an Executive Director of the Company, where he is responsible for driving corporate strategy, underwriting performance, and regional business development initiatives. As a member of the executive leadership team, he contributes to the Company's strategic direction, growth agenda, and operational oversight. Saeki-san has over 25 years of international experience in the insurance industry, having held senior leadership roles across Asia and Europe. His career with MSI Group includes positions such as General Manager of Strategic Planning at MSIG Singapore, Vice President at MSIG Thailand, and leadership appointments in Japan and London. He has also led international business development and corporate planning functions, building strong expertise in cross-border operations and strategic transformation. Saeki-san brings deep expertise in insurance strategy, corporate planning, and global operations, with a strong track record across diverse markets and regulatory environments. His global perspective supports the Board's oversight of risk management, growth strategy, and operational excellence. <u>Academic and professional achievements</u> - Bachelor's degree in Economics from Keio University, Japan - Chartered Property Casualty Underwriter (CPCU), a globally recognised professional designation in insurance and risk management

The NC conducts an annual assessment of the Board's size, composition and each Director's independence. Based on the NC's recommendations, the Board has determined that each Director remains fit and proper, suitably qualified for office, and contributes meaningfully to the Board's collective skills, experience and knowledge.

The Board possesses the core competencies required to effectively discharge its responsibilities, drawing on deep and relevant experience across insurance, reinsurance, finance and management to support the Company's business and strategic objectives.

Having regard to the scope, scale and nature of the Company's operations, the Board considers that a board size of up to 9 members is appropriate to ensure effective oversight, facilitate constructive deliberation, and support the orderly and progressive renewal of the Board. The Board will continue to review its size as well as mix of skills and expertise required to provide effective stewardship of the Company.

The Board considers that its current composition provides an appropriate balance of independence, experience and diversity of perspectives to support objective and effective decision-making.

Pursuant to Principle 2.4 of the CG Guidelines, the Board recognises the importance of diversity, including diversity of skills, experience, gender and other relevant attributes. While the Company does not currently have a formal Board Diversity Policy, its approach to diversity is aligned, in principle, with the MS&AD Group guidelines. The NC considers diversity as one of the factors in identifying and nominating Directors, taking into account the needs of the Board and the Company's strategic and operating context. The Board will keep the need for a formal diversity policy under review as the Company's size, complexity and business needs evolve.

Independence of Directors

The independence of a Director is determined based on the criteria set out in the CG Regulations and the CG Guidelines. In assessing independence, the NC considers each Director's profile, tenure and responses to annual declarations against the relevant criteria. The NC also considers each Director's fitness and propriety in accordance with the MAS Guidelines on Fit and Proper Criteria.

In making its assessment, the NC exercises judgement and takes into account both qualitative and quantitative factors. The length of each Director's tenure is also considered as part of the assessment, particularly in relation to the continued independence of independent Directors and overall Board effectiveness. The NC is satisfied that the tenure of the independent Directors does not impair their independence.

The independence status of the current Directors is set out below:

Name of the Director	Independent Status	Independent from Management Relationship	Independent from Business Relationship	Has served on the Board for 9 years or more?
Mr. Dileep Nair	Yes	Yes	Yes	No
Mr. Vikas Shukla	No	No	No	-
Mr. Graham Lee	Yes	Yes	Yes	No
Mrs. Lee Ai Ming	Yes	Yes	Yes	No
Mr. Daniel Neo	Yes	Yes	Yes	No
Mr. Norihiro Tanaka	No	Yes	Yes*	-
Mr. Clemens Philippi	No	Yes	Yes*	-
Mr. Hiroshi Hagiuda	No	Yes	Yes*	-
Mr. Atsuhiro Saeki	No	No	No	-

**Determined to be independent of business relationships by the NC under Clause 14 (1) of CG Regulations*

Based on the above, the Company is in compliance with the CG Regulations, which require that, where a substantial shareholder holds 50% or more of the voting power in an insurer incorporated in Singapore, at least one-third of the

Board must comprise independent Directors. The CG Guidelines further provide that independent Directors should form a majority of the Board where the Chairman is not independent.

