

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, solicitor, accountant, banker or other independent adviser immediately.

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SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

[198401019089 (131646-K)]

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

in relation to

**PROPOSED SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

The Ordinary Resolution in respect of the Proposed Shareholders' Mandate will be tabled as Special Business at 38th Annual General Meeting ("AGM") which will be conducted virtually through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facility from the broadcast venue at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Wednesday, 31 May 2023 at 9:30 a.m. Notice of 38th AGM together with the Form of Proxy are enclosed in the Company's Integrated Report for the financial year ended 31 December 2022.

The Form of Proxy should be completed and lodged at the Office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. [199601006647 (378993-D)], at Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan no later than twenty-four (24) hours before the time stipulated for holding the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting at the AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy: Tuesday, 30 May 2023 at 9:30 a.m.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AGM	:	Annual General Meeting
BIMB	:	Bank Islam Malaysia Berhad [198301002944 (98127-X)] which is 48.5% owned by LTH
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of Takaful Malaysia Keluarga
Bursa Securities	:	Bursa Malaysia Securities Berhad
CMSA	:	Capital Markets and Services Act 2007
Depository	:	Bursa Malaysia Depository Sdn. Bhd.
Director	:	Has the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, <ul style="list-style-type: none">i) a Director of the listed issuer, its subsidiary or holding company; orii) a chief executive of the listed issuer, its subsidiary or holding company; andiii) in relation to a SPAC, a member of the SPAC's management team
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LTH	:	Lembaga Tabung Haji, Major Shareholder of Takaful Malaysia Keluarga and BIMB
LTH Group	:	LTH and its subsidiary companies
Major Shareholder	:	A person who has an interest or interests in one (1) or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is <ul style="list-style-type: none">(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation

For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act

This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company as defined above, or any other company which is its subsidiary or holding company

- Proposed Shareholders Mandate : Proposed shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of the Company
- Recurrent Related Party Transaction : Recurrent Related Party Transaction means a related party transaction which is recurrent of a revenue or trading nature and which is necessary for day-to-day operations of a listed issuer or its subsidiaries
- Related Party or Related Parties : A Director, Major Shareholder or person connected with such Director or Major Shareholder
- RM and Sen : Ringgit Malaysia and Sen respectively
- Takaful Malaysia Keluarga or Company : Syarikat Takaful Malaysia Keluarga Berhad [198401019089 (131646-K)]
- Takaful Malaysia or Group : Takaful Malaysia Keluarga and its subsidiary companies

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CONTENTS

LETTER TO SHAREHOLDERS OF TAKAFUL MALAYSIA KELUARGA CONTAINING:-	PAGE
1. INTRODUCTION	1
2. DETAILS OF PROPOSED SHAREHOLDERS' MANDATE	2
3. RATIONALE AND BENEFITS OF PROPOSED SHAREHOLDERS' MANDATE	8
4. APPROVAL REQUIRED	8
5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM	8
6. DIRECTORS' RECOMMENDATION	9
7. AGM	9
8. FURTHER INFORMATION	9
APPENDIX I - FURTHER INFORMATION	10
EXTRACT OF NOTICE OF AGM	11



SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

[198401019089 (131646-K)]
(Incorporated in Malaysia)

Registered office:

14th Floor, Annexe Block
Menara Takaful Malaysia
No. 4, Jalan Sultan
Sulaiman
50000 Kuala Lumpur

29 April 2023

Board of Directors:

Dato' Mohammed Hussein (*Chairman/Independent Non-Executive Director*)
Mohd Azman Sulaiman (*Independent Non-Executive Director*)
Suraya Hassan (*Independent Non-Executive Director*)
Dato' Mustaffa Ahmad (*Independent Non-Executive Director*)
Mohamad Salihuddin Ahmad (*Non-Independent Non-Executive Director*)
Datuk Bazlan Osman (*Independent Non-Executive Director*)
Datin Paduka Kartini Haji Abdul Manaf (*Non-Independent Non-Executive Director*)
Ch'ng Sok Heang (*Independent Non-Executive Director*)

To: The Shareholders of Takaful Malaysia Keluarga

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

On 24 February 2023 the Company announced to Bursa Securities that the Company proposes to seek the approval of its shareholders at the forthcoming AGM of the Company for the Proposed Shareholders' Mandate.

