Allied Insurance

2025

# Corporate Governance Report

Upholding sound corporate governance through transparency, accountability, and long-term value creation — in accordance with MMA regulations and the Companies Act.

A Subsidiary of STO

BOARD MEMBERS

**7**

Directors serving in 2025

BOARD MEETINGS

**7**

Meetings convened with 100% attendance

COMMITTEES

**3**

Audit & Risk · NR · Corporate Governance

EXTERNAL AUDITOR

**Deloitte**

Appointed for 2025

# Contents & Introduction

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GOVERNANCE FRAMEWORK

MMA's Regulation on Corporate Governance for Banks, Insurance Companies, and Finance Companies — supplemented by the Code of Corporate Governance for the STO Group.

### Mission

To be the leading insurance brand in the Maldives, delivering comprehensive protection through expertise, integrity, and a deep understanding of the local market.

## 1 Introduction

This Governance Report highlights the Company's strong commitment to upholding sound corporate governance in accordance with the Companies Act, the Maldives Monetary Authority's (MMA) insurance industry regulations, and internal operational guidelines. The report covers the Board's transparent structure, compliance with legal obligations, establishment of key committees, financial transparency, stakeholder engagement, and the company's forward outlook.

## 2 Purpose & Nature of the Company

### Our History

Allied was established in **1985** as a joint venture between the Commercial Union Assurance Company, UK, and the State Trading Organization (STO). In early 1987, STO repurchased Commercial Union's shares, making Allied a subsidiary of STO. With a predominantly local management team, Allied has grown to become one of the largest financial institutions and a leading insurance brand in the country.

### Our Reach

Our customer base spans the entire island nation, ranging from small-scale fishermen with fishing boats to large resort operators. With a deep understanding of the local market and a commitment to developing professionalism and expertise, Allied is well-positioned to play a pivotal role in the growth of the Maldives' insurance industry and its broader economy.

# 3 The Board Charter

The Board Director's charter guides the directors in fulfilling their corporate governance duties and strategic leadership, setting out the roles, responsibilities, structure, and processes of the Board.

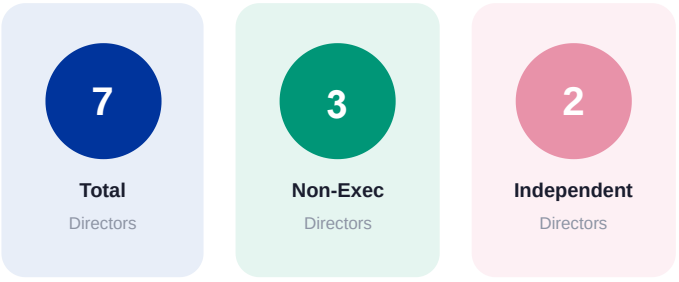
## Board Objectives

- Provide strategic directions for the organization
- Establish a policy-based governance system
- Identify operational risks and adopt mitigation strategies
- Ensure compliance with all relevant laws and regulations
- Monitor financial performance
- Recruit, supervise, retain, evaluate the Managing Director and Executive Management
- Ensure technology and information systems are sufficient
- Publish required stakeholder reports

## 3.1 Tenure

In 2025, the Board underwent three significant changes. On 23 February 2025, Mr. Ahmed Niushad was appointed as Non-Executive Director. On 27 October 2025, Mr. Easa Hamdhan Rasheed was appointed as Independent Director, following the removal of Mr. Irufaau Abdulla. Current directors have been on the Board for **2 years or less**.

## 3.2 Board Composition




### Diversity Note

The Board includes **one female Director**. All members bring diverse professional backgrounds, holding managerial roles or higher within STO and the industry.

## 3.3 Independence

All Directors act with independence of mind in the Company's best interest. **Two** Non-Executive Members were deemed independent, as verified by MMA governance criteria.

## 3.4 Appointment Process

Directors are nominated by shareholders, assessed by the Board, and undergo MMA fit and proper review. Independent directors serve a maximum term of 8 years. Diversity in qualifications, skills, age and gender are considered.

## 3.5 Segregation of Duties

Chairperson and Managing Director roles are separate. The Chairperson leads the Board; the MD handles day-to-day management. Both confirmed no relationship with each other or immediate family members.

### 3.6 Induction & Education

In 2025, directors participated in training on **Board & Governance Effectiveness** and **Insurance and Risk Management** — strengthening oversight capabilities and supporting informed decision-making.

### 3.7 Board Evaluation

A comprehensive internal evaluation was completed in February 2025 using an online assessment tool, gathering feedback from directors, chairman, MD, committees, and company secretary. Results highlighted strengths and areas for improvement.