In assessing its composition, the Board has considered the Company's shareholder structure, including the presence of a substantial shareholder, as well as the nature, scale and risk profile of the Company's operations. The Board is satisfied that its current composition provides sufficient independence and objectivity to support effective oversight and decision-making.

Key Appointment Holders

The following changes to the composition of the Board and Management took place during FY2025:

Board:

S/N	Name of Director	Role(s)	Key Changes During Year
1.	Mr. Dileep Nair	INED, Board Chair, NC Chair, RMC and RC Member	Re-elected as INED on 27 June 2025; appointed as Board Chairman and NC Chairman on 14 August 2025; appointed as member of RMC and RC on 1 July 2025. Ceased as an AC member on 30 June 2025.
2.	Mr. Graham Lee	INED, AC Chair, RMC and RC Member	Appointed as INED on 27 June 2025; appointed as AC Chair and member of RMC and RC on 1 July 2025.
3.	Mr. Daniel Neo	INED, RMC Chair, AC and NC Member	Appointed as INED on 27 June 2025; appointed as RMC Chair and AC member on 1 July 2025; appointed as NC member on 14 August 2025.
4.	Mrs. Lee Ai Ming	INED, RC Chair, AC and NC Member	Appointed as INED on 30 June 2025, appointed as RC Chair and AC member on 1 July 2025; appointed as NC member on 14 August 2025.
5.	Mr. Tetsuya Adachi	Non-Executive Director, AC, RMC, NC and RC Member	Ceased as NED and member of AC, RMC, NC and RC on 31 March 2026.
6.	Mr. Norihiro Tanaka	Non-Executive Director, AC, RMC, NC and RC Member	Replacement for Mr. Tetsuya Adachi and was appointed as NED and member of AC, RMC, NC and RC on 15 May 2026.
7.	Mr. Ajit Nair	INED, Board Chair, RMC Chairman and RC Chaiman, NC Member	Stepped down from all roles on 26 June 2025 upon reaching the recommended nine-year tenure limit for INEDs.
8.	Mr. Edward Lee	INED, AC, RMC and RC Member	Stepped down from all roles on 26 June 2025 upon reaching the recommended nine-year tenure limit for INEDs.
9.	Mr. Arumugam Muthu	INED, AC Chairman, RMC and NC Member	Stepped down from all roles on 29 June 2025 upon reaching the recommended nine-year tenure limit for INEDs.

These above changes reflect the Board's ongoing commitment to orderly Board renewal and succession planning, including the retirement of INEDs upon completion of their nine-year tenure and the appointment of new INEDs to maintain an appropriate balance of skills and experience on the Board.

Management:

Joiners	
Name	**Designation**
Cordianne Chau	Head of Human Resources
Tan Wee Heng	Head of Internal Audit
Michael Halim	Chief Risk Officer
Harjit Kaur	Company Secretary
Leavers	
Name	**Designation**
Melissa Choi	Head of Internal Audit
Zulqurnain Salikin	Head of Non-Motor Claims

Principle 3: Chairman and Chief Executive Officer ("CEO")

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman and the CEO of the Company are separate, unrelated individuals. This separation ensures an appropriate balance of authority and responsibility at the highest level of governance, and safeguards against the concentration of decision-making power. The Board is satisfied that this structure provides for an effective balance of power and authority.

The Chairman of the Board provides leadership to the Board and is responsible for its effective functioning. The Chairman sets the agenda for Board meetings, ensures that Directors receive timely, accurate and adequate information to support informed decision-making, and promotes open and constructive debate. The Chairman facilitates the effective contribution of all Directors, fosters constructive relationships between the Board and Management, supports effective communication with shareholders, and upholds high standards of corporate governance.

The CEO has overall executive responsibility for the day-to-day management of the Company's operations and is accountable to the Board for implementing the strategies and corporate objectives approved by the Board. The CEO has authority to manage the business within the parameters set by the Board and applicable laws, and is responsible for preparing the annual business plan, keeping the Board informed of material developments, and reporting in a timely manner any actual or anticipated non-compliance with Board-approved policies or decisions.