At the AGM held on 31 May 2022, the Company obtained a general mandate from its shareholders for the Company to enter into Recurrent Related Party Transactions. The said general mandate for Recurrent Related Party Transactions shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from its shareholders.

The Company proposes to seek a mandate from its shareholders to enter into arrangements or transactions with Related Parties, which are necessary for the day-to-day operations of the Company and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made available to the public.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS ON THE PROPOSED SHAREHOLDERS' MANDATE, TO SET OUT THE VIEWS OF YOUR BOARD AND SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

SHAREHOLDERS ARE ADVISED TO READ THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2. DETAILS OF PROPOSED SHAREHOLDERS' MANDATE

2.1 Provision under Listing Requirements

Under Paragraph 10.08 of the Listing Requirements, where a listed issuer or its subsidiary or subsidiaries proposes to enter into a transaction with a related party of the listed issuer, the following provisions shall apply:-

- (i) Pursuant to Paragraph 10.08(1), where any one of the percentage ratios of a related party transaction is 0.25% or more, a listed issuer must announce the related party transaction to Bursa Securities as soon as possible after terms of the transaction have been agreed, unless
 - the value of the consideration of the transaction is less than RM500,000; or
 - it is a Recurrent Related Party Transaction.
- (ii) Pursuant to Paragraph 10.08(2), where any one of the percentage ratios of a related party transaction is 5% or more, in addition to paragraph (i) above, a listed issuer must:-
 - send a circular which includes the information set out in Appendix 10B and Appendix 10D to the shareholders;
 - obtain its shareholder approval of the transaction in general meeting; and
 - appoint an independent adviser, who is a corporate finance adviser within the meaning of the Securities Commission Malaysia's Principal Adviser Guidelines, before the terms of the transaction are agreed upon.
- (iii) Pursuant to Paragraph 10.08(4), where any one of the percentage ratios is 25% or more, in addition to paragraph (ii) above, the listed issuer must, before the terms of the transaction are agreed upon appoint a main adviser, who is a Principal Adviser.

Under Paragraph 10.09(1), a listed issuer must immediately announce a Recurrent Related Party Transaction as follows:-

- (a) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
- (b) the percentage ratio of such recurrent related party transaction is 1% or more;

whichever is the higher.

Pursuant to Paragraph 10.09(3) of the Listing Requirements, where a listed issuer has procured a shareholder mandate pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions of Paragraph 10.08 of the Listing Requirements will not apply.

Paragraph 10.09(2) of the Listing Requirements which should be read in conjunction with Paragraph 10.08 of the Listing Requirements, states a listed issuer may seek a mandate from its shareholders for Recurrent Related Party Transactions subject to the following:-

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements;
- (c) the listed issuer's circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholder unit holder mandate, the relevant related party must comply with the requirements set out in Paragraph 10.08(7) of the Listing Requirements; and

- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

In compliance with Paragraph 10.09(2) of the Listing Requirements, the Company now proposes to seek the approval of its shareholders for the Proposed Shareholders' Mandate.

2.2 Categories of Recurrent Related Party Transactions

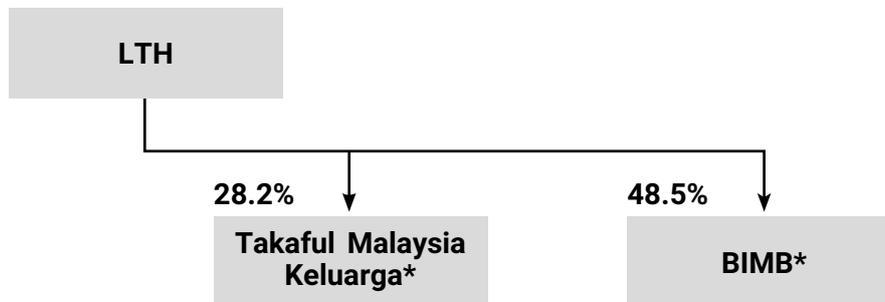
The principal activity of the Company is family takaful business. The principal activities of its subsidiaries are as follows:-

Name of Company	Effective percentage equity interest held as at 1 April 2023 (%)	Principal activities
Subsidiary Companies		
P.T. Syarikat Takaful Indonesia	56.00	Holding company
P.T. Asuransi Takaful Keluarga	74.78*	Family takaful business
Syarikat Takaful Malaysia Am Berhad	100.00	General takaful business

Note:-* 42.73% held directly and 32.05% held indirectly via P.T. Syarikat Takaful Indonesia

Shareholders' mandate is sought for the recurrent transactions of a revenue or trading nature which are necessary for the Company's day-to-day operations and which are carried out by Takaful Malaysia Keluarga in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company as further mentioned in Section 2.3 of this Circular.

