

kenanga



CORPORATE GOVERNANCE REPORT
2022

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6483
COMPANY NAME : KENANGA INVESTMENT BANK BERHAD
FINANCIAL YEAR : December 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<ol style="list-style-type: none">1. The Board of Directors ("Board") is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders. The Board's key responsibilities include -<ul style="list-style-type: none">• governing and setting the strategic direction of the Company while exercising oversight on Management;• setting the appropriate tone at the top;• providing thought leadership and championing good governance and ethical practices throughout the Company; and• ensuring that sustainability considerations are integrated in corporate strategy, governance and decision-making.2. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders which include the regulators, business partners, clients, employees, suppliers and vendors, are clearly understood and adhered to.3. Each Director of the Company is aware that he/ she is expected to exercise reasonable care, skill and diligence with the knowledge, skill and experience, which may reasonably be expected of a Director having the same responsibilities; and any additional knowledge, skills and experience which the Director in fact has. Further the Directors, collectively and individually, are aware of their responsibilities to the shareholders and stakeholders for the manner in which the affairs of the Company are managed.4. In discharging its duties effectively and efficiently, the Board delegates specific responsibilities to the Board Committees with clearly defined areas of authority and reporting arrangement to keep the Board informed on the key deliberations and decisions on delegated matters.

5. The Board is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board's determination and matters delegated to the Board Committees and Management.

The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated. The Board Charter is available for reference on the Company's website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

6. As stated in the Board Charter, the Board reserves full decision making powers notwithstanding any delegation of authority to the Board Committees and Management, on matters relating to amongst others, strategies, business plans and budget; significant policies; conflict of interest issues relating to a substantial shareholder and/ or a Director; material acquisitions and disposition of assets not in the ordinary course of business; investment in capital projects; authority levels; risk management policies; as well as key human resource issues.

7. In discharging its roles and responsibilities, the Board has established specialised Board Committees namely the Group Governance, Nomination & Compensation Committee ("**GNC**"), the Audit Committee ("**AC**"), the Group Board Risk Committee ("**GBRC**"), the Group Board Digital Innovation & Technology Committee ("**GBDITC**"), the Employees' Share Scheme Committee ("**ESS Committee**") and the Shariah Committee to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees.

8. In supporting the overall operational management and businesses of the Company, the Board had also established the following Management Committees comprising Senior Management personnel within KIBB Group, with specific Terms of Reference outlining their roles and responsibilities in line with the Group Approving Authority Framework as approved by the Board:

- Group Executive Committee;
- Group Risk Committee;
- Group Operational Risk Committee;
- Group Credit Committee;
- Group Products Committee;
- Group Outsourcing & Procurement Committee;
- Group Digital Innovation Technology Committee;
- Group Disciplinary Committee;
- Group Talent Committee;
- Building Committee;
- Group Business Continuity Management Committee;

- Staff Outreach Committee;
- Corporate Finance Senior Officer Committee; and
- Group Sustainability Management Committee.

The establishment of the Group Sustainability Management Committee was approved the Board of KIBB on 29 July 2021 with the objective of driving the sustainability initiatives within Kenanga Group, in line with the Practices recommended by the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021.

9. The Board approves KIBB’s objectives, strategies and business plans, which take into account KIBB’s risk appetite, risk management capabilities, financial resources, Management capabilities, as well as market conditions and ensures that performance against plans is regularly reviewed and monitored.

The Board had at its meeting on 7 December 2022, discussed in great detail the strategies, business plan and initiatives for KIBB Group put forth by Management for the Financial Year Ending 31 December 2023.

Based on the approved strategies and business plans, Key Performance Indicators (“**KPIs**”) were then set to define, measure and monitor Management’s performance and progress towards achieving KIBB Group’s goals.

10. In facilitating the Board in the discharge of its responsibility of overseeing the conduct of business of KIBB Group and in ensuring that the Business Plan is aligned with KIBB Group’s strategies, the Group Managing Director (“**GMD**”), acting as a channel between the Board and Management, is assigned with the responsibility of updating the Board at each Board meeting on the status of the business operations, the challenges faced and the mitigating measures or remedial actions taken or to be taken in relation thereof.

On the other hand, the Group Chief Financial and Operations Officer would report to the Board on the financial performance of KIBB and its subsidiaries, as well as its associate and joint-venture companies. This would also enable the Board to assess Management’s performance against the budget set for the financial year.

11. In terms of the status of KIBB Group’s compliance with relevant regulatory requirements, the Board was updated at its scheduled meetings by the Group Chief Regulatory and Compliance Officer, on the status of any regulatory audits conducted by the relevant regulators on regulated entities within KIBB Group.

During this update, the Board would deliberate on the findings raised and recommendations issued by the respective regulators arising from their respective audits, as well as Management's responses to those recommendations.

Based on its deliberation, the Board would endorse the action plans identified to address any gaps identified by the regulators.

12. GBRC

- a. The Board is responsible for ensuring that KIBB has in place effective and comprehensive risk management policies, procedures and infrastructure to identify, measure, monitor and control the various types of risks undertaken by KIBB.
- b. In discharging this responsibility, the Board approves and periodically reviews the risk management capabilities of KIBB Group to ensure their ability to support KIBB Group's business activities and any expansion thereof. In this regard, the Board is supported by the GBRC.
- c. Under its Terms of Reference, the GBRC's responsibilities cover, inter alia, the areas of risk strategies and risk profile, risk policies and framework, risk appetite and limits setting, as well as risk methodologies and infrastructure.
- d. The GBRC in its supervisory role on the risk management of KIBB Group, oversees all aspects of risk management in the Group including climate change risk management by reviewing and assessing frameworks and policies, as recommended by the Group Risk Committee (Management level risk committee), for identifying, measuring, controlling, monitoring and reporting risks, as well as evaluating risks under stress scenarios and the capacity of the Group's capital to sustain such risks.

In addition, the GBRC also assists the Board in ensuring that a sound control environment exists within KIBB Group with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions, as well as internal audit.

13. GNC

- a. The Board is supported by the GNC in carrying out its functions on matters concerning the appointments and removals, composition, performance evaluation and development, as well as assessment of the fitness and propriety of the Board, GMD and Senior Management, in line with the relevant regulatory and internal requirements.

The GNC is tasked to support the Board in ensuring the effectiveness and enhancement of KIBB Group's governance structure, framework and policies and its compliance with the applicable statutory and regulatory requirements in relation thereof.

The GNC also supports the Board in actively overseeing the design and operation of KIBB's remuneration system as required by Bank Negara Malaysia ("**BNM**") in its Policy Document on Corporate Governance, as well as the human resource management system for KIBB Group, to ensure that it is clearly linked to the strategic objectives of the Group.

- b. With regard to the nomination and appointment of Directors of KIBB and its subsidiaries, members of Board Committees, the GMD and Senior Management of KIBB Group, the GNC's responsibilities as stipulated in its Terms of Reference include the establishment of minimum requirements for the Board, the GMD and Senior Management, such as the required mix of skills, experience, qualifications and other core competencies required of them. The requirements and criteria shall be approved by the Board.
- c. In terms of the remuneration of Directors, Board Committee members, the GMD and Senior Management of KIBB Group, it is the responsibility of the GNC to recommend to the Board for approval, a remuneration framework which supports KIBB Group's culture, objectives and strategy and reflects the responsibility and commitment of Directors, Board Committee members, the GMD and Senior Management of KIBB Group.

14. **GBDITC**

- a. In compliance with the requirements of BNM's Policy Document on Risk Management in Technology ("**RMiT**") on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of KIBB had, at its meeting on 29 August 2019, approved the establishment of the GBDITC.
- b. To facilitate effective discussions at the GBDITC meetings, the GMD, Group Chief Financial and Operations Officer, Chief Technology Officer, Group Chief Risk Officer and Head, Technology Risk & Business Continuity Management are invited to the GBDITC meetings as permanent invitees.
- c. The main function of the GBDITC was to provide focused and in-depth deliberations on digital innovations and technology-related matters.

- d. In addition to providing oversight over technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital innovations as proposed by Management, in line with KIBB Group's medium and long term business strategy which includes the digitalisation strategy for the Group and aligned with the relevant regulatory requirements.

15. ESS Committee

- a. The Board had established the ESS Committee to support the Board in administering the Employees' Share Scheme ("**ESS**" or "**Scheme**") in accordance with the By-Laws governing the Scheme as approved by the Shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017.
- b. The ESS Committee comprises solely Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, with specific Terms of Reference outlining its roles, responsibilities and authority.
- c. The roles and responsibilities of the ESS Committee which are outlined in its Terms of Reference include the determination of all questions of policy and expediency that may arise in the administration of the ESS including, amongst others, the terms of eligibility of the employees of the Company and its non-dormant subsidiaries ("**Eligible Employees**"), the method or manner in which the grants are made to and exercised by Eligible Employees and any conditions imposed in relation thereto, and the termination of any options, and generally the exercise of such powers and performance of such acts as are deemed necessary or expedient to promote the best interests of the Company.

16. Shariah Committee

- a. BNM had, on 24 September 2012, granted its approval for KIBB to conduct Islamic Banking business via the establishment of an Islamic Banking Window (Skim Perbankan Islam).
- b. In ensuring that its Islamic financial products and services are in compliance with Shariah requirements, the Board is guided by the advice of the Shariah Committee.
- c. All members of the Shariah Committee are Shariah qualified persons.

17. In performing its role, the Board is fully committed to upholding a high standard of corporate governance practices and fostering a culture which values transparency, ethical behaviour, integrity and

	<p>accountability, as well as engaging in corporate social responsibilities.</p> <p>The Board has an obligation to protect and enhance the interests of its Shareholders, while taking into consideration the interests of other stakeholders, including employees, customers, regulators, vendors, suppliers, investors and the community at large.</p> <p>Towards this end, the Board has taken steps to ensure that KIBB Group’s strategies continue to promote sustainability, with a focus on environmental, social and governance aspects of KIBB Group’s business.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	: Applied
Explanation on application of the practice	<ol style="list-style-type: none">1. The Chairman of the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail, who was appointed on 1 July 2020, is an Independent Non-Executive Director ("INED").2. The Chairman is responsible for providing leadership for the Board in facilitating the Board's effective fulfilment of its responsibilities. The Chairman is also expected to lead the Board in the adoption and implementation of good corporate governance practices in the Company, managing the interface between the Board and Management and ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.3. In addition, the Chairman also ensures the provision of accurate, timely and clear information to the Directors to enable effective and informed decision making.4. The Chairman, in consultation with the Group Managing Director and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.5. The Chairman is responsible for managing the business of the Board to ensure that all Directors are appropriately briefed on issues arising at Board meetings; that sufficient time is allowed for discussion of complex or contentious issues; and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for Board discussion; and that the issues discussed are mainly forward looking and concentrate on strategies.6. The Chairman ensures that every Board resolution is put to a vote and allows dissenting views to be freely expressed to ensure that the will of the majority prevails and that Management look beyond their executive functions and accept their full share of responsibility on governance.7. The profile of the Chairman, YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail can be found in the Profiles of Directors in the Company's 2022 Annual Report.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. Kenanga Investment Bank Berhad (“KIBB” or “the Company”) aims to ensure an appropriate balance of power and authority between the Chairman and the Group Managing Director (“GMD”) with a clear division of responsibility between the running of the Board and the Company’s business respectively. For this purpose, the roles of the Chairman and the GMD are clearly separated and defined in the Board Charter of KIBB.2. Datuk Chay Wai Leong (“Datuk Chay”) was appointed as the GMD since 17 May 2011. He also served as the only Executive Director on the Board of KIBB until he resigned as a Board member on 28 January 2017. This was part of the Company’s efforts in meeting the mandatory regulatory requirements, imposed by BNM under its Policy Document on Corporate Governance, for the Board to always comprise a majority of Independent Directors. Datuk Chay, however, remains as the GMD of KIBB until now.3. As the GMD, Datuk Chay focuses on the business and day-to-day management of the Company. He has been delegated certain key functions which include developing the strategic direction of the Company for review and approval by the Board and ensuring that the Company’s strategies and corporate policies as approved by the Board are effectively implemented.4. The separation of positions of the Chairman and GMD has been clearly articulated under Clause 4 of the Board Charter, which is available for reference on the Company’s website at https://www.kenanga.com.my/investor-relations/corporate-governance.5. Datuk Chay’s profile can be found in the Company’s 2022 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	In line with Practice 1.4 and Guidance 1.4 of the revised Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia on 28 April 2021, the Chairman of the Board of Directors of Kenanga Investment Bank Berhad (" KIBB "), YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail, who was a member of KIBB's Group Governance, Nomination & Compensation Committee since 1 January 2021, had stepped down from the said Committee on 29 July 2021. Since then, he has maintained his position only at the Board level for the purpose of maintaining corporate governance.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<ol style="list-style-type: none">1. The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") is supported by a fully qualified and competent Company Secretary, Puan Norliza Abd Samad ("Puan Norliza"), who is a Chartered Secretary, Chartered Governance Professional of The Governance Institute of UK and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators, with more than twenty-nine (29) years of experience in company secretarial practice.2. The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board. In discharging this role, the Company Secretary works closely with the Chairman to provide counsel to the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and Senior Management across KIBB Group.3. The Company Secretary attends all Board and Board Committee meetings and ensures that such meetings are appropriately convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Registered Office of the Company. After each meeting, all issues that require follow-up are communicated to the relevant Senior Management personnel for their actions and these issues would be recorded as matters arising for tabling at the next meeting whereby the status of actions taken would be updated to the Board and Board Committees until full resolution of those issues.4. The Directors have ready and unrestricted access to the advice and services of the Company Secretary who acts as a primary point of contact and source of advice and information for Non-Executive Directors with regard to the Company and its activities in order to assist them in their decision making process and enable them to discharge their duties effectively. The Board is also regularly updated on new statutes and directives issued by the regulatory authorities.