The Board has not appointed a Lead Independent Director, as the Chairman and the CEO are separate individuals and the Chairman is not involved in the day-to-day management of the Company. The Board is of the view that, given the clear separation of roles and the presence of independent representation on the Board, the appointment of a Lead Independent Director is not required at this time.

In circumstances where the Chairman has a conflict of interest, an independent member of the Board will be appointed to chair the deliberations on the relevant matter, and the Chairman will abstain from such deliberations and voting.

Led by the Chairman, the independent Directors meet at least annually, or as and when necessary, without the presence of Management and other Directors, to discuss matters relevant to the Company. Independent Directors are also available to address any concerns that shareholders may have where appropriate.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The Board has established a Nominating Committee ("**NC**") in accordance with the CG Regulations. The NC comprises 5 members, 3 of whom, including the Chairman of the NC, are independent Directors who are free from any management or business relationships. The NC's decision-making requirements include the concurrence of at least 2 independent Directors. The NC is reconstituted annually following the Annual General Meeting ("**AGM**"), with prior approval from MAS.

The NC carries out its functions in accordance with the applicable MAS regulations. It is responsible for identifying and nominating candidates for appointment and reappointment to the Board, and for determining the criteria determining the criteria applied in evaluating such candidates. The NC makes recommendations to the Board on all appointments and reappointments of Directors.

In performing its role, the NC considers the composition and progressive renewal of the Board and regularly reviews the Board's structure to ensure it remains appropriate. The NC also evaluates each Director's competencies, commitment, contribution and performance, including attendance, preparedness, participation and candour, having regard to the Director's role, including where applicable, as an independent Director.

In evaluating candidates, the NC assesses their experience, skills, capabilities, independence and diversity, taking into account the needs of the Board and the Company's strategic objectives.

The NC also ensures that all appointments comply with applicable regulatory and governance requirements, including those relating to Board and Board Committee composition, and assess whether candidates the fit and proper criteria, having regard to their track record, integrity and other relevant factors. Such assessments are conducted prior to appointment and reappointment and are reviewed annually to ensure that Directors continue to meet the requisite standards.

In accordance with Article 93 of the Constitution, one-third of the Directors retired at the AGM held on 27 June 2025 and being eligible, offered themselves for re-appointment. This included Mr. Dileep Nair, Mr. Arumugam Muthu and Mr. Hiroshi Hagiuda, all of whom were re-appointed by the shareholders at the AGM. Mr. Arumugam Muthu subsequently stepped down from the Board on 29 June 2025.

Directors may serve on multiple boards, provided that they are able to demonstrate that they can devote sufficient time and attention to the affairs of the Company. The NC reviews Directors' external commitments and satisfies itself that each Director is able to discharge their duties effectively.

The NC is also responsible for reviewing the reasons for the resignation of Directors, the CEO, Chief Financial Officer, Chief Risk Officer, Appointed Actuary, Certifying Actuary, and other members of Management, as defined in its ToR.

The NC oversees succession planning for the CEO, Directors and KMP to support leadership continuity and the Company's strategic objectives. The Company has an established succession planning framework, which is subject to ongoing review and enhancement to strengthen its effectiveness and ensure alignment with regulatory expectations. In respect of succession planning for KMP (excluding the CEO), the Board receives quarterly updates from the CEO's office to provide oversight of the leadership pipeline and succession readiness.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board and the Board Committees conduct an annual assessment of their effectiveness, including the effectiveness of the Board as a whole and each Board Committee, through a structured questionnaire. The assessment process is designed to be objective and robust.

In respect of the assessment of individual Directors for FY2025, the Board noted that the majority of the INEDs were appointed towards the end of June 2025. Accordingly, a formal individual Director assessment was not conducted for FY2025, given their limited tenure during the period under review.

The results of the evaluation are consolidated and reviewed by the NC, which deliberates on the findings and makes recommendations to the Board, including any action plans to address areas for improvement.

The evaluation covers key aspects of Board and Board Committee effectiveness, including the conduct of meetings, quality of risk management, adequacy of internal controls, and Board culture and behaviours. The outcomes of the assessment are used constructively to identify opportunities to enhance the effectiveness of the Board and the Board Committees, including through targeted training and development initiatives.