LTH is a major shareholder of BIMB and Takaful Malaysia Keluarga as depicted below:-



Notes:

- * Holds other subsidiaries
- Paragraph 10.02(l) of the Listing Requirements provides that a transaction includes the leasing of assets and therefore the leasing of real property by Takaful Malaysia Keluarga to BIMB will be regarded as a transaction for purposes of Chapter 10. The definition of 'related party' in Paragraph 1.01 of the Listing Requirements expressly provides that a major shareholder of a corporation and a person connected to such major shareholder is considered as a 'related party'. The Listing Requirements defined a person connected to a person to include a body corporate which such Person holds no less than 20% of the voting shares in such body corporate.
- BIMB is considered to be a 'related party' to Takaful Malaysia Keluarga and therefore, the leasing of properties by Takaful Malaysia Keluarga to BIMB is a related party transaction.

2.3 Nature of Recurrent Related Party Transactions Contemplated

The Recurrent Related Party Transactions contemplated for which the shareholders' mandate is sought as well as the estimated aggregate value disclosed in last year's Circular and the actual value transacted up to 1 April 2023 (latest practicable date prior to the printing of the Circular) are set out below.

Related Parties transacted with	Related Parties, their interests and nature of relationship with the Takaful Malaysia**	Nature of transactions	Estimated ⁽¹⁾ aggregate value from the forthcoming AGM date to the next AGM ⁽²⁾ (RM'000)	Estimated aggregate value as disclosed in the Circular to Shareholders dated 29 April 2022 (RM'000)	Actual Transacted Value from 1 June 2022 up to 1 April 2023 ⁽³⁾ (RM'000)
BIMB	<p>As at 30 January 2023, LTH has 48.5% shareholding in BIMB and as at 31 December 2022, LTH has 28.2% shareholding in Takaful Malaysia Keluarga.</p> <p>LTH is a major shareholder of both Takaful Malaysia Keluarga and BIMB. Therefore, rental of Takaful Malaysia Keluarga's properties to BIMB is a related party transaction.</p> <p>Datuk Bazlan Osman, a Director of Takaful Malaysia Keluarga is also a Director of BIMB. Datuk Bazlan Osman does not have direct or indirect interest in Takaful Malaysia Keluarga and/or BIMB.</p> <p>Datin Paduka Kartini Haji Abdul Manaf is a Director of Takaful Malaysia Keluarga nominated by LTH and she is deemed to have an indirect interest of 28.2% in Takaful Malaysia Keluarga.</p>	Rental of office premises payable to Takaful Malaysia Keluarga by BIMB # *	3,095	3,199	2,634

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Notes:

- (1) The estimated value in respect of the transaction referred to above are based on the prevailing prices obtained from the Related Parties which are reasonable market-competitive price and are derived from the sum incurred or received during the past year, based on the normal level of transaction entered into by the Company. The estimated amounts are further based on the assumptions that the current level of operations will continue and all external conditions remain constant. Due to the nature of the transaction, the actual value of the transactions may vary from the estimated value disclosed.
- (2) The time of the next AGM after the forthcoming AGM that is used to arrive at the estimated value for the Recurrent Related Party Transactions is assumed to be sometime in end of May 2024 as no specific date can be determined at the point of the printing of the circular.
- (3) There is no outstanding amount due and owing to Takaful Malaysia Keluarga by the Related Parties as at 31 December 2022 pursuant to the Recurrent Related Party Transactions.
- # The rental sum of the properties was arrived at or estimated based on the going or expected market rate at the time the tenancy agreement was or to be executed.
- ** The equity interest as disclosed in the table above are based on the position as at 1 April 2023.