	5. Puan Norliza's qualifications and experience are set out in the Senior Management's Profiles in the Company's 2022 Annual Report.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. In 2022, the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") met eleven (11) times. Out of these eleven (11) meetings, two (2) were special meetings which were convened to consider urgent proposals that required the Board's expeditious review and consideration.2. In order to facilitate the Directors' planning and time commitment, the annual meeting calendar is disseminated to the Directors well in advance before the beginning of each new year.3. Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and as promptly as possible.4. To facilitate productive and meaningful deliberation, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda and the Board papers are circulated to the Directors well before the Board meeting (at least five (5) working days before the meeting) to allow time for Directors to review the Board papers or if deemed necessary, to take up independent professional advice at KIBB's expenses.5. The Directors have a duty to declare immediately to the Board should they have an interest, whether directly or indirectly, in any transaction to be entered into by the Company. They are required to abstain from getting involved in the Board's deliberations and decision making on the transaction in question, and to ensure that they do not exercise any influence over the Board in respect of that transaction.6. In the event a corporate proposal is required to be approved by the shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in KIBB on resolutions pertaining to the corporate proposal.

	<p>They are to further ensure that any persons connected to them, similarly abstain from voting on such resolutions.</p> <p>7. Apart from meetings, information is also disseminated to the Board via emails, telephone calls, social media platforms, website, or at corporate functions.</p> <p>8. During the COVID-19 pandemic in 2021, most of the Board and Board Committee meetings were held virtually via video conferencing. Directors have always practised the fullest commitment in attending meetings unless the circumstances are really unavoidable.</p> <p>However, following Malaysia's reopening of its international borders on 1 April 2022 as it began the transition to COVID-19 endemic phase, KIBB had likewise, slowly transitioned all of its Board and Board Committees meetings to hybrid and/or physical mode.</p> <p>9. Full minutes of each Board/ Board Committee meeting are prepared and kept by the Company Secretary and are made available for inspection by any Director during office hours.</p> <p>10. The Board/ Board Committee ensures that clear and accurate minutes of the Board/ Board Committee meetings are maintained to record the decisions of the Board/ Board Committee, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views.</p> <p>11. In the event of a conflict of interest situation, the minutes would indicate as to whether the Director concerned left the meeting or excused himself from deliberating on the matter and abstained from decision-making in relation thereof.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. The Board Charter of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) which was first established in 2013, sets out the functions and responsibilities of the Board of Directors (“Board”) to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members, both individually and collectively, and the various legislations and regulations affecting their conduct and that the principles and practices of good corporate governance are applied in all their dealings in respect, and on behalf of, the Company.2. The Board Charter stipulates the Board’s full decision making powers on matters reserved for the Board, notwithstanding any delegation of authority to Board Committees, Management or Management Committees, which include conflict of interest issues relating to a substantial shareholder or a Director; material acquisitions and disposition of assets which may or may not be in the ordinary course of business; investment in capital projects; approving authority levels; establishment or revision of internal policies for KIBB Group; related party transactions; credit exposure to connected parties; and key human resource issues.3. The Board Charter is reviewed annually or as and when required to ensure that it is consistent with the Board’s objectives and responsibilities and in line with applicable regulatory and statutory requirements.4. The Board is supported by the following Board Committees, each of which is delegated with specific roles and responsibilities as set out in their respective Terms of Reference:<ol style="list-style-type: none">a. Group Governance, Nomination & Compensation Committee;b. Audit Committee;c. Group Board Risk Committee;d. Group Board Digital Innovation & Technology Committee;e. Employees’ Share Scheme Committee; andf. Shariah Committee.

	<p>The respective Chairman of the Board Committees will report to the Board on the matters deliberated at the respective Board Committees meetings and where required appropriate, recommendations will be made for the Board’s consideration and approval. The confirmed minutes of these Board Committees are tabled at each Board meeting for notation.</p> <p>Although the Board delegates certain duties to the Board Committees, the ultimate responsibility for the final decision on all matters, however, lies with the entire Board.</p> <p>5. The Board Charter is available on the Company’s website at https://www.kenanga.com.my/investor-relations/corporate-governance.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	: Applied
Explanation on application of the practice	<ol style="list-style-type: none">1. Kenanga Investment Bank Berhad ("KIBB") Group has established the Group Code of Ethics and Conduct for Employees ("Employees' Code") in 2012 following revision of its initial version which was approved by the Board of Directors ("Board") in 2009 and the Code of Ethics and Conduct for Non-Executive Directors of KIBB Group ("Directors' Code") in 2016.2. Both the Employees' Code and the Directors' Code (collectively referred to hereinafter as "the Codes") were formulated to enhance the standard of corporate governance and corporate behaviour with the intention of -<ol style="list-style-type: none">a. establishing a standard of ethical behaviour for Directors and employees based on trustworthiness and values that can be accepted, are held or upheld by any one person; andb. upholding the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administrating a company.3. The Codes define how KIBB Group relates to its Shareholders, employees, customers, vendors, suppliers, investors and the communities in which it operates so as to enhance the reputation of KIBB Group through continuously upholding a high standard of public trust and confidence.4. The Codes adopt the following policies and guidelines which are principled on promoting best ethical conduct:<ol style="list-style-type: none">a. Avoiding conflicts of interest, or potential conflicts, between a Director's or an employee's personal interests and the interests of KIBB Group, its Shareholders or clients;b. Avoiding misuse of the position of Director and employee;

	<ul style="list-style-type: none"> c. Keeping material non-public and price sensitive information confidential and secure; d. Avoiding misuse of material non-public and price sensitive information relating to securities or other financial instruments; e. Ensuring completeness and accuracy of the relevant records of KIBB Group; f. Properly caring for and protecting the properties and assets of KIBB Group; and g. Prompting reporting of any knowledge or information about unethical business conduct and suspected commission of crimes. <p>5. In furtherance to the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act (“MACCA”) 2009 on offences by a commercial organisation, the Board of KIBB had on 31 January 2020, established the Group Code of Conduct for Vendors (“Vendor Code of Conduct”), well before the MACCA becoming effective in June 2020.</p> <p>6. The Vendor Code of Conduct was established with the aim of helping KIBB Group and its vendors to build trusting and open relationship with the goal of developing a professional and efficient working rapport that would lead to mutually beneficial outcomes for all parties concerned. It stipulated the general business conduct and ethical practices expected of all vendors who engaged with or undertook work for KIBB Group, as a reflection of KIBB Group’s standards and principles on honest, fair and transparent business practices.</p> <p>7. The Vendor Code of Conduct covered amongst others, the following areas:</p> <ul style="list-style-type: none"> a. Responsibility to comply with the relevant internal policies and applicable regulatory requirements; b. Avoidance of conflict of interests; c. Prevention of corporate crimes; d. Interaction with and providing gifts to persons from KIBB Group; e. Providing sponsorships; and f. Making misrepresentations and participating in surveys.
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	<p>8. Also, in line with Section 17A of the MACCA 2009, the Group Anti-Fraud Bribery and Corruption (“GABC”) Policy which was established in 2017, was revised to incorporate the requirements of Section 17A in relation to offences by a commercial organisation.</p> <p>The GABC Policy stipulates the principles and standards for identifying and preventing potential financial crimes including fraudulent activities, bribery and corruption, and it is to be complied by the Board, Senior Management, as well as employees of KIBB Group.</p> <p>9. All the Directors and employees of KIBB Group are required to acknowledge and declare their compliance with the terms in the Codes periodically. The employees are required to affirm their acceptance and understanding of the Codes via online learning, assessment and certification on a yearly basis, and to undertake to abide by the terms of the Codes, policies and procedures of KIBB Group for the time being in force.</p> <p>10. In addition, an annual survey was conducted to gauge the views and perceptions of the employees on policies and practices related to certain aspects of ethics and integrity in KIBB Group. The outcome of the survey was used to form part of the factors in determining the priority for implementation of initiatives and controls for the purpose of enhancing ethics and integrity measures in KIBB Group. The overall responses to the survey covering Top-Level Commitment, Professional Accountability and Personal Integrity were generally positive where there was an average of above 80%.</p> <p>All the above Codes and GABC Policy are available on KIBB’s corporate website at https://www.kenanga.com.my/investor-relations/corporate-governance and https://www.kenanga.com.my/ethics-governance.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>1. Kenanga Investment Bank Berhad (“KIBB”) Group is committed to conduct its business and operations premised on the concepts of transparency, integrity and accountability, in compliance with applicable laws and regulations while adopting the highest standards of professionalism, honesty, integrity and ethics.</p> <p>In line with this vision, KIBB Group has put in place a Whistleblowing Framework for the reporting of any concerns made in good faith about behaviour, conduct, practice, deeds and/or omissions that might be either unlawful or irregular within KIBB Group, without fear of reprisal.</p> <p>2. The Whistleblowing Framework which is guided by the Group Whistleblowing Policy & Guidance Notes (“Whistleblowing Policy”) was duly approved by the Board in 2015. Under the Whistleblowing Policy, the Group Chief Regulatory and Compliance Officer has been appointed as the Designated Officer together with the Group Managing Director to manage whistleblowing cases confidentially, whereas the Chairman of the Audit Committee of KIBB has been appointed as the Designated Director for Whistleblowing.</p> <p>3. The salient contents of the Whistleblowing Policy, include, amongst others, the following:</p> <ul style="list-style-type: none">a. Emphasis that KIBB Group’s Whistleblowing Framework is an internal reporting system in existence alongside the external whistleblowing avenue provided under the Whistleblower Protection Act 2010;b. Channels and procedures for the reporting of any malpractice;c. Party to whom a report is to be addressed i.e. the Designated Officer, Group Managing Director and/or the Chairman of the Audit Committee of KIBB; andd. The protection accorded to KIBB Group’s employees having reported any concern.