Based on the evaluation results, Directors' contributions and their external commitments , the Board is satisfied that all Directors have discharged their duties effectively and devote sufficient time and attention to the affairs of the Company, thereby contributing to the overall effectiveness of the Board and the Board Committees.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The Board has established a Remuneration Committee ("**RC**") in accordance with the CG Regulations. The RC comprises 5 members, 3 of whom, including the Chair of the RC, are independent Directors who are free from any management and business relationships. The RC's decision-making requirements include the concurrence of at least 2 independent Directors.

The Board retains overall responsibility for the remuneration framework and its implementation. No Director is involved in deciding their own remuneration.

The roles, responsibilities and authority of the RC are set out in its ToR, which are reviewed at least annually or when required to reflect new regulatory requirements, including those issued by MAS. The RC carries out its functions in accordance with applicable regulatory requirements and oversees the implementation of the remuneration framework to ensure consistency with approved policies.

The key responsibilities of the RC include:

- reviewing and recommending to the Board a framework of remuneration for the Board and KMP, and the specific remuneration packages for each Director and KMP;
- reviewing the Company's Remuneration Policy annually or as required by regulatory developments;
- recommending a remuneration framework for executive officers which:
  - is aligned with the nature of the specific job functions, including control functions where applicable;
  - reflects the risks undertaken in each role;
  - is sensitive to the time horizon of risks, ensuring that variable remuneration is not determined over an inappropriate timeframe;
  - takes into account individual performance and the overall performance of the Company;
  - ensures an appropriate balance between fixed and variable components; and
  - ensures an appropriate mix of cash and non-cash incentives;
- considering all aspects of remuneration, including termination terms, to ensure they are fair and not excessive;
- supporting the Board in its oversight of the implementation of the MAS Guidelines on Individual Accountability and Conduct; and
- ensuring compliance, where appropriate, with the CG Guidelines.

The Company has a Remuneration Policy which sets out the guiding principles to ensure that:

- remuneration is fair and competitive;
- remuneration is aligned with the long-term interests of the Company and its shareholders;
- the remuneration framework is transparent and well-defined;
- remuneration is linked to individual and corporate performance;
- a culture of meritocracy is promoted;
- the Company is able to attract and retain talent; and
- the remuneration framework supports prudent risk-taking and discourages excessive or inappropriate risk-taking.

Particular consideration is given to remuneration structures of control functions to preserve independence and objectivity. The remuneration framework established by the RC forms the basis for determining the level and structure of remuneration, as set out under Principle 7 below.

The Company's Remuneration Policy is aligned with the tripartite agreement with the union, wherever relevant.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The level and structure of remuneration are determined in accordance with the remuneration framework established by the RC under Principle 6.

The level and structure of remuneration of the Board and KMP are designed to be appropriate and proportionate to the sustained performance of the Company and are aligned with the Company's strategic objectives and long-term value creation.

The remuneration structure comprises an appropriate balance of fixed and variable components. An appropriate proportion of remuneration is performance-based and is linked to both individual performance and the overall performance of the Company.

The remuneration framework takes into account the risks undertaken by the Company and is aligned with its risk appetite, so as to discourage excessive or inappropriate risk-taking. Variable remuneration is structured to reflect the time horizon of risks and the long-term performance of the Company.

For control functions such as Risk Management, Internal Audit and Compliance, remuneration is designed to preserve independence and objectivity. Performance assessment and remuneration outcomes are not directly linked to the financial performance of the business units they oversee, but are based on the achievement of functional objectives, including the effectiveness of risk management, internal controls and compliance frameworks, with oversight by the RC. The Company continues to review its remuneration framework to ensure it continues to meet these safeguards.

Remuneration to Directors

Only independent Directors are entitled to receive directors' fees, which are subject to approval by shareholders at the AGM. Non-independent Directors do not receive directors' fees.

A benchmarking exercise on Directors' fees was conducted by Willis Towers Watson, the results of which were reviewed by the RC and the Board. The Directors' fees recommended by the Board are subject to shareholder approval at the Company's AGM.