* Details of the rental of office premises are set out in the table below:-

Related party	Location	Occupied areas (square feet)	Tenure of tenancy agreement (Year)	Rental per month (RM'000)
BIMB	1. Suite 3B/G, Blok 3B, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur	5,722	3	52
	2. No. 2 ,4 & 6, Jalan 6C/7, 43650 Bandar Baru Bangi, Selangor Darul Ehsan	8,684	3	19
	3. Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur	576	3	1
	4. Nos. 16474 & 16475, Pusat Perniagaan Inderapura, Jalan Tras, 27600 Raub, Pahang Darul Makmur	6,080	3	12
	5. Lot 433, 434 & 435, Seksyen 11, KTLD Bangunan Tuanku Muhammad Al-Idrus, Jalan Kulas, 93400 Kuching, Sarawak (Note: BIMB has terminated Level 3 of the premises)	10,160	3	42
	6. Nos. 1 & 2, Jalan Kelicap, Taman Pekan Baru, 34200 Parit Buntar, Perak Darul Ridzuan	4,871	3	6
	7. Nos. 180 & 181, Jalan Tuan Hitam, 22000 Jerteh, Terengganu Darul Iman	7,579	3	8
	8. Lot 1 & 2, Kompleks Perniagaan Fajar, 91000 Tawau, Sabah	6,039	3	24

Related party	Location	Occupied areas (square feet)	Tenure of tenancy agreement (Year)	Rental per month (RM'000)
BIMB	9. Nos. 64 & 65, Kompleks Jitra, Jalan Sungai Korok, 06000 Jitra, Kedah Darul Aman	5,648	3	9
	10. Lot 1129 & 1130 Bangunan Darul Takaful, Jalan Sultan Ismail, 20100 Kuala Terengganu, Terengganu Darul Iman	1,496	3	10
	11. No. 2408, Taman Samudera, 32040 Sri Manjung, Perak Darul Ridzuan	4,301	3	8
	12. Nos. 76A & 76, Pusat Perniagaan, Jalan Tupai, 34000 Taiping, Perak Darul Ridzuan	4,205	3	13
	13. Nos. 616 & 617, Jalan Besar, 73000 Tampin, Negeri Sembilan Darul Khusus	6,585	3	7
	14. Nos. 26 & 27, Jalan Tanjung, Pasar Baru, 18500 Machang, Kelantan Darul Naim	2,800	3	4
	15. Nos. 6, 8 & 10, Jalan Padi Emas 5/2, Bandar Baru UDA, 81200 Johor Bahru, Johor Darul Takzim	9,374	3	27
	16. No. 29, Jalan Delima, Pusat Perniagaan Pontian, 82000 Pontian, Johor Darul Takzim	6,627	3	14

2.4 Review procedures in relation to Recurrent Related Party Transactions

Takaful Malaysia Keluarga has internal control systems to ensure that the Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial term consistent with Takaful Malaysia Keluarga's usual business practices and policies, which are no more favourable to the interested parties than those extended to third parties/public and are not to the detriment of the minority shareholders. As for the rental of takaful properties, the rates are charged based on the prevailing market rates.

Takaful Malaysia Keluarga has no thresholds for the approval of Recurrent Related Party Transactions. However, the Audit Committee will review all aspects of the Recurrent Related Party Transactions amounting to more than Ringgit Malaysia One Million (RM1,000,000.00) entered into to ensure that the relevant approvals have been obtained and that they are conducted at arm's length basis. As a result of this review, the Audit Committee produces a statement, inter-alia, commenting on the review procedures in so far that the procedures are relevant and sufficient to ensure that such Recurrent Related Party Transactions will be carried out on normal commercial terms which are not prejudicial to the interests of minority shareholders.

In order that Recurrent Related Party Transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and will not be prejudicial to the minority shareholders, Management will ensure that the Recurrent Related Party Transactions with interested parties will only be entered into after taking into account the pricing, level of services, quality of products and other related factors.

At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. Where quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure the Recurrent Related Parties Transaction is not detrimental to the Group.

2.5 Audit Committee Statement

The Audit Committee reviewed the procedures mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to Related Party than those generally available to the third party/public and are not to the detriment of the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

2.6 Validity period for Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will continue to be in force until:

- (a) the conclusion of the next AGM of Takaful Malaysia Keluarga at which it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

Thereafter, approval from shareholders for a renewal of the mandate in relation to recurrent related party transactions will be sought at each subsequent AGM of the Company.

