Corporate Governance Report

For the year ended December 31, 2025

The Company’s Philosophy

Corporate governance is the cornerstone of Takaful Oman Insurance S.A.O.G (TAOI) and is integral to the company's growth strategy and future aspirations. It fosters our commitment to integrity and discipline, thereby enhancing the trust and confidence of our investors, partners, customers, and community.

In order to protect the interests of our stakeholders, we are dedicated to consistently evaluating and enhancing our corporate governance practices to ensure that Takaful Oman remains at the forefront of best practices in response to regulatory, policy, and business environment changes.

The Board affirms that TAOI adheres to the Shariah principles, Financial Services Authority's (FSA) Code of Corporate Governance guidelines for Public Listed Companies (the "Code"), as well as other relevant rules and regulations issued by the FSA.

Board of Directors

Takaful Oman Insurance S.A.O.G. is overseen by a forward-thinking board of directors that provides direction and assistance to the executive management team to attain exceptional and lasting results, all while upholding the utmost professional and ethical principles. To maintain the highest governance standards in line with industry best practices, the Board diligently supervises the company's performance against strategic and business objectives, as well as policies and control mechanisms.

Nomination of the Directors:

The Nomination, Remuneration and Executive Committee assists the General Meeting in the nomination of proficient directors and assists in the election of those determined as fit for the purpose. Election to the Board is based on nomination forms submitted by a candidate who meets the minimum qualification requirements as per FSA guidelines and regulations. The current Board of Directors were elected in the Annual General Meeting (“AGM”) held on 29th March 2023 for a term of three (3) years. The next election is scheduled to take place during the AGM in 2026.

Composition of the Board

As of December 31, 2025, TAOI’s Board is made up of Seven (07) Directors, all of whom are professionally qualified, well-experienced and non-executive. Furthermore, in line with Oman Commercial Companies Law, none of the Directors during their directorship at Takaful Oman Insurance S.A.O.G was a board member of more than four (4) public joint stock companies residing in the Sultanate of Oman or a chairman of more than two (2)

such companies.

Board of Directors details as of December 31, 2025:

Director	Position	Date of Election	Capacity	Board Committee
Mr. Sulaiman Al Harthi	Chairman	29-Mar-23	Independent	NREC
Mr. Mohammed Al Khonji	Dy. Chairman	29-Mar-23	Non-Indepen.	NREC
Mr. Badar Al Shanfari	Director	29-Mar-23	Non-indepen.	NREC
Mr. Abdulaziz Al Saadi	Director	29-Mar-23	Non-indepen.	ARC
Mr. Khalil Al Harhty	Director	29-Mar-23	Independent	ARC
Mr. Ali Al Mani	Director	29-Mar-23	Independent	ARC
Mr. Waleed Al Yarabi	Director	29-Mar-23	Non-Indepen.	NREC

All Directors are non-executives. with three out of seven Directors are independent. Two out of three of Audit Committee members, including its chairman, are also independent. The Executive, Nomination and Remuneration Committee checked and confirmed the directors' independence in 2025.

Meetings Held and Directors' attendance record - for the Year 2025.

Board /Committee	No of Meetings	Dates of meetings held in 2025					
Board	6	23rd Feb 2025	28th April 2025	28th July 2025	4th August 2025	29th October 2025	6th December 2025
NREC	2	-	-	22nd July 2025	-	28th October 2025	-
ARC	4	20th Feb 2025	27th April 2025	27th July 2025	-	26th October 2025	-

Director	Position	No. of meetings attended			
		Whether attended the last AGM	BOARD	NREC	ARC
Mr. Sulaiman Al Harthi	Chairman	Yes	6	2	-
Mr. Mohammed Al Khonji	Dy. Chairman	Yes	5	2	-
Mr. Abdulaziz Al Saadi	Director	Yes	6	-	3
Mr. Badar Al Shanfari	Director	Yes	6	2	-
Mr. Ali Al Mani	Director	Yes	6	-	4
Mr. Khalil Al Harthy	Director	Yes	6	-	3
Mr. Waleed Al Yaarubi	Director	Yes	6	2	-

Committees of the Board

Nomination, Remuneration and Executive Committee ("NREC")

The NREC has been delegated authorities to facilitate the smooth operation of the company and exercise certain responsibilities of the board in its meetings within the limits set out. The Committee consists of four (04) members and is chaired by Mr. Sulaiman Al Harthy, according to the code minimum number of meetings required for this Committee is two (02) in a year, accordingly, the Committee meets as on when required basis.