Remuneration of Management

As determined by the RC, pursuant to its delegated authority from the Board, the following key executive person ("**KEP**") roles fall within the scope of the RC's oversight in respect of remuneration:

1. Chief Executive Officer ("CEO")
2. Deputy CEO (if appointed)
3. Chief Financial Officer
4. Chief Underwriting Officer
5. Chief Risk Officer
6. Head of Claims
7. Chief Technology Officer
8. Head of Reinsurance
9. Head of Internal Audit
10. Head of Human Resources

The remuneration of the KEPs reflects their responsibilities, individual performance, business performance and risk considerations, and is aligned with the Company's Remuneration Policy.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company is committed to transparency in its remuneration practices, taking into account commercial sensitivities and confidentiality considerations.

Remuneration to Directors (INEDs)

The Board reviews Directors' fees on a regular basis, taking into consideration factors such as the scope of responsibilities, time commitment and the demands of Board and Board Committee roles. Directors' fees for FY2025 reflect changes arising from Board composition, including retirements and re-appointments pursuant to Constitution, as well as the implementation of a revised fee structure.

The revised fee structure for Non-Executive Directors is set out in the table below:

Role		Annual Retainer Fees
Board Chairman		S$60,000
Board Member		S$36,000
Committee Chair	Audit	S$20,000
	Risk Management	S$20,000
	Nominating	S$20,000
	Remuneration	S$20,000
Committee Member	Audit	S$10,000
	Risk Management	S$10,000
	Nominating	S$10,000
	Remuneration	S$10,000

Each Director is paid a director fee based on the retainer fee and the number of appointments held.

For the newly appointed INEDs, the revised fees are applied from their respective dates of appointment to the Board, and from the respective dates on which they assumed roles as Chair or member of the Board Committees, where applicable.

In respect of Mr. Dileep Nair, the revised fees for his role as a Director are effective from his re-appointment at the last AGM pursuant to the Company's Constitution. The revised fees applicable to his roles as Board Chairman, NC Chairman, and member of the RMC and RC take effect from the respective points at which the Board Committees were reconstituted, and he was appointed to these roles.

Remuneration of Executive Directors and Non-Executive Directors ("NEDs")

Executive Directors and NEDs employed within the MSI Group do not receive fees or other remuneration for their services as Directors of the Company. Such individuals are remunerated in their capacity as employees of the MSI Group in accordance with MSI Group remuneration policies.

Remuneration of Management

As part of its disclosure obligations, the Company has considered the level of information to be disclosed in relation to the remuneration of the CEO and KEPs.

The Company has decided not to disclose the remuneration of the CEO and KEPs, whether individually or in aggregate, due to the highly competitive nature of the non-life insurance industry and the associated risk of talent attrition. The Board is of the view that such disclosure may lead to inappropriate benchmarking and potential employee dissatisfaction, which may not be in the best interests of the Company. Additionally, the Board has taken into consideration that the substantial shareholder has full visibility to remuneration of KEP.

The aggregate compensation of KEP for FY2025 is disclosed in the Company's Annual Report.

During the financial year ended 31 December 2025, no employee of the Company whose remuneration exceeded S$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director, the CEO, or a substantial shareholder.

The Board is satisfied that the Company's remuneration disclosures are appropriate, balancing transparency with the need to protect commercial interests.

Determination of remuneration

The Company's Remuneration Policy provides a structured and formal framework for determining employee remuneration, taking into account an individual's qualifications, experience, responsibilities and role within the organisation.

An appropriate proportion of remuneration for Executive Directors and KEPs is structured to link rewards to corporate and individual performance. The RC oversees this through its review and approval of annual performance-based remuneration.

The Company does not currently operate any share-based or equity-linked remuneration schemes.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board retains overall responsibility for risk governance and for ensuring the adequacy and effectiveness of the Company's risk management framework and internal control systems.

The Board has constituted a Risk Management Committee ("**RMC**") in accordance with the CG Regulations. The responsibilities and the authority of the RMC are set out in its ToR. The RMC comprises 5 members, all of whom are non-executive directors. Three members, including the RMC Chairman, are independent Directors. The RMC's decision-making requirements include the concurrence of at least 2 independent Directors.