	<p>However, if the reporting proves to be malicious, the Whistleblower may be subject to loss of safeguards provided under the policy, internal disciplinary action, dismissal, criminal prosecution and/or civil liability.</p> <ol style="list-style-type: none"> 4. Dedicated channels for reporting have been set up and made available on KIBB's corporate website which is accessible by all parties including clients, service providers, contractors, consultants, interns and others at https://www.kenanga.com.my/contact-us/whistleblowing. 5. Since 2015, pursuant to the implementation of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACCA"), there were changes embedded in the following regulatory requirements which were applicable to KIBB that emphasised the importance of having an appropriate whistleblowing framework, which included having in place secure whistleblowing channels: <ol style="list-style-type: none"> a. Guidelines on Adequate Procedures issued by the Prime Minister's Department; b. Licensing Handbook of the Securities Commission Malaysia ("SC"); c. Malaysian Code on Corporate Governance of the SC; d. Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries of the SC; and e. Main Market Listing Requirements of Bursa Malaysia Securities Berhad. 6. In addition to the above, pursuant to the thematic review conducted on the capital market intermediaries, the SC had issued the letter on '<i>Observations and Good Practices Relating to Compliance with Corporate Liability Provision [Section 17A of the MACCA]</i>' dated 16 March 2021 which recommended that "<i>confidential reporting channel (whistleblowing) is established and managed by independent party with clear whistleblowing and escalation policies</i>". 7. The Board and the Audit Committee ("AC") of KIBB had proposed for the appointment of a third (3rd) party as a recipient of whistleblower reports. The proposal was considered as a measure to further increase confidence on the whistleblowing channels after noting the low to nil report received in the years since Kenanga Whistleblowing Policy was implemented. 8. Kenanga Whistleblowing Policy introduced submission of whistleblower reports to the following parties in KIBB:
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	<p>a. Chairman of the AC who is the Designated Whistleblowing Director;</p> <p>b. Group Managing Director; or</p> <p>c. Group Chief Regulatory and Compliance Officer who is the Designated Whistleblowing Officer.</p> <p>9. Premised on the changes to the regulatory requirements, it was proposed for KIBB to fortify its whistleblowing framework to further assure any potential whistleblower of the security and confidentiality of their identity by enabling or allowing an additional channel that will be operated and managed by a third (3rd) party.</p> <p>10. The proposal to introduce a third (3rd) party for this purpose is only for the duration of one (1) year which is premised on the very low number of reports received through the traditional whistleblowing channels. The one (1) year period will allow the Company to assess and examine if the low number of reports is due to hesitance to report to an internal party, albeit independent, or if the low number of reports positively reflects the non-occurrence of misconduct or irregularities within KIBB. Depending on the outcome and assessment in the one (1) year period of appointment, the Company will evaluate the necessity to extend the initial appointment accordingly.</p> <p>11. Arising from the above proposal, Deloitte Advisory Sdn Bhd was appointed as the independent third (3rd) party to provide whistleblowing platform services to KIBB and Its Subsidiaries.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>1. Kenanga Group Sustainability Goals and Targets</p> <p>In April 2022, guided by the Group's Environmental, Social and Governance ("ESG") Framework and Sustainability Plan, a 'Group Sustainability Goals and Targets' was presented to the Group Sustainability Management Committee ("GSMC") by Group Marketing, Communications & Sustainability of Kenanga Investment Bank Berhad ("KIBB"), outlining the sustainability goals and target for the Group, which was approved by the Board of Directors ("Board") of KIBB on 6 April 2022, upon recommendation of the Group Governance, Nomination & Compensation Committee ("GNC").</p> <p>2. Kenanga's Sustainability Roadmap 2023-2025</p> <p>Subsequently, in December 2022, upon the recommendations of the GSMC and the GNC, the Board of KIBB had on 7 December 2022, approved the Group Sustainability Roadmap 2023-2025, outlining the sustainability goals and targets for the Group.</p> <p>3. Integration of ESG Targets and Metrics into the Employees' Balanced Scorecards</p> <p>Following the approval of the Group's Sustainability Roadmap 2023-2025, relevant ESG Key Performance Indicators ("KPIs") were developed and incorporated into the Balanced Scorecards of relevant employees to track and monitor ESG performances.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Kenanga Investment Bank Berhad’s standalone Sustainability Report and microsite are in the public domain and are available to internal and external stakeholders. They represent the organisation’s Environmental, Social and Governance (“ESG”) performance.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	: Applied
Explanation on application of the practice	<p>1. Sustainability has become a vital foundation for many businesses and organisations especially with stakeholders requiring the leaderships to be responsible to the community and society at large, as well as to contribute to sustainable development. More recently and critically, there is an intensive attention on the Environmental, Social and Governance (“ESG”) pillars of sustainability and on the implications of climate change.</p> <p>In embracing and integrating sustainability into the Company’s operations, the Board of Directors (“Board”) of Kenanga Investment Bank Berhad (“KIBB”) had in 2022 attended the following ESG related programmes to better equip themselves with the knowledge and skills in discharging its role regarding sustainability-driven agenda more effectively:</p> <ul style="list-style-type: none">a. Sustainability and Its Impact on Organizations: What Directors Need to Know by ICLIF Executive Education Centre (“ICLIF”);b. Task Force on Climate Related Financial Disclosure (“TCFD”) - Climate Disclosure Training by Bursa Malaysia Berhad (“Bursa Malaysia”) - TCFD 101;c. BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis;d. TCFD - Climate Disclosure Training by Bursa Malaysia - TCFD 102;e. Introductory Session by United Nations Global Compact (“UNGC”) on -<ul style="list-style-type: none">i. Brief Introduction on Board Leadership & Sustainability; andii. KIBB-UNGC Collaboration Plans;f. Global Outlook for ESG Finance by ICLIF (In-House Directors’ Training Organised by S P Setia Berhad, which was attended only by the YAM Tan Sri Dato’ Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail);

	<ul style="list-style-type: none"> g. ESG Sharing session by Kon Ferry; h. PNB Knowledge Forum 22: Sustainable Investing: ESG at the Forefront by Permodalan Nasional Berhad; i. Overview on ESG & Update from CSV (Creating Shared Value) Council by Nestle (Malaysia) Berhad, which was attended only by the YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail; j. Briefing on ESG by Ernst & Young PLT - In-House Programme organised by Zurich Insurance Malaysia Berhad, which was attended only by Mr. Choy Khai Choon; k. Virtual MIA International Accountants Conference 2022: Leading ESG, Charting Sustainability by Malaysian Institute of Accountants; l. Understanding ESG Rating Frameworks to Enable Sustainable Investing in Malaysia by FTSE Russell; m. International Sustainability Standards Board's Briefing Workshop and Q&As for Emerging Markets by United Nations Sustainable Stock Exchanges Initiative; n. Sustainability Training – In-House Directors' Training Organised by Nestle (Malaysia) Berhad, which was attended only by the YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail; o. Webinar on Directors' Duties and Climate Change by Malaysian Bar Council; p. Setting Science-Based Targets by UNGC Academy; q. How to Understand and Take Action on the Global Goals by UNGC; r. Climate Governance Malaysia Conversations with Chairmen: A Standing Item in Board Agendas by FIDE FORUM; and s. Advocacy Dialogue on the Enhanced Sustainability Reporting Framework by Bursa Malaysia. <p>2. Based on updates from the Group Chief Sustainability Officer, KIBB Group had been making good progress against all the indicators that were set out at the start of the year 2022.</p> <p>A summary of the progress was as provided below.</p>
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	<p>a. Enhancement of the Group’s Sustainability Disclosures which amongst others successfully delivered the following:</p> <ul style="list-style-type: none"> i. publication of KIBB Group’s first (1st) standalone Sustainability Report that followed the Global Reporting Initiative (“GRI”) standards; ii. hosting of all the Group’s ESG performance and results in the corporate website; iii. establishment of the first draft of an all-encompassing data-collection dashboards. Currently 200 data points were being maintained across the KIBB Group which were aligned with the GRI and FTSE¹ standards. <p>b. Board Engagement and Employee Capacity Building</p> <p>UNGC’s sustainability learning modules were rolled out for all employees on the Kenanga Learning Management System, and employee onboarding content was updated to include a sustainability component and bespoke workshops were run for Board members. The capacity building approach that was tailored and comprehensive, sparked engagement with over 95% of employees.</p> <p>c. Sustainability-Linked Products and Appointment as Fund Managers</p> <p>Kenanga Investors Berhad (“KIB”), a subsidiary of KIBB had managed to launch three (3) sustainability-linked products during the year 2022 and KIB was also entrusted to manage the fund’s ESG mandate.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

¹ The Financial Times Stock Exchange Group, also known by the nickname of “Footsie,” is an independent organization. It is similar to the Standard & Poor’s, which specializes in creating index offerings for the global financial markets. An index will represent a market segment and is a hypothetical portfolio of stock holdings.

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. On an annual basis, the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") would assess the performance of its Board, Board Committees and individual Directors. The results of the assessment or feedback received in relation thereof, would be tabled for discussion with proposed actions and development plans.2. In view that the Company has just commenced the implementation of its Sustainability Goals and Target as well as the Sustainability Roadmap 2023-2025, going forward, the Board Performance Evaluation Framework would be realigned to include Environmental, Social and Governance ("ESG") considerations.3. Some of the proposed ESG key focus areas in evaluating Board's performance and commitment to effectiveness are as follows:<ol style="list-style-type: none">a. Integrating ESG into the Company's long-term strategy;b. Meeting stakeholders and investors' expectations such as Board diversity across various dimensions;c. Building the Board's ESG awareness, skills and knowledge to stay informed via ongoing education to meet evolving oversight demands and navigate to a rapidly shifting ESG risk landscape;d. Receiving regular updates from Management and other experts with respect to relevant ESG risks and opportunities and build ESG considerations and updates into the regular cadence of Board meetings to ensure robust deliberations and discussions;e. Identifying and reviewing ESG metrics for tracking, reporting and performance measures in meeting sustainability targets and goals which at the same time can foster accountability and create long-term value;

	<p>f. Revising the corporate governance infrastructure to ensure that Board oversight is extended over ESG matters where the Company’s Board Charter and Terms of Reference of relevant Board Committees are delegated to identify and assess ESG risks, as well as seizing ESG growth opportunities, to engage consulting experts to perform their assessment on ESG risks in addition to reaching out to stakeholders and investors for their views; and</p> <p>g. Establishing a strong disclosure and reporting framework to ensure accurate, non-misleading and relevant disclosures with attention to setting the disclosure controls and procedures and meeting any regulatory requirements.</p> <p>4. Commencing 2022, certain sustainability related Key Performance Indicators (“KPI”) had been identified for incorporation into the 2022 Balanced Scorecard of the Group Managing Director and relevant Senior Management personnel. The sustainability KPI targets were derived from the key focus areas of KIBB Sustainability KPI Framework and had been incorporated into the Balanced Scorecard KPI Matrix and Development Guidelines which were approved by the Board in March 2023.</p> <p>a. Subsidiary Profit Before Tax (“PBT”) and Division PBT (To include financial indicators as per the approved Kenanga Sustainability Target and Roadmap).</p> <p>b. Achievement of Process / Automation Objectives (To include only significant/impactful process and to incorporate relevant ESG related process improvements based on the Timelines and Sustainability Targets set out in the Kenanga Sustainability Target and Roadmap)</p> <p>c. Achievement of Product Development / Innovation / New Business Strategy / Expansion (To include only significant/impactful projects/initiatives and to incorporate relevant ESG related practices based on the Timelines and Sustainability Targets set out in the Kenanga Sustainability Target and Roadmap)</p> <p>The formulation of the sustainability strategy, goals and targets for the Group is spearheaded by the Group Chief Sustainability Officer and presented to the Group Sustainability Management Committee (“GSMCS”) and the Group Governance, Nomination & Compensation Committee (“GNC”) for recommendation to the Board of KIBB for approval. Once approved, these targets will be cascaded and embedded into the performance evaluation framework for the Board and Senior Management.</p>
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Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>Resources have been assigned to advance the Company’s ESG agenda through the establishment of a Sustainability Department with dedicated headcount.</p> <p>A Group Chief Sustainability Officer was appointed in 2022 to:</p> <ul style="list-style-type: none">• Envision, drive and enhance sustainability value for all stakeholders;• Govern and deliver sustainability teams performance;• Inspire and drive the organisation sustainability culture;• Secure and optimise resources for the organisation; and• Establish networking and partnerships at organisation level. <p>In addition, to solidify the Group’s sustainability focus strategically, the Board of Directors (“Board”) of Kenanga Investment Bank Berhad (“KIBB”) had, on 29 July 2021, established a Management level Group Sustainability Management Committee (“GSMC” or “the Committee”) to drive the sustainability agenda for Kenanga Group.</p> <p>Prior to the establishment of the GSMC, all sustainability related initiatives were placed under the purview of Group Marketing, Communications and Sustainability of KIBB.</p> <p>The objective of the GSMC is to support the Board in the governance of sustainability in KIBB and Its Subsidiaries (“Kenanga Group” or “the Group”) including setting sustainability strategies, priorities and targets, to ensure that Kenanga Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategies and success, by integrating sustainability considerations in the day-to-day operations of the Group and ensuring effective implementation of the Group’s sustainability strategies and plans.</p> <p>In tandem with its objective, the GSMC has been assigned with the following roles and responsibilities:</p>