2.7 Disclosure in Integrated Report

Disclosure will be made in the Company's Integrated Report pursuant to the Proposed Shareholders' Mandate and in the Integrated Reports for subsequent years that the Proposed Shareholders' Mandate continues to be in force in accordance with applicable accounting standards and Section 3.1.5 of Practice Note 12/2001 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:

- (a) the type of the Recurrent Related Party Transactions made; and
- (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

3. RATIONALE AND BENEFITS OF PROPOSED SHAREHOLDERS' MANDATE

The rationale for and benefits of the Proposed Shareholders' Mandate to Takaful Malaysia are as follows:

- (a) the Proposed Shareholders' Mandate will empower the Group to enter into transactions with Related Parties which are necessary in day-to-day operations of the Group, undertaken at arm's length, normal commercial terms, on terms not more favourable to the Related Party than those generally made available to the public and are not detrimental to the minority shareholders;
- (a) the Proposed Shareholders' Mandate may avert unnecessary delays in approving business transactions of revenue nature which involves parties related to Takaful Malaysia due to the need to procure shareholders mandate;
- (a) the Proposed Shareholders' Mandate will substantially reduce the expenses associated with convening of general meetings on an ad hoc basis and hence will reduce the expenses associated therewith; and
- (d) the Recurrent Related Party Transactions entered into by the Group are intended to meet business needs at the best possible terms and it also enhances ability to explore beneficial business opportunities and to promote cross-selling within Takaful Malaysia and LTH Group, which will be of benefit to all the companies within Takaful Malaysia.

4. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the shareholders of Takaful Malaysia Keluarga at the forthcoming AGM.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

Save and except as disclosed in Section 2.3, none of the other Directors and Major Shareholders and persons connected to them have any interest, direct or indirect in the Proposed Shareholders' Mandate.

Datuk Bazlan Osman and Datin Paduka Kartini Haji Abdul Manaf ("Interested Directors"), being the interested directors of Takaful Malaysia Keluarga have accordingly abstained from all deliberations and voting on the Proposed Shareholders' Mandate at the relevant Board meetings. The Interested Directors will further abstain from voting in respect of their direct and indirect shareholdings, if any, in Takaful Malaysia Keluarga on the resolution approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

In addition, the Major Shareholder of Takaful Malaysia Keluarga, LTH will abstain from voting in respect of its direct and indirect shareholdings in Takaful Malaysia Keluarga on the resolution approving the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

The Interested Directors and Major Shareholder have undertaken to ensure that persons connected to them, if any, will abstain from voting on the Proposed Shareholders' Mandate at the forthcoming AGM.

The direct and indirect shareholdings of the Interested Directors and Major Shareholder in Takaful Malaysia Keluarga as at 1 April 2023 are as follows:-

	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	%	No. of shares	%
Interested Directors				
Datin Paduka Kartini Haji Abdul Manaf	–	–	236,109,469	28.2
Datuk Bazlan Osman	–	–	–	–

	<----- Direct ----->		<----- Indirect ----->	
	No. of shares	%	No. of shares	%
Major Shareholder				
LTH	236,109,469	28.2	–	–

6. DIRECTORS' RECOMMENDATION

Your Board, (save and except for the Interested Directors who are interested in the Proposed Shareholders' Mandate), having considered the rationale for the Proposed Shareholders' Mandate are of the opinion that the Proposed Shareholders' Mandate are in the best interest of the Company and its shareholders.

Accordingly, they (save and except for the Interested Directors who are interested in the Proposed Shareholders' Mandate and will abstain from all deliberation and recommendation in respect of the Proposed Shareholders' Mandate), recommend that you vote in favour of the resolutions pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

7. AGM

38th AGM, the notice of which is enclosed with the Integrated Report of the Company for the financial year ended 31 December 2022, which will be conducted virtually through live streaming and online remote voting via Remote Participation and Electronic voting ("RPEV") facility from the broadcast venue at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Wednesday, 31 May 2023 at 9:30 a.m., for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Shareholders' Mandate.

If you are unable to attend and vote at 38th AGM in person, you are requested to complete, sign and return the Form of Proxy (as enclosed in the Integrated Report of the Company for the financial year ended 31 December 2022) in accordance with the instructions contained therein so as to arrive at the Office of the Share Registrar of the Company, Boardroom Share Registrars Sdn. Bhd. [199601006647 (378993-D)], Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than twenty-four (24) hours before the time and date of 38th AGM. The lodging of the Form of Proxy will not, however, preclude you from attending and voting at 38th AGM should you subsequently wish to do so.

8. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I for further information.

Yours faithfully

For and on behalf of the Board of Directors of

SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

DATO' MOHAMMED HUSSEIN

Chairman/Independent Non-Executive Director

FURTHER INFORMATION**1. Directors' Responsibility Statement**

This Circular has been seen and approved by the Board of Takaful Malaysia Keluarga who collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading.