The committee met two (02) time during the year 2025. as stated in the above table (Meetings Held and Directors' attendance record - for the Year 2025.)

The Committee Roles, Responsibilities and Authorities include but are not limited to the following.

To provide succession planning for the executive management, Prepare and review a bonus, allowances and incentive policy for the executive management.

To set annual operational budget and business plan of the company to propose Board for approval.

To set policies and procedures, manuals, directions, strategies and operational structure of the company and propose to the Board for approval.

All other required task as delegated by the Board.

The NREC is also responsible for assisting in the nomination of competent directors and briefs on various matters discussed at the Committee to the Board.

Audit and Risk Committee: ("ARC")

The Audit and Risk Committee consists of three (03) members, with two (02) independent directors including the committee's chairman Mr Ali Al Mani. The committee members are well versed in Insurance, Investments, Finance, Accounting and legal matters for S.A.O.G companies.

The committee met four (04) times during the financial year 2025, as stated in the above table (Meetings Held and Directors' attendance record - for the Year 2025.)

The ARC oversees the company's financial reporting process; their duties include monitoring Internal controls and their functioning as per the guidelines of the Financial Services Authority (FSA). The following are the key areas where the Audit & Risk Committee assists the Board:

Reviewing audited and non-audited financial statements.

Reviewing risk management policies and procedures.

To hire a statutory auditor of the company, evaluating proposals received from audit companies.

To keep a check on effective implementation of the policies & procedures approved by the Board.

Evaluating and monitoring the adequacy of internal control systems and their effectiveness

To implement policies for protecting the company's human, material & intellectual resources & assets

Sitting fee of Directors

Total sitting fee for Board and Board committee meetings held during the year of 2025 were as follows.

Board	**17,000 /-**
NREC	**2,400/-**
ARC	**3,000 /-**

Position	Sitting Fees			
	BOARD	NREC	ARC	Total

Director		BOARD	NREC	ARC	Total
Mr. Sulaiman Al Harthi	Chairman	3,000	600	-	3,600
Mr. Mohammed Al Khonji	Dy. Chairman	2,000	600	-	2,600
Mr. Abdulaziz Al Saadi	Director	2,400	-	900	3,300
Mr. Badar Al Shanfari	Director	2,400	600	-	3,000
Mr. Ali Al Mani	Director	2,400	-	1,200	3,600
Mr. Khalil Al Harthy	Director	2,400	-	900	3,300
Mr. Waleed Al Yaarubi	Director	2,400	600	-	3,000
Total of Fee		**17,000**	**2,400**	**3,000**	**22,400**

Shari'a Supervisory Committee ("SSC")

As the Sultanate's only indigenous Islamic insurer, Takaful Oman Insurance has a comprehensive portfolio of innovative Shari'a-compliant products and services that have meticulously been conceptualised, developed, and implemented under the supervision of the company's SSC. Takaful Oman Insurance is offers Shari'a-compliant general, medical & family takaful to its valued customers.

Takaful Oman Insurance has remained steadfast in its efforts to continuously enhance its portfolio while adhering to the norms and regulations of the Takaful Law & Regulation. The company has demonstrated utmost transparency in all its procedures, worked with integrity and upheld the highest values of ethicality in all its dealings.

Director	Date of Appointment	Position
Sheikh Dr. Majed Al Kindi	29-Mar-23	Chairman
Sheikh Issa Al Riami	29-Mar-23	Member & Committee Secretary
Mohammad Alkhalaf	01-APR-24	Member

The committee met five (05) times during the year 2025 as shown below.