	<ol style="list-style-type: none"> 1. Review the effectiveness of KIBB Group’s strategies, policies, framework, principles, procedures and practices in relation to sustainability on a group-wide basis; 2. Provide oversight and input to ensure that KIBB Group’s strategies, policies, goals, programmes and initiatives related to sustainability matters are aligned with, promote and encourage KIBB Group’s commitment towards sustainability; 3. Review the goals and/or key performance indicators which the Board may establish from time to time for the Group’s performance with respect to sustainability matters and monitor the progress against those goals and/or key performance indicators. <p>In order to facilitate this role, the Committee is authorised to -</p> <ol style="list-style-type: none"> a. seek any information and resources it requires in order to perform its duties from any employees of the Group; and b. obtain, at the Company’s expense, any other professional advice and services as it considers necessary to carry out its duties; <ol style="list-style-type: none"> 4. Review and recommend to the Board for approval, both the sustainability report for annual report and other public documents related to the Group’s reporting on sustainability to ensure that the Group’s sustainability initiatives are effectively communicated to investors and other stakeholders; 5. Review issues relating to sustainability arising from independent assessment/ regulatory audits and/ or internal audits; 6. Consider and recommend to the Board, the Group’s positioning with regard to any relevant emerging sustainability issues; and 7. Undertake any other functions as may be determined and delegated by the Board from time to time.
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none"> 1. With regard to the review of Director's annual re-election, the process will start with the submission to the Group Governance, Nomination & Compensation Committee ("GNC"), for its recommendation to the ("Board") of Kenanga Investment Bank Berhad ("KIBB") for approval, the annual re-election of Directors prior to seeking the shareholder(s)' approval at the respective Annual General Meeting of entities within Kenanga Group. 2. The tabling of the annual re-election of Directors also highlighted the tenure of each Director, particularly the Independent Directors. Currently, at KIBB's level, none of the Independent Directors' tenure exceeds nine (9) years. 3. The GNC, when deliberating any proposal for re-election of Director, would also take into consideration the Director's performance rating based on the annual evaluation of the Director's performance, to ascertain as to whether the Director had contributed effectively and was able to demonstrate commitment to the role, including commitment of time for the Board and Board Committee meetings and any other duties.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application :	Applied												
Explanation on application of the practice :	<p>During the Financial Year Ended 31 December 2022, the composition of the Board of KIBB had undergone some changes following the retirement of Mr. Luigi Fortunato Ghirardello, as a Non-Independent Non-Executive Directors (“NINEDs”) of KIBB on 26 May 2022, appointment of Madam Chin Siew Siew as an Independent Non-Executive Directors (“INEDs”) of KIBB on 1 June 2022 and re-designation of Mr. Luk Wai Hong, William from an INED to a NINED upon his tenure as an INED reaching the nine (9)-year threshold, on 1 November 2022.</p> <p>Notwithstanding the changes, the composition of the Board still complies with the requirements for the Board to comprise a majority of Independent Directors, whereas the appointment of Madam Chin Siew Siew had brought the ratio of women Directors on the Board to 25% from 12.5% previously, closer to the target of 30%.</p> <p>As at 31 December 2022, the Board of KIBB comprised a majority of Independent Directors with five (5) INEDs and three (3) NINEDs as listed below.</p> <table border="1"><thead><tr><th>INED</th><th>NINED</th></tr></thead><tbody><tr><td>1. YAM Tan Sri Dato’ Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail – Chairman</td><td>1. Mr. Luk Wai Hong, William</td></tr><tr><td>2. Encik Jeremy Nasrulhaq</td><td>2. Encik Ismail Harith Merican</td></tr><tr><td>3. Puan Norazian Ahmad Tajuddin</td><td>3. Mr. Choy Khai Choon</td></tr><tr><td>4. Mr. Kanagaraj Lorenz</td><td></td></tr><tr><td>5. Madam Chin Siew Siew</td><td></td></tr></tbody></table> <p>Based on the Board meetings held during the Financial Year Ended 31 December 2022, the Board members displayed very good chemistry with healthy and robust discussions during meetings. The Board members were able to express their divergent views freely and were able to gain insightful understanding and deliberations of the transactions or proposals being tabled for approval by engaging the Senior Management with challenging questions. Due to the Board’s diverse background and skills set, they were able to exercise high level review with diverse perspective drawn from their experiences and knowledge.</p>	INED	NINED	1. YAM Tan Sri Dato’ Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail – Chairman	1. Mr. Luk Wai Hong, William	2. Encik Jeremy Nasrulhaq	2. Encik Ismail Harith Merican	3. Puan Norazian Ahmad Tajuddin	3. Mr. Choy Khai Choon	4. Mr. Kanagaraj Lorenz		5. Madam Chin Siew Siew	
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4. Mr. Kanagaraj Lorenz													
5. Madam Chin Siew Siew													
:													

Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Not applicable - Step Up 5.4 adopted	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i>	
Application	: Adopted
Explanation on adoption of the practice	: <p>Currently, Clause 3.3 of KIBB's Board Charter, stipulates that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. This is in line with Bank Negara Malaysia ("BNM")'s expectation as stipulated in its Policy Document on Corporate Governance, as well as the Malaysian Code on Corporate Governance.</p> <p>However, the aforementioned clause further provided that, upon completion of the nine (9) years, an Independent Director may continue to serve on the Board if the Group Governance, Nomination & Compensation Committee ("GNC") has concurred and the Board has approved, after assessment carried out annually, the services of the Independent Director are still required by the Company and further that the Director concerned remains free of any business or other relationship with the Company which could reasonably be perceived to materially interfere with his/ her exercise of unfettered and independent judgement.</p> <p>In the aforementioned instance, the Board must justify and seek BNM's prior approval and/ or Shareholders' approval.</p> <p>Notwithstanding the above, being a licensed Financial Institution under the purview of BNM, KIBB had always adopted the practice of limiting the tenure of its Independent Director up to nine (9) years as expected by BNM in its Policy Document on Corporate Governance. Upon completion of the nine (9) years, should the Board decide to retain the Independent Director concerned, he or she must be re-designated as a Non-Independent Non-Executive Director ("NINED"), subject to approval from BNM.</p> <p>In deciding on such matter, the GNC and the Board would take into consideration the composition of the Board in terms of the balance between Independent Non-Executive Directors and NINEDs, diversity of gender, ethnicity, age, cultural background, as well as experience and skills set.</p>

	<p>Nevertheless, as deliberated by the Board of KIBB at its meeting on 29 July 2021 on the application and adoption of Practices and Step-Up Practices of the revised Malaysian Code on Corporate Governance (“MCCG”), moving forward and in the spirit of the MCCG, Clause 3.3 of KIBB’s Board Charter would be revised to incorporate a formal policy which limits the tenure of an INED to nine (9) years without further extension.</p>
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), through the Group Governance, Nomination & Compensation Committee ("GNC"), has put in place a formal and transparent framework governing the appointments of new Directors wherein the GNC will recommend the appointment of suitable candidate as Director of the Company and its subsidiaries, to the Board for approval.2. The procedures in relation to Board appointment which are embedded in the Board Succession Planning Framework, starts with the review by the GNC of the status of the Board composition. The GNC will then report its findings and recommend to the Board for approval, the appropriate action to be taken. If the GNC anticipates that a Director/ Board Committee member position shall become vacant within the next twelve (12) months (whether by reason of an announced intent to retire or otherwise), or if a Director/ Board Committee member position shall suddenly become vacant (whether by death or otherwise), the GNC shall, as soon as reasonably practicable, recommend to the Board, nominees for election as Director/ Board Committee member.3. When identifying potential candidates for nomination as a Director, the GNC may consult whatever sources it deems appropriate, including, but not limited to referrals from existing Directors, recommendations from a third (3rd)-party search firm, FIDE FORUM's Directors Register, Institute of Corporate Directors Malaysia's Director Registry or suggestions from major shareholders of KIBB.4. The GNC shall make an initial assessment of each candidate. It shall select from a pool of one (1) or more candidates for an initial interview by at least one (1) member of the GNC.

	<p>5. When the GNC identifies an individual that it believes meets the criteria set forth below and should be elected Director, it will notify the Board and arrange for the individual to be interviewed by the rest of the Board members who are not members of the GNC.</p> <p>6. The criteria considered during the selection of new Director include, inter alia, the following:</p> <ol style="list-style-type: none"> a. Technical know-how, diverse skills or professional experience in the financial services industry or to some extent, understanding of the nature of the business that KIBB is involved in, to create a more conducive environment for informed decision making; b. Mix of skills and experiences of current Board members whilst taking into consideration the current and future needs of KIBB, and boardroom diversity (including gender diversity); c. Board size and balance of executive versus non-executive directors, as well as independent versus non-independent directors; d. Current composition of the Board and Board Committees, taking into consideration the independence requirements for Board and Board Committee membership in accordance with the relevant regulatory requirements; e. Probity, personal integrity and reputation, as well as personal qualities such as honesty, integrity, diligence, independence of mind and fairness; f. Demonstration of competence and capability in relation to the necessary skills, experience, ability and commitment to carry out the role as a director; g. Financial integrity – the candidate’s demonstration of prudent management of his/ her debts or financial affairs; h. In the case of an Independent Non-Executive Director, additionally, the fulfilment of the independence criteria as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance; i. The candidate must not be an active politician; and j. In terms of time commitments, assessment was also made to ensure that the candidate did not have competing time commitments that may impair his ability to discharge his duties effectively. Hence, the directorships in listed
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	<p>companies held by any Board Member at any one time shall not exceed five (5).</p> <p>In addition, Directors are also required to notify the Board before accepting any new directorship in a public company incorporated in Malaysia and all its subsidiaries incorporated in Malaysia or otherwise. The notification should include an indication of time that will be spent on the new appointment.</p> <p>7. For re-appointments of Directors, besides the results of the performance evaluation of the Director concerned, the outcome on the assessment of his/ her independence (for an Independent Non-Executive Director only), as well as his/ her fitness and propriety would be taken into consideration by the GNC during its deliberation, prior to appropriate recommendations being made to the Board for approval.</p> <p>Upon the Board’s approval, the application for the proposed appointments of Directors would then be submitted to BNM for approval as required under the Financial Services Act 2013 and BNM’s Policy Document on Corporate Governance.</p> <p>8. In addition to the appointment of new Directors, the Terms of Reference of the GNC also requires that the GNC make recommendations to the Board on the re-appointments and re-elections for Shareholders’ approval at the Annual General Meeting of the Company of any Directors who are retiring by rotation provisions as stipulated in the respective entity’s Constitution, having due regard to their performance and ability to contribute to the Board in the light of the knowledge, skills and experience required.</p> <p>The Directors who are due for re-election/ re-appointment at the forthcoming Annual General Meeting have been duly assessed by the GNC and recommended for re-election based on their constructive contributions and valuable insights in fulfilling their roles and responsibilities.</p> <p>In the event a Director position should suddenly become vacant by reason of death or other unanticipated occurrence, and if such vacancy results in the entity concerned breaching any of the regulatory requirements pertaining to the Board or Board Committee composition, the GNC shall convene a special meeting soonest possible to initiate the process described herein.</p> <p>9. In cognisant of the recommendation embedded in the Malaysian Code on Corporate Governance issued on 28 April 2021 (“MCCG”) to pursue gender diversity, the Company has been very focused in its search for a woman Director and found a suitable match with the appointment of Madam Chin Siew Siew as a new Independent Non-Executive Director (“INED”) of KIBB on 1 June 2022.</p>
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Madam Chin Siew Siew was sourced from the FIDE FORUM’s Directors Register which is a joint initiative by FIDE FORUM, BNM and Perbadanan Insurans Deposit Malaysia.

Being a Capital Markets Services Licence (“**CMSL**”) Holder under the SC, KIBB is also required to comply with the requirements of Paragraph 5.06 of the SC’s Guidelines on Corporate Governance for Capital Market Intermediaries (“**SC’s CG Guidelines**”), for the Board of a CMSL Holder to comprise at least 30% women Directors.

Consequential to the appointment of Madam Chin Siew Siew as an INED, the Board composition had moved closer to the requirement of 30% women Directors. Even though KIBB had not fully adopted Practice 5.9 under the MCCG, it had, however, deemed as having fulfilled the requirement of Paragraph 5.06 of the SC’s CG Guidelines, as the SC allowed the rounding up of the percentage up to a maximum 5%.

To fully adopt Practice 5.9 of the MCCG, the Board will endeavour to source for suitable woman candidates for future appointment as and when changes to the Board composition are required or reviewed, in line with the Company’s business direction and strategy, within a timeframe of three (3) years or less from the issuance of the MCCG on 21 April 2021. Any appointment of a woman Director would be based on merit and potential contributions that she could bring to KIBB, as well as the Group.

10. With regard to skills and experience, processes had been put in place whereby the GNC would undertake a rigorous assessment of potential candidates, prior to making appropriate recommendations to the Board for appointment of a new Director, to ensure the relevance and suitability of the potential candidate’s experience and skills with the Company’s business strategies and direction.
11. In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which Board members from their different ages, cultural backgrounds, perspectives, views and abilities bring to the Company, as well as their abilities to respond to business opportunities more rapidly and creatively, the Company has endeavoured and will continue to endeavour to achieve a fair mix of members.