The RMC assists the Board in overseeing the Company's risk management framework, including the review of risk appetite, risk exposures and risk management policies. The responsibility and authority of the RMC are set out in its ToR, which are reviewed annually. The RMC carries out its functions in accordance with applicable MAS regulations and the MAS Guidelines on Risk Management.

Members of the RMC are appropriately qualified to discharge their responsibilities. The RMC undertakes an annual self-assessment to provide assurance to the Board on its effectiveness and performance. In view of the breadth and depth of risk management expertise available within the Board and RMC, the Company has not found it necessary to appoint a non-director risk management expert as a member of the RMC.

Risk Management Framework
The Company has established an Enterprise Risk Management ("E**RM**") framework to provide a structured and consistent approach to identifying, assessing, managing, monitoring, and reporting risks across the organisation. The ERM framework is aligned with the MAS Guidelines on ERM for Insurers and is reviewed periodically to ensure it remains appropriate to the nature, scale, and complexity of the Company's operations and risk profile.

The Company's ERM framework is built on the Three Lines of Defence model:

- First Line – Business units and functions that own and manage risks within their respective areas of responsibility. They are responsible for identifying, assessing and controlling risks, and ensuring that risk management policies and procedures are embedded in day-to-day operations.
- Second Line – The Risk Management function provides independent oversight, review and challenge of the risk-taking activities of the first line. The Chief Risk Officer leads this function and reports to the RMC and the Board on material risk matters. The Compliance function also forms part of the second line, supporting compliance with applicable laws, regulations and internal policies.
- Third Line – The Internal Audit function provides independent assurance to the Board and the AC on the adequacy and effectiveness of the Company's risk management framework, internal controls and governance processes. The Head of Internal Audit reports functionally to the AC Chairman.

Risk Oversight
The Company is exposed to a range of material risks, including underwriting risk, reserving risk, market and investment risk, credit risk, liquidity risk, operational risk (including technology, cyber, and outsourcing risks), as well as regulatory and compliance risk. These risks are managed within approved risk appetite and tolerance levels, and are subject to regular monitoring and reporting to Management, the RMC, and the Board.

Own Risk and Solvency Assessment ("ORSA")
The Company undertakes its ORSA as an integral part of its risk management and capital management framework. The ORSA provides a forward-looking assessment of the Company's risk profile and capital adequacy under both normal and stressed conditions. It is performed at least annually, and its results are used to support strategic decision-making, business planning, and capital management.

Principle 10: Audit Committee

The Board has an Audit Committee ("AC") which discharges its duties objectively.

The Board has constituted an AC in accordance with the CG Regulations. The AC assists the Board in overseeing the integrity of the Company's financial reporting, the effectiveness of its internal control systems, and the adequacy, effectiveness, performance, independence and objectivity of the internal and external audit functions. The Board retains overall responsibility for these matters.

The authority and responsibilities of the AC are set out in its ToR, which are reviewed annually. The AC carries out its functions in accordance with applicable MAS regulations, relevant laws and professional standards.

The AC comprises 5 members, all of whom are non-executive Directors, of which 3, including the Chairman, are independent Directors. At least 2 members, including the Chairman, have relevant accounting or financial management expertise. The AC does not comprise former partners or directors of the Company's external audit firm. The AC's decision-making requirements include the concurrence of at least 2 independent Directors.

Members of the AC are appropriately qualified to discharge their responsibilities. The AC undertakes an annual self-assessment to provide assurance to the Board on its effectiveness and performance.

The key functions of the AC include:

(a) reviewing the scope and results of the internal audit function;

(b) reviewing the scope and results of the external audit;

(c) reviewing the draft regulatory and statutory financial statements, including significant accounting policies and judgements;

(d) reviewing the findings of the internal and external auditors on their reviews of the adequacy and effectiveness of the internal controls and risk management systems of the Company, including financial, operational, compliance and information technology controls and systems established by Management;

(e) reviewing assurances from the CEO and Chief Financial Officer on the financial records and statements;

(f) assessing the adequacy and effectiveness of the internal audit function;

(g) assessing the independence of external and internal auditors; and

(h) recommending the appointment, re-appointment, remuneration and terms of engagement of the external auditor.

