

CORPORATE GOVERNANCE INFORMATION PAPER

Introduction

Manulife (Singapore) Pte. Ltd. ("**MLS**" or the "**Company**") is committed to maintaining a sound corporate governance framework that supports effective oversight, prudent risk management and compliance with applicable legal and regulatory requirements.

This Corporate Governance Information Paper has been prepared with reference to the Insurance (Corporate Governance) Regulations (the "**Regulations**") and the Monetary Authority of Singapore's Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore (the "**MAS Guidelines**").

MLS, a non-listed insurer, is a wholly-owned subsidiary of Manulife Financial (Singapore) Pte. Ltd. and is ultimately owned by Manulife Financial Corporation, a company incorporated in Toronto, Canada. The Company applies the principles contained in the MAS Guidelines in a manner that is appropriate to its ownership structure, nature of operations and risk profile.

Directors' Induction and Continuous Development

All newly appointed directors receive an induction programme covering their duties and obligations under applicable laws and regulations, calibrated to the director's role and experience.

New independent non-executive directors receive orientation sessions by the heads of the relevant business and control functions covering the Company's business lines, operations, governance framework, key risks and regulatory environment.

Directors are further provided with opportunities to develop continuous professional development to ensure they have requisite skillsets and knowledge to effectively discharge their duties, with ad hoc and annual training sessions, as appropriate. Additionally, they may also participate in industry briefings, governance programmes, and regulatory updates relevant to the Company's business and operating environment.

The Board is of the view that the induction and continuous training programmes continue to meet the objective of equipping directors with the appropriate knowledge to discharge their responsibilities.

Matters Reserved for Board Approval

The Board has formally reserved, for its approval, matters that are material to the Company's strategy, risk profile, financial position and regulatory obligations. These matters are documented in internal governance instruments and are regularly reviewed to ensure they remain appropriate having regard to the nature, scale and complexity of the Company's business.

Such matters include:

- approval of financial statements and statutory accounts;
- approval of the Own Risk and Solvency Assessment;
- approval of significant regulatory submissions;
- approval of strategic plans and material business initiatives;
- approval of the Company's risk appetite framework;
- approval of capital management matters; and
- appointment and removal of directors and key executive persons¹.

The Board considers that this approach provides appropriate transparency regarding its oversight of the Company while maintaining the effectiveness of its governance framework.

Board Committees

The Board has established an Audit Committee and a Board Risk Committee to assist in the discharge of its responsibilities. Each committee operates under written terms of reference maintained in accordance with the Regulations and MAS Guidelines requirements. These terms of reference clearly set out the respective committee's composition, authority, responsibilities and reporting obligations to the Board.

In lieu of separate Nominating and Remuneration Committees, the Board undertakes these responsibilities ordinarily discharged by such committees, including oversight of Board composition, director appointments, succession planning and remuneration matters.

Frequency of Meetings, Attendance and Directors' Commitments

The Board meets regularly to review the Company's performance, key business activities and strategic priorities, and to deliberate on significant regulatory, risk management and governance matters. All members of the Board participate actively in Board and relevant Board Committee discussions and decisions are taken objectively in the interests of the Company. The Board monitors directors' attendance and participation at Board and

¹ The term "key executive persons" shall have the same definition as prescribed under the MAS Notice 106 and mean a person holding the appointment of Chief Executive Officer, deputy Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, appointed actuary or certified actuary of insurers.

Board Committee meetings. Attendance records are maintained as part of the Company's governance processes. Where required, ad hoc Board or Board Committee meetings will be convened.

In addition, the Board considers directors' other professional commitments as part of its ongoing assessment of their ability to devote sufficient time and attention to the affairs of the Company. The Board is satisfied that all directors are able to effectively discharge their duties and responsibilities and actively contribute to Board and Board Committee meetings.

Board Composition, Diversity, Independence of Directors and Board Effectiveness

The Board seeks to maintain an appropriate balance of experience, expertise and diversity of thought to support effective oversight and decision-making.

In considering Board composition, factors including skills, professional experience, industry knowledge, regulatory expertise and other diversity characteristics are taken into account having regard to the Company's business model, strategic objectives and risk profile. Collectively, the directors bring a broad range of experience and expertise relevant to the Company's business and provide an appropriate balance of skills, knowledge and independent judgement to support the effective discharge of the Board's responsibilities.

The Board undertakes periodic assessments of its effectiveness and that of its Board Committees to support the continual enhancement of governance practices and Board performance. The Board also reviews its composition periodically to ensure that it remains appropriate and effective, and continues to support the Company's objectives and the discharge of the Board's responsibilities. The Board is satisfied that its current composition and governance arrangements continue to support its effective functioning and oversight of the Company.