As at 31 December 2022, the Board diversity in terms of age, cultural background and gender is shown in the tables below.

Age Group	50 – 59	60 – 69	70 – 79
No. of Directors	2	4	2

Cultural Background	Malay	Chinese	Indian
No. of Directors	4	3	1

Gender	Male	Female
No. of Directors	6	2

None of the Directors within the Group are active politicians or public officials.

12. In deliberating any proposal for appointment of a new Director or reappointment of an existing Director, the Board acknowledges the fact that persons in these positions must have the necessary qualities, competencies and experience that will allow them to perform the duties and carry out the responsibilities required of the position in the most effective manner.

In that regard, KIBB had put in place processes to assess the fitness and propriety of potential or existing Directors, which included the requirement for self-declaration by the potential or existing Directors covering the following perspectives:

a. **Probity, Personal Integrity and Reputation**

Probity, personal integrity and reputation are values that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness. These qualities are demonstrated over time and demand a disciplined and on-going commitment to high ethical standards.

b. **Competency and Capability**

Competency and capability are demonstrated by a person who possesses the relevant knowledge, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform his role in a key function in the relevant capacity effectively.

c. **Financial Integrity**

Financial integrity is demonstrated by a person who manages his own financial affairs properly and prudently.

In addition to the above, prior to submission of the proposal for appointment or re-appointment of Directors to the GNC, Board and BNM, as part of the fit and proper assessment, besides Bankruptcy Search, CCRIS/ RAMCI, EXPERIAN, as well as Malaysian Anti-Corruption Commission checks would also be

	<p>conducted to ensure there are no adverse reports against the potential candidate or the existing Director.</p> <p>13. With regard to Senior Management personnel, the appointment is implemented in a formal and transparent process which is generally based on the minimum fit and proper criteria such as probity, personal integrity and reputation, competency and capability, as well as financial integrity as stipulated in KIBB Group Fit and Proper Criteria for Management Key Responsible Persons and Company Secretary.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>When identifying potential candidates for nomination as a Director, the Board of Directors (“Board”) of Kenanga Investment Bank Berhad, via the Group Governance, Nomination & Compensation Committee (“GNC”), will consider whatever sources it deems appropriate, including, but not limited to, referrals from existing Directors, recommendations from a third (3rd)-party search firm, or suggestions from major shareholders (in the case of a Non-Independent Non-Executive Director).</p> <p>In addition, commencing from 2017, since becoming a member of FIDE FORUM, the Board had in the past engaged FIDE FORUM, to access FIDE FORUM’s Directors Register to source for potential Independent Non-Executive Director candidates. Further, as a member of the Institute of Corporate Directors Malaysia (“ICDM”), the Company also has access to the ICDM’s Director Registry to source for potential candidates for Director position.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>Under the current practice, the details of the Directors to be re-elected would be stated in the Notice of Annual General Meeting (“AGM”) of Kenanga Investment Bank Berhad (“KIBB”) including the name, age, gender, working experience and any conflict of interest as well as directorship in other companies, would be disclosed in the Explanatory Notes with reference made to their profiles in the Annual Report.</p> <p>Since the revised Malaysian Code on Corporate Governance was issued on 28 April 2021, the new requirement on additional details such as any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect of their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole, were incorporated into the Notice of AGM in 2022, which was issued on 27 April 2022. This practice will continue to be adopted going forward.</p> <p>In terms of the process of determining the eligibility of the Directors to stand for re-election at the AGM, the Board of Directors (“Board”) through its Group Governance, Nomination & Compensation Committee (“GNC”) will assess each of the retiring Directors, and considered the following:</p> <ol style="list-style-type: none">The Director’s performance and contribution based on the outcome of the performance evaluation conducted on the Board, Board Committees and Individual Directors;The Director’s level of contribution to the Board’s deliberations through his/ her skills, experience and strength in qualities; andThe level of independence demonstrated by the Director, and his/ her ability to act in the best interests of the Company in decision-making.

	Based on its assessment, the GNC will recommend the re-elections of the Directors concerned to be put forth to the Shareholders for approval at the AGM.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Governance, Nomination & Compensation Committee (“GNC”) of Kenanga Investment Bank Berhad (“KIBB”) comprises five (5) members, three (3) of whom are Independent Non-Executive Directors (“INED”) and two (2) Non-Independent Non-Executive Directors.</p> <p>The GNC is currently chaired by an INED, Madam Chin Siew Siew who took over the chairmanship from Puan Norazian Ahmad Tajuddin, also an INED, on 1 November 2022.</p> <p>Madam Chin Siew Siew’s profile can be found in the Profiles of Directors in KIBB’s 2022 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Currently, the Board of Directors (“Board”) of Kenanga Investment Bank Berhad (“KIBB”) comprises two (2) women Directors out of the eight (8) members i.e. 25%.</p> <p>As per Clause 3.6 of the Board Charter of KIBB, the Board, through the Group Governance, Nomination & Compensation Committee (“GNC”), shall take steps to ensure that woman candidates are sought as part of its recruitment exercise.</p> <p>Please provide an alternative practice and explain how the alternative practice meets the intended outcome.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	<p>Following the issuance of the revised Malaysian Code on Corporate Governance (“MCCG”), the Board of KIBB had at its meeting on 27 July 2021, deliberated on the status of application of the Practices and adoption of the Step-Up Practices of the revised MCCG by KIBB.</p> <p>Based on the outcome of the gap analysis performed, one of the Practices identified to be applied is Practice 5.9 which recommends the Board to comprise at least 30% women Directors.</p> <p>In an effort to improve the percentage of female Directors on the Board of KIBB to be closer to the 30% threshold recommended by the MCCG, the Board had approved the appointment of Madam Chin Siew Siew, as an Independent Non-Executive Director on 1 June 2022 based on the recommendation of the GNC. Following Madam Chin Siew Siew’s appointment, the Company had managed to narrow the gap by having its Board comprising 25% women Directors.</p> <p>As recommended by the MCCG, the Board aims to achieve 30% women directors on the Board, within a timeframe of three (3) years from the issuance of the MCCG i.e. by April 2024.</p>
Timeframe	:	Choose an item.

|

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	: Applied
Explanation on application of the practice	<p>Following the issuance of the revised Malaysian Code of Corporate Governance (“MCCG”) on 28 April 2021, the Board of Directors (“Board”) of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) had at its meeting on 27 July 2021, deliberated on the status of application of the Practices and adoption of the Step-Up Practices of the revised MCCG by KIBB.</p> <p>Based on the outcome of the gap analysis performed, one of the Practices identified to be applied is Practice 5.9 which recommends the Board to comprise at least 30% women Directors.</p> <p>Towards this end, as at 31 December 2022, the Board comprises two (2) women Directors out of the total eight (8) Board members namely Puan Norazian Ahmad Tajuddin and Madam Chin Siew Siew, both Independent Non-Executive Directors. This has improved the percentage of women Directors from one (1) in FYE 2021 to two (2) in FYE 2022.</p> <p>To fully adopt Practice 5.9 of the MCCG, the Board will endeavour to source for one (1) more suitable woman candidate within a timeframe of three (3) years or less from the issuance of the MCCG on 28 April 2021 i.e., by April 2024. Any appointment of a woman Director would be based on merit and potential contributions that she could bring to KIBB, as well as the Group.</p> <p>With regard to gender diversity at the employees’ level, KIBB provides equal opportunities for all employees and prospective candidates and does not discriminate based on age, gender, ethnicity, disability, marital status, parental status, political convictions or religious beliefs. Its decisions are premised on business needs and employees’ merits.</p> <p>The above is the Company’s policy statement on diversity including gender diversity which reflects its established people practice and covers all levels of employees including senior management.</p> <p>The Company adopts a strictly non-discriminatory approach for all Human Resource practices throughout the Group, including processes related to recruitment, redundancy, training and development, as well as remuneration. All decisions on matters concerning employees, including Senior Management, are made based on business needs and</p>

	employees' merit.	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: <ol style="list-style-type: none">1. Based on the Board Evaluation Framework approved by the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), the performance and contribution of the Board, Board Committees and individual Directors are assessed annually. The performance evaluation involved the completion of a detailed questionnaire by each Director using the self-assessment method for Board and Board Committees and a combination of self-assessment and peer assessment method for individual Directors.2. The criteria on which assessment of the Board's effectiveness is carried out included, inter alia, the Board's structure, operations and interaction, roles and responsibilities, strategy and planning, financial overview, performance management, human capital management, risk management and internal control, shareholders communication and investor relations; and understanding of the Board Committees' roles.3. Board Committees are assessed based on the fulfilment of the Board Committee's functions and roles and responsibilities, as well as composition, processes and procedures, and interaction with Management as stipulated in their respective Terms of References.4. As for individual Directors, the assessment was based on pre-determined criteria relating to personal integrity and competency, contribution and performance, as well as calibre and personality.5. The outcomes of the assessment were then collated and compiled by the Company Secretary for tabling at the Group Governance, Nomination & Compensation Committee ("GNC") meeting for deliberation. These outcomes were reviewed and discussed by the

GNC by recognising the strengths and addressing the weaknesses of the Board as a whole, Board Committees and individual Directors and, where appropriate, the GNC would recommend to the Board appropriate action plans to be implemented to address any weaknesses identified.

6. The results obtained from the individual Directors' evaluation also served as one of the criteria to be considered by the GNC and the Board when recommending and approving the re-appointments of Directors upon expiry of their respective terms of office as stipulated by Bank Negara Malaysia, as well as the annual re-elections of Directors at Annual General Meetings, under the retirement by rotation provisions in accordance with the respective Constitution of the companies within KIBB Group.

The effectiveness of each of the Board Committee was also discussed in detail and areas of enhancements identified accordingly.

7. With regard to the assessment conducted in 2022, based on the approved evaluation criteria, the overall rating of the Board, Board Committees and Individual Directors, were as provided below.

Board/ Board Committee/ Individual Director	Overall Rating
Board <ul style="list-style-type: none"> ▪ Board Structure ▪ Quality of Information and Decision Making ▪ Boardroom Activities ▪ Board Committee Effectiveness 	3.82/ 4.00
GNC <ul style="list-style-type: none"> ▪ Terms of Reference ▪ Composition ▪ Processes and Procedures ▪ Interaction with Management ▪ Roles and Responsibilities 	3.95/ 4.00
Audit Committee <ul style="list-style-type: none"> ▪ Terms of Reference ▪ Composition ▪ Processes and Procedures ▪ Interaction with Management ▪ Roles and Responsibilities 	4.00/ 4.00

Board/ Board Committee/ Individual Director	Overall Rating
Group Board Risk Committee (“GBRC”) <ul style="list-style-type: none"> ▪ Terms of Reference ▪ Composition ▪ Processes and Procedures ▪ Interaction with Management ▪ Understanding the Business and Associated Risks 	3.99/ 4.00
Group Board Digital Innovation & Technology Committee <ul style="list-style-type: none"> ▪ Terms of Reference ▪ Composition ▪ Processes and Procedures ▪ Interaction with Management ▪ Understanding the Business and Associated Risks 	3.94/ 4.00
Individual Director <ul style="list-style-type: none"> ▪ Personal Integrity and Competency ▪ Contribution and Performance ▪ Calibre and Personality 	4.58/ 5.00

8. Based on assessment conducted in 2022 and the feedback received from members of the Board, as well as Board Committees, the GNC had recommended certain identified action plans towards enhancing the governance and processes of the Board and Board Committees, which were approved by the Board for implementation, which amongst others included the action plans stated below.
- a. Enhancement of the process of setting the strategic business plans and annual budget by conducting a brain storming session led by the Chairman of the Board, between Board Members and Senior Management before tabling of the same to the Board for approval.
 - b. Development of a longer-term strategy for the Group in respect of Sustainability/ ESG with appropriate matrices and targets.
 - c. Tracking and monitoring of strategic plan, longer-term digitalisation plans, including tighter review of the Group’s Digitisation Plan for the next three (3) years, which should include timelines with specific deliverables, financials separately showing the Business-as-Usual and Digital Businesses, clear Key Performance Indicators for each

	<p>category, and progress report on investment and/ or business partnerships/ collaborations in relation thereof.</p> <p>d. Strengthening of the Board’s skill set by having a Board member with ESG/ Sustainability, Market Risk, Legal, Human Resource and Talent Management, as well as candidates with Board experience from other Public Listed Companies and/ or banking or technology entrepreneurial background with practical experience in building a Fintech startup, or experience as a Chief Financial Officer, when considering potential candidates for directorship to add value to the Board and the Company.</p> <p>e. Address Boardroom diversity and take steps to ensure that women candidates are sought as part of Board recruitment process to facilitate the Company’s achievement of 30% women Directors on its Board as recommended by the MCCG, by April 2024².</p> <p>f. Conduct a review of remuneration of Directors (to be benchmarked against other Investment Banks of similar size and business) to attract and retain suitable Directors for the effective functioning of the Board.</p> <p>g. Conduct a review on the composition of the Boards and Board Committees of entities within KIBB Group taking into consideration the proper allocation of Board Committee membership depending on skills set and expertise of each Board Member.</p> <p>h. Identify suitable training programmes for the Directors in the areas stated below.</p> <ul style="list-style-type: none"> • Sustainability, ESG³ Risks and Climate Change Risks. • Fintech, Technology Innovations, Artificial Intelligence, including Information Sharing on Market Developments in Digital Products and Competitors. • Risks in Islamic Finance. • Cyber Security. • Refresher in-house programmes on product knowledge such as Equity Derivatives, Treasury, Digital Business, and Money Market, as well as Anti-Money Laundering and Counter Financing of Terrorism, Section 17A of the Malaysian Anti-Corruption Commission Act 2009, and Consequence Management Process in respect of Management KRPs, the GMD and the Board. <p>i. Improvement in the Alignment of Reward Structure with ESG Goals/ Targets.</p>
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² At least within three (3) years from issuance of the MCCG by the SC on 21 April 2021.

