



**KENANGA INVESTMENT BANK BERHAD**  
**GROUP NOMINATION & REMUNERATION COMMITTEE**  
**TERMS OF REFERENCE**

**1.0 OBJECTIVES**

- 1.1 Support the Board of Directors (“**Board**”) in carrying out its functions in the following matters concerning the Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”)’s Board, Chief Executive Officer (“**CEO**”), Management Key Responsible Persons (“**Management KRPs**”) <sup>1</sup> and Company Secretary, in line with the relevant regulatory and internal requirements:
- a. appointments and removals; composition;
  - b. performance evaluation and development; and
  - c. fit and proper assessments;
- 1.2 Support the Board in actively overseeing the design and operation of KIBB’s remuneration system as set out in Bank Negara Malaysia’s policy document on Corporate Governance.

**2.0 COMPOSITION**

- 2.1 The Group Nomination & Remuneration Committee (“**NRC**”) shall comprise only non-executive directors with at least three (3) members of which majority should be Independent Directors.
- 2.2 The membership of the NRC, including the position of Chairman shall be approved by the Board.
- 2.3 The Chairman of the NRC shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.4 Members of the NRC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Directors of the Company.

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<sup>1</sup> N-1 who are identified as Management KRPs

- 2.5 All members of the NRC, including the Chairman, will hold office only so long as they serve as Directors of the Company.
- 2.6 In the event of any vacancy resulting in the number of members being reduced to below three (3) the Board shall, within three (3) months fill the vacancy.
- 2.7 A member of the NRC shall abstain from participating in discussions and decisions on matters involving him.

### **3.0 SECRETARY**

The Company Secretary shall act as the Secretary of the NRC.

### **4.0 RIGHTS OF THE NRC**

- 4.1 The NRC shall have the resources and full and unrestricted access to the records of KIBB and/or its subsidiaries (including the records of all Board and Management Committee meetings), properties and officers in carrying out its duties and responsibilities.
- 4.2 The NRC shall also be empowered to consult independent experts, where necessary, to assist in executing its duties at the cost of the Company.

### **4.0 MEETINGS**

#### **4.1 Quorum**

- a. A quorum of the NRC meeting shall be at least two-thirds (2/3) of the NRC members and majority of the members present must be Independent Directors. Meetings with a quorum in attendance shall constitute a competent and fully empowered Committee, able to exercise all authority vested in and exercisable by the NRC.

If the Chairman is not present those present shall elect one of their number, who is an Independent Director, to chair the meeting.

- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.

## 4.2 Frequency of Meetings

- a. The NRC shall meet on a quarterly basis. However, additional meetings may be called at any time at the NRC Chairman's discretion.
- b. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two thirds (2/3) of the NRC members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.

## 4.3 Attendance at Meetings

The NRC may invite the Directors or members of the senior management and employees of KIBB and/or its subsidiaries to be in attendance during meetings to assist in its deliberations.

## 4.4 Minutes of Meetings

- a. The minutes of each NRC meeting shall be kept and distributed to all NRC members and presented at the Board meeting for notation.
- b. The Minutes of the NRC meetings shall be made available for inspection by any member of the NRC, Board, internal and external auditor, as well as relevant regulators.

## 5.0 ROLES AND RESPONSIBILITIES

5.1 The responsibilities of the NRC with regard to the appointments and removals of Directors, Board Committee members, CEO, Management KRPs and Company Secretary are as follows:

- a. Establish and recommend to the Board minimum requirements for the Boards, i.e. required mix of skills, experience, qualification and other core competencies required of a director; and the minimum requirements for the CEO and Management KRPs;
- b. Recommend and assess the nominees for directorship, Board Committee membership as well as nominees for CEO, Management KRPs and Company Secretary;

This includes assessing Directors for re-election and re-appointment, before an application for approval is submitted to BNM (if applicable) and ensuring the retirement of directors by rotation at the annual general meeting, in accordance with the provisions of the Company's Articles of Association;

- c. Oversee the overall composition of the Boards, in terms of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors through annual review;
- d. Recommend to the Board the removal of a Director, CEO, Management KRPs or Company Secretary from the Board/management if the Director, CEO or Management KRP or Company Secretary is ineffective, errant and negligent in discharging his/her responsibilities;
- e. Recommend to the Board actions to be taken in relation to disciplinary issues and misconduct inconsistent with the expressed or implied conditions of service, involving the CEO or any one of the Management KRPs;
- f. Establish and review the mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Boards' various committees and the performance of the CEO, Management KRPs and Company Secretary;
- g. Ensure that all Directors received an appropriate continuous training and development program in order to keep abreast with the latest developments in the industry;
- h. Oversee the appointment, management succession planning and performance evaluation of Management KRPs; and
- i. Assess, on an annual basis, to ensure that the Directors, CEO, Management KRPs and Company Secretary are not disqualified under the Financial Services Act 2013 and Islamic Financial Services Act 2013.

5.2 The responsibilities of the NRC with regard to the remuneration of Directors, Board Committee members, CEO, Management KRPs and Company Secretary are as follows:

- a. Recommend the remuneration policy of KIBB to the Board for approval and any changes required during the annual review of such policy or as and when material changes are made to the policy;

- b. Review and recommend to the Board the remuneration of each director, member of senior management and other risk taker<sup>2</sup> annually;
- c. Review annually the remuneration of Non-Executive Directors of the Group's subsidiaries and to recommend the remuneration of the Non-Executive Directors for the Board's approval;

Any changes shall require approval at a General Meeting of the Company in respect of Directors of the Company.

- d. Recommend to the Board new Management KRPs appointments and remuneration package, transfers and promotions and assess the performance of Management KRPs of the Group;
- e. Obtain the advice and information from external sources, if necessary, to compare the remuneration currently earned by Management KRPs and those paid to Management KRPs of other companies of a similar size in a comparable industry sector; and
- f. Consider details of the remuneration of each Director that should be reported, in addition to the legal requirements, and how these details should be presented in the Company's Annual Report.

5.3 Ensure that appropriate disclosure on the NRC is made in the Company's Annual Report/Audited Financial Statements.

5.4 The NRC should not be delegated with decision-making powers but should report its recommendation to the full Board for decision.

5.5 In this Terms of Reference, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

<b>Version</b>	1.0
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<sup>2</sup> To be defined in due course