The Board assesses the independence of its directors on an ongoing basis based on the criteria set out in the Regulations and MAS Guidelines. The Board remains satisfied that its independent non-executive directors continue to meet the applicable independence requirements under the Regulations and MAS Guidelines.

Appointment, Re-Appointment and Succession Planning

The Board oversees the selection, appointment and re-appointment of directors and reviews the succession planning of key management personnel² through established

² The term "key management personnel" shall mean the Chief Executive Officer and individuals employed in an executive capacity with responsibility for the day-to-day management of the company.

governance processes designed to support effective oversight and continuity of leadership.

In assessing prospective directors and key management personnel, consideration is given to, among other factors:

- the Company's current and future strategic needs;
- the mix of skills, knowledge and experience required to support the effective discharge of responsibilities;
- independence considerations, where applicable;
- succession planning requirements;
- applicable fitness and propriety standards; and
- relevant legal and regulatory requirements.

Appropriate due diligence and background checks are conducted prior to appointment, and regulatory approvals or notifications are obtained or made where required. The Company has processes in place to ensure that the resignation or cessation of directors and key executive persons are appropriately considered and managed in accordance with applicable contractual, legal, regulatory and governance requirements. Where required, notifications are made to relevant regulatory authorities.

The Board is satisfied that the Company's approach remains effective and proportionate, having regard to the Company's ownership structure, governance arrangements and regulatory obligations.

Remuneration Matters

The Company maintains remuneration policies and governance processes to ensure that the remuneration arrangements support prudent risk-taking, sound management and alignment with the Company's long-term objectives. The Board provides oversight to ensure consistency with regulatory expectations and the Company's risk management framework.

Remuneration of MLS affiliated directors is determined in accordance with the Manulife Group's remuneration framework, while the remuneration of independent non-executive directors is reviewed periodically with reference to market practices and benchmarking, as appropriate.

The Company has considered the remuneration disclosures contemplated by the MAS Guidelines and, having regard to the Company's legal structure, business model and governance framework, has determined that certain remuneration information will not be publicly disclosed. The Board is satisfied that the Company's remuneration governance framework, together with applicable regulatory oversight and internal governance processes, provides appropriate oversight, accountability and transparency.

As a wholly owned subsidiary within the Manulife Group, the Company has no individual substantial shareholders. Further, the Company is not aware of any employee requiring disclosure under Provision 8.2 of the MAS Guidelines.

Management Assurances, Internal Controls

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

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

The Board has also received assurance from the Chief Executive Officer and relevant members of management regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Taking into account these assurances, together with reports received from the relevant control functions, the Board, with the concurrence of the Audit Committee, has reviewed the Company's system of internal controls and risk management processes, including financial, operational, compliance and information technology controls.

Based on the reviews conducted and assurances received, the Board is satisfied that these systems remain adequate and effective.

Internal Audit Function

The Audit Committee reviews the independence, effectiveness and resourcing of the internal audit function on an ongoing basis. The Audit Committee is satisfied that the internal audit function is independent, adequately resourced and possesses the appropriate standing, authority and expertise to perform its responsibilities effectively.

Shareholder Meetings and Shareholder Communication

The Company maintains formal records of all shareholder meetings. The Company does not publish shareholder meeting minutes on its website but these are available to the sole shareholder upon request. The Board considers that shareholder engagement is effectively achieved through regular reports provided, direct communication and established governance channels.

The Board is satisfied that this approach facilitates meaningful communication and enables shareholder views to be appropriately considered in decision-making processes.

Stakeholder Engagements

The Board considers that the combination of direct stakeholder engagement, regulatory disclosures and corporate communications provides an effective framework for engagement with customers, regulators and other stakeholders.

The Company also maintains a corporate website containing information relevant to customers, regulators and other stakeholders.

Additionally, the Company leverages Manulife Group communication channels to communicate matters relating to strategy, sustainability, governance and corporate responsibility.

Related Party Transactions

The Company maintains policies and procedures governing related party transactions.

Material related party transactions are reviewed and approved in accordance with applicable governance requirements, regulatory expectations and internal policies. Directors with actual or potential conflicts of interest abstain from relevant deliberations and decisions.

The Board receives reports on material related party transactions. Related party transactions are disclosed in the Company's audited financial statements in accordance with applicable financial reporting standards.

The Board is satisfied that appropriate controls are in place to ensure such transactions are conducted on arm's length terms, manage conflicts of interest and safeguard the Company's interests.