³ Environmental, Social and Governance

	<ul style="list-style-type: none"> j. Closer Engagement with Group Human Resource on Talent Management. k. Review of the Board Performance Evaluation Parameters and Matrices. l. Establishment of a Register of Potential Directors. 	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. The objective of Kenanga Investment Bank Berhad ("KIBB" or "the Company")'s remuneration policy for Directors, as determined by the Group Governance, Nomination & Compensation Committee ("GNC"), is to ensure that the remuneration package is -<ol style="list-style-type: none">a. competitive, attractive and adequate to attract, retain and incentivise individuals of the necessary calibre, expertise and experience to join the Board of Directors ("Board");b. reflective of the experience, expertise, time commitment, level of responsibilities, complexity of the Company's business, and risks undertaken; andc. comparative with the Directors' remuneration of other companies which operate in similar businesses and are comparable in size and market share.2. The Board is cognisant of the importance of setting remuneration levels which are sufficient to attract and retain the Directors, as well as Senior Management to operate the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without excessively over-paying to achieve its goal. The level of remuneration of the Group Managing Director ("GMD") and other Senior Management personnel is determined by the GNC after giving due consideration to compensation levels of comparable positions among other similar companies in Malaysia, as well as other factors including talent retention.3. The GNC carries out the annual review of the overall remuneration policy for Directors, the GMD and Senior Management whereupon

appropriate and relevant recommendations would be made to the Board for approval.

4. The GNC also reviews annually the performance of the GMD and Chief Executive Officers of the subsidiaries of the Company and submits recommendations to the Board for approval accordingly.
5. For the Financial Year Ended 31 December 2022, the Directors and Shariah Committee Members are paid the following annual fees and meeting allowances for each meeting of the Board, Board Committee or Shariah Committee that they have attended respectively:

Fees	Financial Year Ended 31 December 2022	
Chairman of the Board	RM520,000.00	
Director	RM270,000.00	
Chairman of Audit Committee (“AC”) (1)	RM60,000.00	
Chairman of GNC/ Group Board Risk Committee (“GBRC”)/ Group Board Digital Innovation & Technology Committee (“GBDITC”)	RM40,000.00	
Chairman of Shariah Committee	RM80,200.00	
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00	
Member of Shariah Committee (2)	RM55,000.00	
	RM49,000.00	
Type of Meeting Allowance	Chairman	Member
	Per Meeting	
Board Meeting	RM2,000.00	RM2,000.00
General Meeting of the Company	RM2,000.00	RM2,000.00
AC/ GNC/ GBRC/ GBDITC/ Employees’ Share Scheme Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee Meeting	RM600.00	RM500.00

Notes

(1) The Annual Fee for the Chairman of AC had been increased from RM40,000 to RM60,000 effective from Financial Year 2021 as approved by the Board of KIBB on 26 January 2022, upon the GNC’s recommendation.

(2) The Annual Fee for the Financial Year Ended 31 December 2022 were based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

	<p>6. A summary of the total remuneration of the Directors, in aggregate with categorisation into appropriate components for the Financial Year Ended 31 December 2022 is provided under Practice 8.1.</p> <p>The aforementioned Non-Executive Director remuneration framework has not been documented as a policy per se. However, it is being annually reviewed by the GNC and Board.</p> <p>Therefore, it is proposed that the Non-Executive Directors' Framework be incorporated into the Board Charter during the review of the same in 2023.</p> <p>7. With regard to Senior Management's remuneration, it is reviewed regularly and benchmarked against the financial institutional peers (local banks and asset management companies). All matters relating to Senior Management's remuneration are presented and deliberated at the GNC upon which relevant recommendations shall be made to the Board of KIBB for approval.</p> <p>8. The remuneration particulars are elaborated in Section B of this Report.</p> <p>9. A summary of the total remuneration of the Senior Management, in aggregate with categorisation into appropriate components for the Financial Year Ended 31 December 2022 is provided under Practice 8.2.</p> <p>10. The Total Rewards Framework documents the Company's rewards philosophy and policies and will be presented to GNC and Board for approval in April 2023 and May 2023 respectively, which would include the compensation policy for senior management.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure :</p>	
<p>Timeframe :</p>	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>1. The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") has established the Group Governance, Nomination & Compensation Committee ("GNC") comprising a majority of Independent Directors with specific Terms of Reference outlining its roles and responsibilities. The GNC is chaired by an Independent Director who is not the Chairman of the Board.</p> <p>As at 31 December 2022, the GNC comprised the following members:</p> <ul style="list-style-type: none">• Madam Chin Siew Siew <i>Chairman, Independent Non-Executive Director ("INED")</i>• Encik Jeremy Nasrulhaq <i>Member, Senior INED</i>• Puan Norazian Ahmad Tajuddin <i>Member, INED</i>• Encik Ismail Harith Merican <i>Member, Non-Independent Non-Executive Director ("NINED")</i>• Mr. Choy Khai Choon <i>Member, NINED</i> <p>2. GNC's Roles and Responsibilities</p> <p>With regard to the nominations and appointments of Directors of KIBB and Its Subsidiaries, Board Committee members, the Group Managing Director ("GMD") and Senior Management of KIBB</p>

Group, the GNC's responsibilities as stipulated in its Terms of Reference include the establishment of minimum requirements for the Boards, the GMD and Senior Management, such as the required mix of skills, experience, qualifications and other core competencies required of them. The requirements and criteria shall be approved by the Board.

In terms of the remuneration of Directors, Board Committee members, the GMD and Senior Management, it is the responsibility of the GNC to recommend to the Board for approval, a remuneration framework which supports KIBB Group's culture, objectives and strategy and reflects the responsibility and commitment of the Directors, Board Committee members, the GMD and Senior Management.

Individual Directors do not participate in decisions regarding their own remuneration packages.

In determining the bonus for the GMD and Senior Management, the GNC reviews their performance based on the overall performance of the Company, and a variety of specific Key Performance Indicators depending on their respective roles and responsibilities which are linked to individual performance, as well as any non-compliance with law, regulatory guidelines and internal policies and procedures.

In accordance with the provision of Section 230 of the Companies Act 2016, payment of Directors' fees and benefits (including compensation for loss of office) to Non-Executive Directors shall be subject to the shareholders' approval.

3. Summary of GNC's Activities in 2022

In discharging its responsibilities as encapsulated in its Terms of Reference which is available on the Company's website at <https://www.kenanga.com.my/investor-relations/corporate-governance>, during the Financial Year Ended 31 December 2022, the GNC had reviewed, deliberated and made appropriate recommendations to the Board for approval, on matters pertaining to, amongst others, the following:

- Appointments and Re-Appointments of Directors within KIBB Group
- Annual Performance Evaluation for the Board, Board Committees and Individual Directors for the Financial Year Ended 31 December 2021, Together with the Annual Assessment on Independence and Fitness and Propriety of Directors
- Review of Compositions of the Board and Board Committees of KIBB and Its Subsidiaries

	<ul style="list-style-type: none"> ▪ Payment of Directors’ Fees for Financial Year 2021 and Meetings Allowances and Benefits for Directors of KIBB Group for the Financial Year 2022 ▪ Directors Training Calendar for 2022 and Status Report on KIBB Group’s Directors Training for 2021/2022 ▪ Appointment of KIBB’s Representative on the Board of Directors of Its Associate Company ▪ Assessment on the Fitness and Propriety and Re-Appointments of Members of the Shariah Committee of KIBB and Their Remuneration ▪ Review of Annual Report 2021 Disclosures ▪ KIBB’s Sustainability Report, Sustainability Statement and Sustainability Targets ▪ KIBB’s 2022 Materiality Matrix Validation, Task Force on Climate-related Financial Disclosures Roadmap 2023-2024 and Sustainability Roadmap 2023-2025 ▪ Re-Appointment of YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Binti Tengku Ismail as Adviser of KIBB ▪ Appointment of New Group Executive Committee Member ▪ List of Management KRPs of the Group as at 1 January 2022 ▪ New Appointment, Review and Renewal of Contract of Appointment of Management Key Responsible Persons (“KRPs”) ▪ Annual Performance Review and Assessment on the Fitness and Propriety of Management KRPs ▪ Review of the List of Material Risk Takers and List of Other Material Risk Takers within KIBB Group and Review of Their Compensation ▪ 2021 Annual Performance Bonus and 2022 Annual Salary Increment for the Group ▪ 2022 Annual Balanced Scorecards for GMD, Management KRPs, Group Company Secretary and Head of Group Compliance ▪ Proposal to Adopt Appraisal Demerit Matrix ▪ Changes in Employment Act 1955 (Amendment 2022) and Proposal to Review Kenanga Group HR Policies and Terms & Conditions of Employment Impacted by the Changes, Where Applicable ▪ Report on Employees’ Share Option Scheme Effectiveness
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	

Timeframe	:		
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	YAM Tan Sri Dato' Seri Syed Anwar Jamalullail <i>(2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.</i>	Independent Director	520,000.00	0	0	0	31,150.00 (2)	24,000.00	575,150.00	520,000.00	0	0	0	31,150.00 (2)	24,000.00	575,150.00
2	Luigi Fortunato Ghirardello <i>(3) Annual Directors' Fee was pro-rated for the period Mr. Luigi Fortunato Ghirardello was in office until his retirement from the Board of KIBB on 26 May 2022.</i>	Non-Executive Non-Independent Director	143,013.70 (3)	0	0	0	0	26,000.00	169,013.70	193,013.70 (3)	0	0	0	0	38,000.00	231,013.70
3	Ismail Harith Merican	Non-Executive Non-Independent Director	300,000.00	0	0	0	0	40,000.00	340,000.00	300,000.00	0	0	0	0	40,000.00	340,000.00