External Audit

The AC oversees the external audit process and is responsible for reviewing the audit plans, evaluating the scope and results of the audit, and assessing the performance, independence and objectivity of the external auditors.

The AC meets with the external auditors to discuss the audit plan, audit findings and the significant accounting and auditing matters arising from the audit. Where appropriate, the AC also meets with the external auditors without the presence of Management to ensure that there is an independent and confidential avenue of communication for matters that the external auditors might wish to bring to the AC's attention.

The AC reviews the independence of the external auditors on an annual basis, including the volume and nature of non-audit services provided, to ensure that their independence and objectivity are not impaired. For FY2025, the aggregate amount of fees, including those relating to non-audit services paid to the external auditors, was deemed not significant.

The AC also makes recommendations to the Board on the appointment, re-appointment and remuneration of the external auditors, which are subject to shareholders' approval at the AGM.

Internal Audit ("IA")

The primary reporting line of the IA function is to the AC, which also decides on the appointment, termination and remuneration of the Head of the IA function. The IA function has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The scope of the IA responsibility is clear and appropriate for the risks which the Company is or could be exposed to, including those risks arising from proposed new lines of business or products.

The IA's responsibilities include the following:

(a) evaluating the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company. In this regard, the Internal Auditor assesses if business and risk management units are operating according to the risk appetite framework. The Internal Auditor is also aware of whether the Company's practices are keeping pace with the industry trends or are aligned with best practices and consider such knowledge in conducting their work. The Internal Auditor's overall opinion of internal controls relating to the risk governance framework is provided to the AC annually;

(b) reviewing the internal controls of the Company to ensure prompt and accurate recording of transactions and proper safeguarding of assets;

(c) reviewing whether the Company complies with laws and regulations and adheres to established policies, and whether senior management is taking the appropriate steps to address control deficiencies; and

(d) conducting yearly assessments of the IA function and audit systems and incorporating needed improvements.

In carrying out its responsibilities, the Internal Auditor ensures all material areas of risk and obligation of the Company are subject to appropriate audit or review over a reasonable period of time. These areas may include those dealing with:

(a) credit, market, liquidity, operational, technology, conduct, money laundering and terrorism financing, legal, regulatory, reputational, strategic and environmental risks;

(b) accounting and financial policies and whether the associated records are complete and accurate;

(c) intra-group transactions, including intra-group risk transfer and internal pricing;

(d) the reliability and timeliness of escalation processes and reporting systems, including whether there are confidential means for employees to report concerns or violations and whether these are properly communicated, offer the reporting employee adequate protection from retaliation, and result in appropriate follow up; and

(e) the extent to which any non-compliance with internal policies or external legal or regulatory obligations is documented and appropriate corrective measures are taken.

In addition to having unfettered access to the AC, the Board, and the senior management where necessary, the Internal Auditor has the right to seek information and explanations from the Company's functions and personnel.

The Internal Auditor, in its reporting to the AC, includes, at the minimum:

(a) the annual or other periodic audit plan, detailing the proposed areas of audit focus;

(b) any factors that may be adversely affecting the IA function's independence, objectivity or effectiveness; and

(c) material findings from audits or reviews conducted.

The AC ensures that the IA function has adequate processes in place for ensuring that recommendations raised in IA reports are dealt with in a timely manner. Outstanding exceptions or recommendations are closely monitored by the IA function and reported to the AC. The AC meets with the Head of IA at least annually, and as required, without the presence of Management.

The budget of the IA function is approved by the AC. In addition, AC reviews the reasons for any resignation of the Head of IA. It also ensures that there are adequate policies and procedures relating to the appointment, termination and succession of the Head of IA, and is actively involved in such processes. The Company discusses the reasons for the resignation or dismissal of the Head of IA with the MAS.

The AC is involved in assessing the independence and effectiveness of the IA function and specifically for assessing whether the IA function is adequately resourced so as to enable it to effectively carry out its responsibilities.