# 4 Board of Directors

MEMBERS SERVING IN 2025

| NAME | POSITION | APPOINTED | RESIGNED / REMOVED |
|---|---|---|---|
| **Ibrahim Muavin** | Chairman | 14 Dec 2023 | — |
| **Hussain Luwaiz** | Managing Director | 07 Dec 2023 | — |
| **Nasrath Mohamed** | Executive Director | 31 Jul 2024 | — |
| **Ismail Mifrah** | Non-Executive | 02 Jul 2023 | — |
| **Aminath Niusha Khaleel** | Non-Executive | 02 Jul 2023 | — |
| **Ahmed Niushad** | Non-Executive | 23 Feb 2025 | — |
| **Irufaau Abdulla** | Independent | 27 Oct 2021 | 27 Oct 2025 |
| **Easa Hamdhan Rasheed** | Independent | 27 Oct 2025 | — |

## 3.8 Board Remuneration

| FEE TYPE | AMOUNT |
|---|---|
| Monthly board allowance (Chairman & Directors incl. executive) | MVR 5,000 |
| Sitting fee per board meeting | MVR 300 |
| Sitting fee per committee meeting | MVR 250 |
| **Total paid in 2025** | **MVR 411,528** |

*Due to salary disparities in the employment market, the Board of Directors has chosen not to disclose the individual remuneration package of top management and executive directors.*

# 5 Board Meetings & Attendance

During 2025, **7 Board Meetings** were convened. Every director achieved **100% attendance** for their respective eligible meetings.

| DIRECTOR | MEETINGS ATTENDED | ATTENDANCE |
|---|---|---|
| Ibrahim Muavin | 7 / 7 | 100% |
| Hussain Luwaiz | 7 / 7 | 100% |
| Nasrath Mohamed | 7 / 7 | 100% |
| Ismail Mifrah | 7 / 7 | 100% |
| Aminath Niusha Khaleel | 7 / 7 | 100% |
| Ahmed Niushad | 7 / 7 | 100% |
| Irufaau Abdulla | 5 / 5 | 100% |

# Major Board Decisions

KEY RESOLUTIONS IN 2025

## Financial & Reporting

- Approved audited financial statements for 2024
- Approved Dividend 2024
- Approved Annual Report 2024
- Approved appointment of auditors for 2025
- Approved Staff Bonus for 2024

## Policy & Governance

- Approved Surplus Distribution Policy
- Approved Purchase Policy
- Approved Impairment and Bad Debts Policy
- Approved Dividend Policy
- Approved Investment Policy
- Approved Articles & Memorandum of Association

## Risk & Compliance

- Approved Risk Management Framework
- Approved Anti-Money Laundering and CFT Policy
- Approved Internal Audit Plan and Charter
- Approved reinsurance treaty for 2026

## Strategic & Operational

- Approved the succession plan
- Approved revised Board Committee compositions
- Instructed budget revision to align projected profit
- Renewed Shariah Committee contracts to Dec 2027
- Approved Allied logo refinements

## Non-Executive Directors Meeting

In accordance with Board Charters and Governance Code, the non-executive directors convened a separate meeting on **15 December 2025**, independent of executive Board members, to evaluate the effectiveness of information exchange between Management and the Board.

# 6 Board Committees

COMMITTEE STRUCTURE & PERFORMANCE

COMMITTEE 1
**Audit & Risk**
7 Meetings · 4 Members
Financial oversight & risk

COMMITTEE 2
**Nomination & Remuneration**
4 Meetings · 4 Members
Leadership & compensation

COMMITTEE 3
**Corporate Governance**
3 Meetings · 4 Members
Good governance & compliance

## 6.1 Audit and Risk Committee

**Focus:** Financial Oversight and Risk Management — assisting the Board in ensuring financial affairs align with regulations, reviewing internal controls, and recommending risk minimising policies.

| MEMBER | ROLE | JOINED | REMOVED | ATTENDANCE |
|---|---|---|---|---|
| Mr. Irufaau Abdulla | Chairperson | 08 Mar 2022 | 27 Oct 2025 | 5/5 — 100% |
| Mr. Easa Hamdhan Rasheed | Chairperson | 28 Oct 2025 | — | 2/2 — 100% |
| Ms. Aminath Niusha Khaleel | Member | 16 Jul 2023 | — | 7/7 — 100% |
| Mr. Ismail Mifrah | Member | 26 Aug 2024 | — | 7/7 — 100% |
| Mr. Ahmed Niushad | Member | 11 Mar 2025 | — | 7/7 — 100% |

### Major Activities

- Reviewed Internal Audit Reports each quarter and presented for endorsement at the next Board meeting
- Reviewed annual financial statements
- Approved the revised Risk Management Framework and submitted for Board approval
- Reviewed the Budget for 2026 and submitted for Board approval