4	Luk Wai Hong, William	Independent Director	388,301.37	0	0	0	0	84,000.00	472,301.37	486,630.14	0	0	0	0	122,000.00	608,630.14
5	Jeremy Nasrulhaq	Independent Director	390,000.00	0	0	0	0	70,000.00	460,000.00	390,000.00	0	0	0	0	70,000.00	460,000.00
6	Norazian Ahmad Tajuddin	Independent Director	370,000.00	0	0	0	0	68,000.00	438,000.00	462,410.96	0	0	0	0	108,000.00	570,410.96
7	Kanagaraj Lorenz	Independent Director	370,000.00	0	0	0	0	66,000.00	436,000.00	370,000.00	0	0	0	0	66,000.00	436,000.00
8	Choy Khai Choon	Non-Executive Non-Independent Director	343,479.46	0	0	0	0	56,000.00	399,479.46	343,479.46	0	0	0	0	56,000.00	399,479.46
9	Chin Siew Siew <i>(4) Annual Directors' Fee was pro-rated for the period Madam Chin Siew Siew was in office following her appointment on 1 June 2022</i>	Independent Director	185,123.29 (4)	0	0	0	0	22,000.00	207,123.29	185,123.29 (4)	0	0	0	0	22,000.00	207,123.29
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure																														
Explanation on application of the practice	:																															
Explanation for departure	:	<p>In view of the confidentiality and security concerns, the Board had at its meeting on 28 February 2019, agreed for disclosure to be made on the remuneration of the Group Executive Committee ("Group EXCO") members in bands of RM50,000 on a no-named basis.</p> <table border="1" data-bbox="561 1055 1374 1599"> <thead> <tr> <th>Remuneration of Group EXCO Members in Bands of RM50,000</th> <th>Number of Group EXCO Members</th> </tr> </thead> <tbody> <tr><td>From RM450,000 to RM500,000</td><td>1</td></tr> <tr><td>From RM750,000 to RM800,000</td><td>1</td></tr> <tr><td>From RM950,000 to RM1,000,000</td><td>1</td></tr> <tr><td>From RM1,000,000 to RM1,050,000</td><td>1</td></tr> <tr><td>From RM1,050,000 to RM1,100,000</td><td>1</td></tr> <tr><td>From RM1,150,000 to RM1,200,000</td><td>1</td></tr> <tr><td>From RM1,250,000 to RM1,300,000</td><td>1</td></tr> <tr><td>From RM1,750,000 to RM1,800,000</td><td>1</td></tr> <tr><td>From RM2,400,000 to RM2,450,000</td><td>1</td></tr> <tr><td>From RM2,700,000 to RM2,750,000</td><td>1</td></tr> <tr><td>From RM4,450,000 to RM4,500,000</td><td>1</td></tr> <tr><td>From RM5,450,000 to RM5,500,000</td><td>1</td></tr> <tr><td>From RM6,250,000 to RM6,300,000</td><td>1</td></tr> <tr> <td>Total</td> <td>13</td> </tr> </tbody> </table> <p>Compensation of key management personnel (Group Managing Director and his direct reports) are disclosed in Note 38 of the Audited Financial Statements for the Financial Year Ended 31 December 2022 in the following format:</p> <ul style="list-style-type: none"> • Short term employee benefits; and • Post-employment benefits: Employees Provident Fund. 	Remuneration of Group EXCO Members in Bands of RM50,000	Number of Group EXCO Members	From RM450,000 to RM500,000	1	From RM750,000 to RM800,000	1	From RM950,000 to RM1,000,000	1	From RM1,000,000 to RM1,050,000	1	From RM1,050,000 to RM1,100,000	1	From RM1,150,000 to RM1,200,000	1	From RM1,250,000 to RM1,300,000	1	From RM1,750,000 to RM1,800,000	1	From RM2,400,000 to RM2,450,000	1	From RM2,700,000 to RM2,750,000	1	From RM4,450,000 to RM4,500,000	1	From RM5,450,000 to RM5,500,000	1	From RM6,250,000 to RM6,300,000	1	Total	13
Remuneration of Group EXCO Members in Bands of RM50,000	Number of Group EXCO Members																															
From RM450,000 to RM500,000	1																															
From RM750,000 to RM800,000	1																															
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From RM1,000,000 to RM1,050,000	1																															
From RM1,050,000 to RM1,100,000	1																															
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From RM1,250,000 to RM1,300,000	1																															
From RM1,750,000 to RM1,800,000	1																															
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From RM2,700,000 to RM2,750,000	1																															
From RM4,450,000 to RM4,500,000	1																															
From RM5,450,000 to RM5,500,000	1																															
From RM6,250,000 to RM6,300,000	1																															
Total	13																															
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>																																

Measure	:	Please explain the measure(s) the company has taken or intend to take to adopt the practice.	
Timeframe	:	Choose an item.	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
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5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB") is Encik Jeremy Nasrulhaq ("Encik Jeremy"), Senior Independent Non-Executive Director of KIBB, who is not the Chairman of the Board of KIBB.</p> <p>Encik Jeremy, aged 69, is a member of the Malaysian Institute of Accountants. He was appointed to the Board of KIBB as an Independent Non-Executive Director on 1 June 2017. He was initially appointed as a member of the AC on 1 June 2017 and subsequently re-designated as the Chairman of the AC on 8 September 2017.</p> <p>The AC comprised solely Independent Directors. The composition of the AC and the profiles of each member and details of meeting attendance can be found in Section B of this CG Report.</p> <p>The functions and responsibilities of the AC are set out in the Terms of Reference of the AC which is available on KIBB's website at https://www.kenanga.com.my/investor-relations/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied
Explanation on application of the practice	:	<p>Being a financial institution, Kenanga Investment Bank Berhad adheres to the requirement of Standard 10.5 of Bank Negara Malaysia's Policy Document on Corporate Governance which stipulates that where a firm has been appointed as the external auditor of a financial institution, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a director of the financial institution until at least three (3) years after –</p> <ul style="list-style-type: none">• he ceases to be an officer or partner of that firm; or• the firm last served as an auditor of the financial institution. <p>The aforementioned requirement had been incorporated in Clause 2.6 of the Terms of Reference of the Audit Committee which is available for reference at Company's website at https://www.kenanga.com.my/investor-relations/corporate-governance.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") meets with Ernst & Young PLT ("EY"), the External Auditors of KIBB, at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. In addition, the AC also holds separate meetings with the External Auditors without the presence of Management to ensure full disclosure and transparent reporting of relevant issues affecting the Company, during the course of EY's audit on KIBB Group.</p> <p>In relation to the re-appointment of EY as KIBB's External Auditors for the Financial Year Ending 31 December 2023, the Board had at its meeting on 31 January 2023, concurred with the AC's recommendation for EY to be re-appointed as the Company's External Auditors after having satisfied with the outcome of the assessment conducted on EY's performance and independence, in accordance with Section 67(1) of the Financial Services Act 2013. The Board's approval was subject to further Bank Negara Malaysia ("BNM")'s approval.</p> <p>The Board also noted that the AC when assessing the proposal on EY's re-appointment, had also taken into consideration the Annual Transparency Report tabled by EY in respect of the year 2022, outlining the audit firm's Sustainable Audit Practice delivered through the Sustainability Audit Quality ("SAQ") Programme based on the following:</p> <ul style="list-style-type: none">a. EY's six (6) SAQ global pillars;b. EY's data-driven audit by building its own internal team locally geared for the analytics or digital transformation of audit to suit the local needs and requirements;c. EY's benchmarking against the industry benchmark via the measurements of the Audit Quality Indicators. <p>Based on the assessment, the Board had concurred with the AC's recommendation and concluded that EY had fulfilled all the</p>

	<p>qualification criteria set out in BNM’s Policy Document on External Auditor in terms of its performance and independence.</p> <p>With regard to its independence, EY had confirmed that it was independent of KIBB Group and KIBB in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).</p> <p>Subsequent to the above, BNM had on 6 April 2023 granted its approval for the re-appointment of EY as KIBB Group’s External Auditors and Ms. Ng Sue Ean as the Engagement Partner and the appointment of Mr. Brandon Bruce Sta Maria as the Concurring Partner for the Financial Year Ending 31 December 2023.</p> <p>Since the Financial Year Ending 31 December 2023 would be the fifth (5th) year that the current Engagement Partner would be assigned to KIBB Group, the Engagement Partner will be changed following the completion of the Financial Year Ending 31 December 2023 statutory audit.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Audit Committee ("AC") of Kenanga Investment Bank Berhad comprised solely Independent Non-Executive Directors ("INED").</p> <p>As at 31 December 2022, the composition of the AC was as follows:</p> <ol style="list-style-type: none">1. Encik Jeremy Nasrulhaq <i>Chairman, Senior INED</i>2. Mr. Kanagaraj Lorenz <i>Member, INED</i>3. Puan Norazian Ahmad Tajuddin <i>Member, INED</i>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") comprises solely Independent Non-Executive Directors ("INED") and is chaired by an INED who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia ("BNM")'s Policy Document on Corporate Governance.</p> <p>As at 31 December 2022, the composition of the AC was as follows:</p> <ol style="list-style-type: none">1. Encik Jeremy Nasrulhaq <i>Chairman, Senior INED</i>2. Mr. Kanagaraj Lorenz <i>Member, INED</i>3. Puan Norazian Ahmad Tajuddin <i>Member, INED</i> <p>Two (2) of the AC members, namely Encik Jeremy Nasrulhaq and Mr. Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) respectively, in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This would strengthen the effectiveness of the AC and facilitate the AC's succession plan in terms of its membership to ensure full compliance with the relevant regulatory requirements.</p> <p>The other member of the AC is also appropriately qualified with the relevant skills set as reflected in their respective profiles provided in the Company's Annual Report 2022 and Section B of this CG Report.</p>

In terms of continuous development of the Board and Board Committees members, the Company, via the Company Secretary's Office facilitates the registration and attendance of Directors at appropriate external and in-house training programmes to ensure that the Directors are kept abreast with new developments pertaining to the laws and regulations and changing commercial risks, which may affect the Board and/or the Company, as well as to ensure that they are fully equipped with the necessary knowledge to assist them in fulfilling their responsibilities as Directors of the Company.

In addition to external training programmes, the AC members also attended several training programmes organised in-house. The relevant training programmes attended by the AC members during 2022 are as listed below.

Title of Trainings
1. Management Accounting and Business Environment - University Malaysia "UM" (attended as a speaker of Faculty of Business and Economics of UM)
2. Webinar on The Corporate Governance ("CG") Overview Statement, CG Report, Audit Committee Report and the Statement on Risk Management & Internal Control ("SORMIC")
3. Nomination and Remuneration Committee ("NRC") Dialogue & Networking - Session #1 by Institute of Corporate Directors Malaysia ("ICDM")
4. MetaFinance: The Next Frontier of the Global Economy by FIDE FORUM
5. FIDE FORUM Leadership Perspectives Forum on Board Effectiveness in Conjunction with the Launch of FIDE FORUM Board Effectiveness Evaluation Guidebook
6. Alibaba Cloud Summit Kuala Lumpur 2022 by Ali Baba Cloud
7. International Directors Summit 2022 by ICDM
8. The Emerging Trends Threats and Risks to the Financial Services Industry - Managing Global Risk Investment and Payment System - FIDE Forum
9. Non-Compliance with Laws and Regulations by Malaysian Institute of Accountants ("MIA") - attended as Moderator
10. Conversations with Audit Committee - Session 1 by Securities Commission Malaysia
11. Malaysian Anti-Corruption Commission Act 2009 Section 17A: The Impact of the Technology & the Newly Enhanced Sustainability Reporting by Dr. Mark Lovatt - ICDM
12. Contemporary Issues In Anti-Money Laundering by Nature of Life
13. BNM-FIDE Forum MyFintech Week Masterclasses
14. SIDC Webinar:- The Ongoing Journey of Digital Transformation: Latest Trends and Insight
15. Singapore Fintech Festival 2022
16. Board of Directors Cybersecurity Awareness by EC-Council
17. Islamic Wealth Management from Shariah Perspective by Shariah Adviser of KIBB
18. Task Force on Climate Related Financial Disclosure ("TCFD") - Climate Disclosure Training by Bursa Malaysia Berhad ("Bursa Malaysia") - TCFD 101
19. BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis
20. TCFD - Climate Disclosure Training by Bursa Malaysia - TCFD 102

	<p>21. Introductory Session by UN Global Compact ("UNGC") on a. Brief Introduction on Board Leadership & Sustainability; and b. KIBB-UNGC Collaboration Plans</p> <p>22. Virtual MIA International Accountants Conference 2022: Leading ESG, Charting Sustainability by MIA</p> <p>23. International Sustainability Standards Board's Briefing Workshop and Q&As for Emerging Markets by United Nations Sustainable Stock Exchanges Initiative</p> <p>24. Setting Science-Based Targets by UNGC Academy</p> <p>25. How to Understand and Take Action on the Global Goals by UNGC</p> <p>26. Advocacy Dialogue on the Enhanced Sustainability Reporting Framework by Bursa Malaysia</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB") is fully committed to maintaining a sound system of internal controls and has instituted a risk management and internal control framework, as well as good corporate governance measures to monitor KIBB Group's effectiveness in safeguarding shareholders' investments and KIBB Group's assets.</p> <p>The risk management and internal control systems are designed to identify, assess and manage risks that may impede the achievement of KIBB Group's business objectives and strategies rather than to eliminate these risks.</p> <p>The risk management and internal control systems can only provide reasonable, rather than absolute assurance against material misstatement, fraud or loss, which is achieved through a combination of preventive, detective and corrective measures.</p> <p>In discharging its role and responsibilities of ensuring the effectiveness of the establishment and implementation of internal controls, compliance programme and risk management processes and systems of KIBB and its subsidiaries, the Board is assisted by the Audit Committee ("AC"), as well as the Group Board Risk Committee ("GBRC").</p> <p>In addition, in compliance with the requirements of Bank Negara Malaysia ("BNM")'s Policy Document on Risk Management in Technology on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of KIBB had, at its meeting on 29 August 2019, established the Group Board Digital Innovation & Technology Committee ("GBDITC").</p> <p>The main function of the GBDITC was to provide focused and in-depth deliberation on digital innovations and technology-related matters.</p> <p>In addition to providing oversight on technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital</p>