Whistleblowing

The Company has in place a Whistleblowing Policy and an independent, confidential reporting channel to facilitate the reporting of concerns relating to possible impropriety in financial reporting, internal controls, compliance, and other matters. The Whistleblowing Policy sets out the process for raising concerns, the protections afforded to whistleblowers, and the procedures for investigation of reported concerns. Reports may be made anonymously.

Internal Controls and Risk Management

The Board has received assurance from the CEO and Chief Financial Officer that:

(a) the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and financial position; and

(b) that the Company's risk management and internal control systems are adequate and effective.

The Company maintains an Internal Controls Programme ("**ICP**") which sets out the framework and processes for the design, implementation, monitoring and review of internal controls across the Company's key business functions and processes. The ICP covers financial, operational, and compliance controls, and is reviewed and updated on a regular basis to ensure that it remains current and responsive to changes in the Company's risk profile and operating environment. Controls under the ICP are subject to periodic self-assessments by control owners and to independent review by the IA function on an annual basis as part of its risk-based audit plan. The process level controls processes are evaluated by IA on a rotational basis over a 3-year cycle.

Based on the work performed by the IA function during FY2025, including its assessment of the design and operating effectiveness of controls under the ICP, and having considered the results of Management's representations and the findings of the external auditor, the AC has reported to the Board that the Company's internal controls (including financial, operational, and compliance controls) and risk management systems are adequate and effective as at 31 December 2025. The Board concurs with this assessment.

Customer Complaint Handling

The Company has in place documented customer complaint handling procedures. Customers who wish to lodge a complaint or provide feedback may currently do so by contacting the Company directly via the dedicated email address published on the Company's website at www.msfirstcapital.com.sg.

The Company is enhancing its website to provide clearer information on complaint handling processes and escalation channels, including access to the Financial Industry Disputes Resolution Centre Ltd.

Complaint trends and the effectiveness of complaint handling processes are monitored, with oversight by the AC and the Board.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principles 11: Shareholder Rights and Conduct of General Meetings

Principle12: Engagement with Shareholders

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position, and prospects.

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Company convenes its AGM within 6 months after the end of each financial year. Notice of AGM is issued to all shareholders, providing them with the opportunity to attend and participate in the meeting. Relevant financial information is made available in advance of the AGM to facilitate informed participation and decision-making.

Shareholders are given the opportunity to raise questions and seek clarification on matters relating to the Company at general meetings. Resolutions are put to vote at general meetings, allowing shareholders to exercise their voting rights.

Minutes of the AGM are available to shareholders upon request.

The Company’s approach to dividend payments is guided by its substantial shareholder and is reflected in the Company’s Capital Management Plan, which sets out the parameters and restrictions relating to dividend distributions. This approach is considered appropriate having regard to the Company’s ownership structure.

In applying Principle 12 of the CG Guidelines, the Board has considered the Company’s shareholder profile. Given the concentrated ownership structure, the Board is of the view that formalised investor relations policies and engagement channels are not necessary. Notwithstanding this, the Company ensures that communication with shareholders is conducted in a timely and appropriate manner through established governance and reporting channels.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company maintains a corporate website (www.msfirstcapital.com.sg) as a key channel for communication with shareholders and other stakeholders. The website provides accessible and up-to-date information on the Company, including its corporate governance practices, leadership, financial information and other relevant disclosures. Through this platform, the Company seeks to promote transparency and accountability by providing stakeholders with timely, accurate and meaningful information on the Company.

RELATED PARTY TRANSACTIONS

The Company is a member of the MS&AD Insurance Group and enters into transactions with related parties within the Group in the ordinary course of business, including with MSI and its subsidiaries and affiliates. The MSI Group has established policies and procedures governing intra-group transactions to ensure that such transactions are conducted on reasonable commercial terms and on arm's length basis. These policies are aligned with applicable local regulatory requirements, including those issued by MAS, and apply to the Company.

The Board retains oversight of related-party transactions and has delegated to the AC the responsibility to review material related-party transactions entered into by the Company. Directors with an actual or potential conflict of interest recuse themselves from the deliberation and approval process in respect of such transactions and abstain from voting.

Related-party transactions entered into by the Company during FY2025 are disclosed in Note 20 of the Company's Annual Report for FY2025.

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