Committee	No of Meetings	Dates of meetings held in 2025				
Shari'a Supervisory Committee	5	29-Feb	24-April	17 -June	24-Jul	23-Oct

The following are the Shari'a Supervisory Committee attendance and sitting fees (RO):

Director	Position	No. of Meetings	Sitting Fee
Sheikh Dr. Majed Al Kindi	Chairman	5	750/meeting
Sheikh Issa Al Riami	Member	5	600/meeting
Sheikh Zeeshan Abdul Aziz	Member	3	600/meeting

The Committee Roles, Responsibilities

The reports of the Shari'a Supervisory committee are provided to the Board for review, and members of the committee meet annually with the Board of Directors. The Role of the Shari'a Supervisory committee is to ensure that Investment Policies, Products, Financial Statements and other activities of the company are in conformity with Islamic Shari'a principles. The Shari'a Supervisory Committee reviews the Financial Statements on a Quarterly basis to ensure that the accounting procedures align with AAOIFI standards. The Committee also reviews the Policies and Procedures of the company, Re-Takaful Agreements and all other key documents.

The Shari'a Supervisory Committee has issued a separate report for the financial year 2025 covering all the above aspects to the Shareholders of the company.

Raqaba Global for Shari'a Consultations has been appointed as external Shari'a Auditor for the year ending 2025.

Sitting fee and Remuneration details

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Board of directors, Shari'ah Supervisory Board and Committees:

The Chairman of the board is paid sitting fees of RO 500 per board meeting, and all other Directors are paid sitting fees of RO 400 per Board meeting.

Directors are paid RO 300 each as sitting fees per each Board Sub-Committee meeting.

The Chairman Shari'a Supervisory Committee Members is paid sitting fees of OMR 750 per meeting. The remaining Shari'a Supervisory Committee Members are paid sitting fees of OMR 600 per meeting.

The total sitting fees paid to the Board of Directors for the meetings attended for the year 2025 was RO 22,400/-

Shari'a Supervisory Committee Members' total sitting fees of RO 9,750 have been paid during 2025 on account of sitting fee.

Management:

A. As on 31 December 2025, the Company has 156 full-time employees with an Omanisation Ratio of 82%.
B. The salaries of the top 5 full-time employees of the Company were RO 472,540/- and benefits as per HR manual.
C. Actual travel expenses of RO 44,488/- were incurred for staff during the year.
D. Expatriate employees are entitled to end-of-service gratuity as per the term of employment.
E. Employment terms and conditions are governed as per HR Policy approved by the Board. The notice period depends on staff level as below:
    a. The notice period for L1 , L2 six months' salary
    b. The notice period for L3 , L4 three months' salary
    c. The notice period for L5 , L6 , & L7 one month salary

Details of Non-Compliance by the Company:

In 2023, the company received a fine from the Financial Services Authority for an amount totaling OMR 800/- due to the delay in processing payment for the Sukuk listing fee. Furthermore, FSA warned the company regarding unapproved hiring of a resource which was addressed promptly.

In 2022, the company received a fine from the Public Authority for Social Insurance (PASI) for an amount totalling OMR 15 due to the delay in updating an employee's file.

Means of Communication:

The Company publishes annual audited and quarterly Interim un-audited financial results in two national newspapers (one in English and one in Arabic) as per the regulations.

The company has been complying with the disclosure requirements for all material matters to Financial Services Authority and the public as per the law.

The Company's financial results are available on the MSX & company's websites (www.takafuloman.om).

The Management discussion and analysis report for the year ended 31 December 2025 is enclosed.

Stock Market Data

Details of market prices from January to December 2025 is as follows:

Month End	Company's (Share Price) High RO	Company's (Share Price) Low RO	MSX 30 Index	MSX Banking and Investment Index
Jan 2025	0.046	0.046	4543.211	7824.033
Feb 2025	0.045	0.045	4435.862	7739.695

Mar 2025	0.000	0.000	4367.028	7690.733
Apr 2025	0.048	0.046	4316.254	7641.100
May 2025	0.049	0.044	4561.038	7941.945
June 2025	0.048	0.043	4500.874	7849.626
Jul 2025	0.051	0.051	4780.984	8120.054
Aug 2025	0.053	0.050	5029.894	8372.129
Sep 2025	0.053	0.051	5181.622	8524.917
Oct 2025	0.053	0.052	5610.341	9228.599
Nov 2025	0.053	0.052	5705.723	9212.147
Dec 2025	0.060	0.060	5866.801	9908.904