## 6.2 Nomination and Remuneration Committee

| MEMBER | ROLE | JOINED | REMOVED | ATTENDANCE |
|---|---|---|---|---|
| Mr. Ismail Mifrah | Chairperson | 26 Aug 2024 | — | 4/4 — 100% |
| Mr. Irufaau Abdulla | Member | 08 Dec 2021 | 27 Oct 2025 | 2/2 — 100% |
| Ms. Aminath Niusha Khaleel | Member | 16 Jul 2023 | — | 4/4 — 100% |
| Mr. Ahmed Niushad | Member | 11 Mar 2025 | — | 4/4 — 100% |
| Mr. Easa Hamdhan Rasheed | Member | 28 Oct 2025 | — | 2/2 — 100% |

### Nomination & Remuneration — Major Activities

- Reviewed the succession plan and submitted for Board approval
- Reviewed CV of potential candidate for Independent Director position; instructed Management to obtain regulatory clearances
- Reviewed proposal for the extension of Chief Underwriting Officer's contract; instructed Management to obtain regulatory clearances
- Discussed revision of Shariah Committee remuneration

## 6.3 Corporate Governance and Compliance Committee

**Focus:** Good governance — monitoring board effectiveness, administering corporate governance principles, and ensuring best practices through policies and procedures.

| MEMBER | ROLE | JOINED | REMOVED | ATTENDANCE |
|---|---|---|---|---|
| Ms. Aminath Niusha Khaleel | Chairperson | 28 Mar 2021 | — | 3/3 — 100% |
| Mr. Ismail Mifrah | Member | 27 Dec 2023 | — | 3/3 — 100% |
| Mr. Ahmed Niushad | Member | 11 Mar 2025 | — | 3/3 — 100% |
| Mr. Irufaau Abdulla | Member | 08 Dec 2021 | 27 Oct 2025 | 3/3 — 100% |
| Mr. Easa Hamdhan Rasheed | Member | 28 Oct 2025 | — | N/A |

### CG Committee — Major Activities

- Reviewed revised Dividend Policy
- Reviewed revised Purchase Policy
- Decided to align revised Travel Policy with STO and present for Board approval
- Instructed Management to submit revised policies and procedure revision status list
- Reviewed revised Investment Policy
- Instructed Management to gather data on credit approval trends and discuss with Group CFO
- Reviewed revised bad debt and impairment policy
- Reviewed revised Anti-Money Laundering Policy
- Reviewed revised Surplus Distribution Policy
- Reviewed revised Articles and Memorandum of Association

### Conflict of Interest

The Company has a Disclosure of Interest Policy. Directors must disclose significant interests held by themselves or family members. **No significant or material related party transactions occurred in 2025.**

### Company Secretary

The Company Secretary assists the Board, continuously updating her knowledge of Corporate Governance best practices. The Board remains satisfied with her competency and experience.

# Governance, Compliance & Outlook

KEY AREAS OF CORPORATE OVERSIGHT

### Good Governance & Policies

The Board regularly reviews and improves Corporate Governance principles. The Company follows STO Group's Code and adopts additional best practices including Conflict of Interest, Blacklisting, and Whistleblower policies.

### Internal & External Audit

An independent Internal Audit function reports to the Audit Committee Chairperson. **Deloitte** appointed as External Auditors for 2025. The Company adheres to IFRS standards.

### Internal Control & Risk Management

Frameworks ensure efficient operations, legal compliance, and dependable financial reporting. The company has separate functions for reporting to the Audit committee, segregating the **3 lines of defense**, with a comprehensive Risk Management framework in place.

### Systems for Raising Concerns

Appropriate mechanisms enable employees, management, and stakeholders to raise concerns — whether confidentially or otherwise — regarding non-compliance, fraud, or misconduct through dedicated portals.

## Shares & Shareholding

| DETAIL | INFORMATION |
|---|---|
| Share Classes | Ordinary & Redeemable |
| Total Shares Issued | **300,000** |
| Shareholders | STO (majority) + Maldives Gas (2 shares) |
| Voting | 1 vote per share |
| Interim Dividend | MVR 66.67/share (Jun) + MVR 33.34/share (Sep) |

## Compliance & Concerns

### Compliance Status

**No penalty** has been imposed by any regulator or authority due to non-compliance issues. Issues noted are being addressed immediately and effectively.

### Whistleblowing

Appropriate mechanisms enable employees, management, and stakeholders to raise concerns confidentially via dedicated portals.

## Going Concern & Future Outlook

The Board is confident in its diverse composition — a team who, together with Management, possess the expertise to achieve the Company's strategic objectives. The Board remains committed to advancing the Company's long-term vision with assurance in executing operations and delivering expected results.

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