2. Material Contract

There are no material contracts, not being contract entered into in the ordinary course of business, which have been entered into by Takaful Malaysia Keluarga or its subsidiary companies within the past two (2) years preceding the date of this Circular.

3. Material Litigation

Neither Takaful Malaysia Keluarga nor any of its subsidiaries is engaged in any material litigation, claims and/or arbitration and/or any other similar proceedings, either as plaintiff or defendant, and the Directors of the Company are not aware of any proceedings, arbitration or claims pending or threatened against Takaful Malaysia Keluarga or any of its subsidiaries or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or the business of Takaful Malaysia Keluarga or any of its subsidiaries.

4. Documents Available for Inspection

Copies of the following documents will be made available for inspection during normal business hours on any working days (except public holidays) at the Registered Office of Takaful Malaysia Keluarga at 14th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur from the date of this Circular up to and including the date of AGM:-

- (i) Constitution of Takaful Malaysia Keluarga; and
- (i) Audited financial statements of Takaful Malaysia Keluarga for the financial years ended 31 December 2021 and 31 December 2022.

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SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD

[198401019089 (131646-K)]
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **THIRTY-EIGHTH (“38th”) ANNUAL GENERAL MEETING (“AGM”) of SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD (“Takaful Malaysia Keluarga” or “Company”)** will be conducted virtually through live streaming and online remote voting via Remote Participation and Electronic Voting (“RPEV”) facility from the broadcast venue at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur on Wednesday, 31 May 2023, at 9:30 a.m. for the following purposes:-

AS SPECIAL BUSINESS

7. Ordinary Resolution - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Lembaga Tabung Haji and its subsidiaries (“LTH Group”).

“THAT, subject to compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016, the Constitution of the Company and all other applicable laws, rules, regulations and guidelines, approval be and is hereby given to the Company and its subsidiaries (“Takaful Malaysia” or “Group”) to enter into the Recurrent Related Party Transactions of a revenue or trading nature with LTH Group which are necessary for the day-to-day operations of Takaful Malaysia as set out in Section 2.3 of the Circular to Shareholders dated 29 April 2023, provided that:-

- (a) the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders of the Company;
- (b) the transactions are made at arm's length and on normal commercial terms; and
- (c) the disclosure will be made in the Integrated Report with the breakdown of the aggregate value of the transactions conducted pursuant to the mandate during the financial year.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date that it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of Companies Act 2016); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier”.

(Resolution 7)

By Order of the Board**SUHLA AL ASRI**

SSM Practicing Certificate No. 201908002158
MAICSA 7025570
Company Secretary

Kuala Lumpur
29 April 2023

Explanatory Notes:

1. Virtual AGM

- (i) As part of initiatives to curb the spread of COVID-19, the 38th AGM of the Company will be conducted virtually through live streaming and online remote voting via RPEV facility from the broadcast venue at Dewan Ahmad Mohamed Ibrahim, 5th Floor, Annexe Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur. Please follow the procedures provided in the Administrative Details for the 38th AGM in order to register, participate and vote remotely.
- (ii) The broadcast venue of the 38th AGM which is the main venue of the meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The broadcast venue of the 38th AGM is to organise the virtual meeting and where streaming would be conducted from. No shareholder(s)/proxy(ies)/corporate representatives from the public will be physically present at the broadcast venue on the day of the 38th AGM of the Company.

2. Appointment of Proxy

- (i) Save as set out in Note (iii) below, a Member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and to vote instead of him at the same meeting. A proxy may but need not be a Member of the Company.
- (ii) Where a Member of the Company appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (iii) Where a Member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iv) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney and in the case of a corporation, must be under seal or under the hand of an officer or attorney duly authorised.
- (v) The instrument appointing a proxy must be deposited at the Office of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at Ground Floor or 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof.
- (vi) Only Members whose names appear in the Record of Depositors on 24 May 2023 shall be eligible to attend, speak and vote at the AGM or appoint proxy(ies) to attend, speak and/or vote on their behalf.
- (vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of AGM will be put to vote by poll.

3. Special Business

Proposed Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature.

The proposed Resolution 7, if passed, will empower the Company to conduct recurrent related party transactions of a revenue or trading in nature which are necessary for Takaful Malaysia's day-to-day operations and will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval. The details on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature are set out in the Circular to Shareholders dated 29 April 2023.