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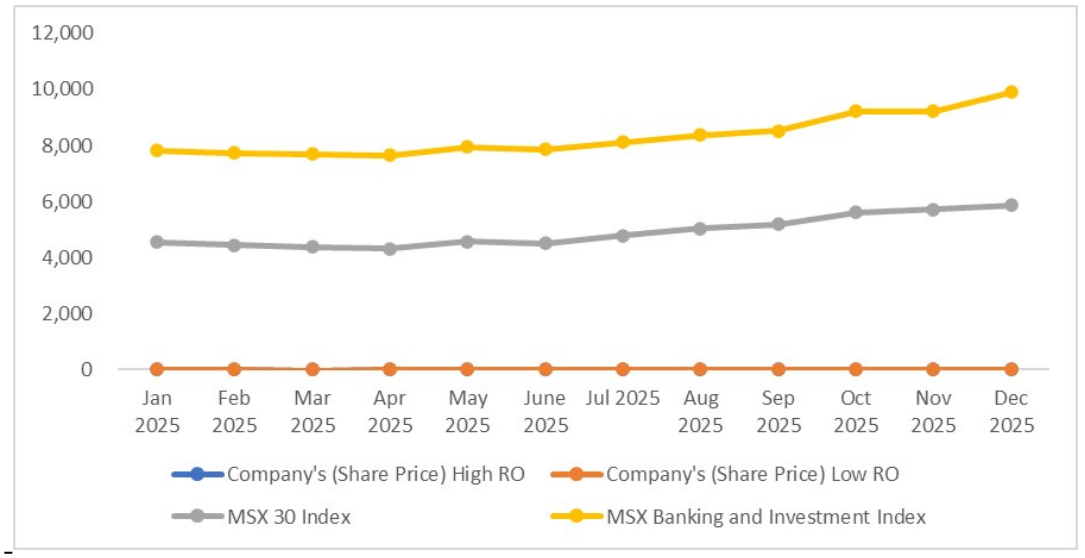
Performance of Takaful Oman Insurance SAOG Share Price compared to MSX 30 and MSX Financial Index for 12 months period is as below:



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Shareholders Distribution:

The following is the list of shareholders distribution as at 31st December 2025

No of shares held	No. of Shareholders		Number of Shares	
	Numbers	%	Numbers	%
Below 10K	436	66.46%	1,637,313	0.65%
10K to 50K	157	23.93%	2,978,206	1.19%
50k to 100K	21	3.20%	1,334,508	0.53%
100K to 500K	21	3.20%	5,059,059	2.02%

500K to 1 million	7	1.07%	4,429,713	1.77%
1 million to 10 million	8	1.22%	27,198,613	10.88%
Over 10 million	6	0.91%	207,362,588	82.95%

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The Code of Corporate Governance

The company has ensured that all requirements as set out in code of corporate governance are fully implemented. There is no material breach of the code during 2025.

Professional Profile of the Statutory Auditors

EY is a global leader in assurance, tax, strategy & transactions, and consulting services. EY is committed to doing its part in building a better working world. The insights and quality services which EY delivers help build trust and confidence in the capital markets and in economies the world over.

The MENA practice of EY has been operating in the region since 1923. For over 100 years, it has grown to a Team of 8,500 professionals across 26 offices and 15 countries, sharing the same values and an unwavering commitment to quality. EY MENA forms part of EY's EMEIA practice. Globally, EY operates in more than 150 countries and employs 400,000 professionals in 700 offices. Please visit ey.com for more information about EY.

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Acknowledgement by the Board

The Board acknowledges:

Its responsibility of preparation of the financial statements in accordance with the applicable reporting framework.

Its responsibility of review of the adequacy of internal control systems and its effective implementation.

There are no undisclosed material matters that may affect the continuation of the company and its ability to continue its operations during the next financial year.

Sulaiman Al Harthy
Chairman