	<p>innovations as proposed by Management, in line with KIBB Group’s medium and long term business strategies which include the digitalisation strategy for the Group, in line with the relevant regulatory requirements.</p> <p>The AC, the GBRC and the GBDITC comprise a majority of Independent Non-Executive Directors (“INED”) and are chaired by an INED who is not the Chairman of the Board, in line with the requirements of BNM’s Policy Document on Corporate Governance.</p> <p>The relevant information on KIBB’s risk management and internal control framework is disclosed in the Statement on Risk Management and Internal Control in KIBB’s 2022 Annual Report.</p>	
<p>Explanation for departure</p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>	<p>:</p>	
<p>Timeframe</p>	<p>:</p>	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board of Directors. Kenanga Investment Bank Berhad ("KIBB" or "the Company")'s inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Company's corporate objectives and to safeguard the shareholders' investments and the Company's assets.</p> <p>The details of KIBB's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Company's 2022 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	: Adopted
Explanation on adoption of the practice	<p>Kenanga Investment Bank Berhad ("KIBB") has established the Group Board Risk Committee ("GBRC") to oversee its risk management framework and policies.</p> <p>The GBRC comprises a majority of Independent Non-Executive Directors ("INED") and is chaired by an INED who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia's Policy Document on Corporate Governance.</p> <p>As at 31 December 2022, the composition of the GBRC was as follows:</p> <ol style="list-style-type: none">1. Puan Norazian Ahmad Tajuddin <i>Chairman, INED</i>2. Mr. Luk Wai Hong, William <i>Member, Non-Independent Non-Executive Director ("NINED")</i>3. Mr. Kanagaraj Lorenz <i>Member, INED</i>4. Mr. Choy Khai Choon <i>Member, NINED</i>5. Madam Chin Siew Siew <i>Member, INED</i> <p>Under its Terms of Reference which is available on KIBB's website at https://www.kenanga.com.my/investor-relations/corporate-governance, the GBRC's responsibilities cover, inter alia, the areas of risk strategies and risk profile, risk policies and framework, risk appetite and limits setting, as well as risk methodologies and infrastructure.</p> <p>In addition, the GBRC also assists the Board in ensuring that a sound control environment exists within KIBB and its subsidiaries with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions and the internal audit function.</p>

In compliance with the requirements of Bank Negara Malaysia (“BNM”)’s Policy Document on Risk Management in Technology on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of KIBB had, at its meeting on 29 August 2019, approved the establishment of the Group Board Digital Innovation & Technology Committee (“GBDITC”) comprising majority of INEDs and chaired by an INED who is not the Chairman of the Board.

As at 31 December 2022, the GBDITC comprised the following members:

1. **Mr. Kanagaraj Lorenz**
Chairman, INED
2. **Mr. Luk Wai Hong, William**
Member, NINED
3. **Encik Jeremy Nasrulhaq**
Member, Senior INED
4. **Mr. Choy Khai Choon**
Member, NINED
5. **Madam Chin Siew Siew**
Member, INED

To facilitate effective discussions at the GBDITC meetings, the Group Managing Director, Group Chief Financial and Operations Officer, Chief Technology Officer, Group Chief Risk Officer and Head, Technology Risk & Business Continuity Management had been included as permanent invitees to the GBDITC meetings.

The main function of the GBDITC was to provide focused and in-depth deliberation on digital innovations and technology-related matters.

In addition to providing oversight on technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital innovations as proposed by Management, in line with KIBB Group’s medium and long term business strategy which includes the digitalisation strategy for the Group and aligned with the relevant regulatory requirements.

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	: Applied
Explanation on application of the practice	<p>The Group Internal Audit Division (“GIA”) of Kenanga Investment Bank Berhad (“KIBB”) is established by the Board of Directors (“Board”) to provide independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and operating effectively and efficiently. To ensure independence and objectivity, GIA, which is headed by the Group Chief Internal Auditor (“GCIA”), Mr. Terence Tan Kian Meng, reports independently to the Audit Committee (“AC”) and has no responsibilities or authority over any of the activities reviewed by GIA.</p> <p>An Annual Audit Plan based on the appropriate risk based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of Management’s action plans.</p> <p>The GCI A is invited to attend the AC meetings to facilitate the deliberation of audit reports.</p> <p>The AC, pursuant to its Terms of Reference, oversees the effectiveness of the internal audit function of KIBB including -</p> <ol style="list-style-type: none">a. reviewing, approving and reporting to the Board the audit scope, procedures and frequency;b. reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by GIA;c. noting significant disagreements between the GCI A and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings;d. establishing a mechanism to assess the performance and effectiveness of the internal audit function;

	<p>e. reviewing and reporting to the Board the adequacy of scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and</p> <p>f. appointing, setting compensation, evaluating the performance and deciding on the transfer and dismissal of the GCIA and of any staff member of the internal audit function at the request of the GCIA.</p> <p>The GCIA, as well as the other staff of GIA, continuously keep abreast with developments in the profession, relevant industry and regulations by attending relevant training programmes to ensure they are able to perform their role effectively including undertaking root-cause analysis to provide strategic advice and suggest meaningful business improvements.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	: Applied
Explanation on application of the practice	<p>Group Internal Audit (“GIA”) reports functionally to the Audit Committee (“AC”) and administratively to the Group Managing Director. It provides independent and objective assurance to the Board and Management that the policies, procedures and operations that Management has put in place for risk management, control and governance are adequate, operating effectively and efficiently, and in compliance with prescribed laws and regulations.</p> <p>In order to discharge its duties and responsibilities independently and objectively, GIA is independent of the activities and operations of the business and other support units which it reviews. On an annual basis, GIA confirms to the AC on the organisational independence of the internal audit function.</p> <p>GIA is led by the Group Chief Internal Auditor (“GCIA”), Mr. Terence Tan Kian Meng, who is a Certified Internal Auditor under The Institute of Internal Auditors, USA. He holds a Bachelor of Commerce (Accounting) from the University of New South Wales, Australia and is a Chartered Accountant under the Malaysian Institute of Accountants, a Fellow Certified Practising Accountant (“FCPA”) under the CPA Australia, as well a Chartered Banker under the Asian Institute of Chartered Bankers/Chartered Banker Institute.</p> <p>He has extensive experience in various capacities in both local and multi-national corporations and financial institutions which includes external and internal auditing and compliance.</p> <p>The internal audit function is guided by its Internal Audit Charter which is approved by the AC and the mandatory elements of The Institute of Internal Auditors’ International Professional Practices Framework. The Internal Audit Charter outlines amongst others, the GIA’s objectives, mission, scope, responsibility, accountability, authority, independence and objectivity, as well as standards and ethics.</p>

	<p>An Annual Audit Plan based on the appropriate risk based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of Management’s action plans.</p> <p>As at 31 December 2022, GIA had a total of eighteen (18) personnel from diverse backgrounds.</p> <p>Further information on KIBB’s internal audit function, are available in the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control disclosed in KIBB’s 2022 Annual Report.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. In the course of pursuing the vision and mission of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), the Board of Directors ("Board") recognises that no company can exist by maximising shareholders' value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.2. KIBB Group recognises the importance of providing its stakeholders, which comprises shareholders, employees, customers, regulators, vendors, suppliers, investors and the community at large, with facilities to access up-to-date high quality information, participate in shareholders' decisions of the Company and provide avenues for two (2)-way communication between the Company, the Board and the stakeholders. This reflects KIBB Group's intention of being transparent and accountable to its shareholders and other stakeholders.3. KIBB Group has been proactively engaging its shareholders, investors, the media and the broader investment community via the following channels:<ol style="list-style-type: none">a. Annual General Meeting and/ or Extraordinary General Meeting (as and when necessary);b. Release of Annual Report which includes the Sustainability Statement, Corporate Governance Overview Statement, Ethics and Compliance Statement, Audit Committee Report and Statement on Risk Management and Internal Control;c. Regular releases of financial information, such as unaudited quarterly, half-yearly and full-year financial results via press release and quarterly result briefings to investors;d. Online Market Insights that provides comprehensive and in-depth coverage on Malaysian equities and economic landscape by monitoring the market trends and delivering projections to help investors make critical investment decisions, on the Company's website at https://www.kenanga.com.my/market-insights;

	<p>e. Online Platforms which offer clients and investors access to a range of investment platforms from online trading portals to portfolio management tools, as well as, mobile applications to make trading easier and provide unique trading experience is accessible at https://www.kenanga.com.my/online-platforms;</p> <p>f. Online News which can be accessed by the shareholders and the general public via the Company's website at https://www.kenanga.com.my/news;</p> <p>g. Briefing for investors by organising live webinars, workshops, seminars and conferences;</p> <p>h. KIBB's website, at www.kenanga.com.my, which contains up-to-date information on the operations of KIBB Group, its Board, Management and corporate governance structure, announcements to Bursa Malaysia Securities Berhad, KIBB Group's products, E-Services provided, media releases and other information;</p> <p>i. Keeping abreast with KIBB Group's latest events via the social media platforms such as Facebook, Instagram, LinkedIn, TikTok and YouTube; and</p> <p>j. Platform for receiving queries/feedback from general public, shareholders and investors via the queries/feedback page located at the 'Contact Us' tab at KIBB's website at https://www.kenanga.com.my/contact-us/queries-feedback.</p> <p>4. KIBB also maintains regular communications with its employees. Employees are updated, twice a day, on the latest news highlights of the day sourced from both national and worldwide news agency via its Kenanga Group – Online News.</p> <p>In addition to the above, employees are invited to attend free webinars organised by the Group Marketing, Communications and Sustainability Department on various topics ranging from financial and investment products, market outlook, changing regulatory landscape, digitalisation, technology updates, fintech, sustainability, etc with speakers who are experts in their own specialised field.</p> <p>The employees are also kept informed on the latest events and happenings concerning Kenanga Group such as launches of its products, campaigns, awards and achievements won, financial results, environmental awareness such as energy saving, recycling, reducing waste, changes to the Kenanga Group Board Compositions as well as Staff movement, etc.</p>
<p>Explanation for departure :</p>	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to amending the provision of twenty-one (21) days' notice in its Constitution in 2019, Kenanga Investment Bank Berhad ("KIBB" or "the Company") has adopted Practice 13.1 on giving of twenty-eight (28) days' notice to Shareholders in respect of Annual General Meeting ("AGM").</p> <p>For 2022 AGM, the notice was issued to Shareholders on 27 April 2022, more than twenty eight (28) days prior to the AGM on 26 May 2022.</p> <p>The additional notice period given to Shareholders was to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. It also allows the shareholders to consider the resolutions and make an informed decision when exercising their voting rights at the AGM.</p> <p>The Notice of the AGM contains detailed explanatory notes for each of the Agenda items, e.g., Re-Election of Directors, Directors' Remuneration comprising of the Directors' Fees and Benefits, Re-Appointment of Auditors, Renewal of Shareholders' Mandate for Directors to Issue Shares, Proposed Renewal of Share Buy-Back Authority, to enable the Shareholders to make informed decisions when exercising their voting rights.</p> <p>In addition to the Notice of AGM being despatched individually to Shareholders, the said Notice of AGM which is available on the Company's corporate website, is also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Malaysia Securities Berhad. This allows the Shareholders immediate access to the Notice of AGM and make the necessary preparations for the AGM.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors are committed to attend all General Meetings of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) which are scheduled and approved in advance by the Board at the beginning of the year. All the Directors attended the Forty-Eighth (48th) Annual General Meeting (“AGM”) of KIBB which was conducted fully virtual on 26 May 2022.</p> <p>The Chairman of the Board, as well as the Chairman of the Audit Committee, the Group Governance, Nomination & Compensation Committee and the Group Board Risk Committee, were available to respond to any questions posed by the Shareholders with regard to their respective areas accordingly.</p> <p>Besides the Directors, the Group Managing Director (“GMD”) together with the representatives of the Senior Management and external auditors were also in attendance to respond to the Shareholders’ queries.</p> <p>During the AGM, Mr. Lee Kok Khee, the Executive Director and Head of Group Equity Broking Business of KIBB was invited to brief the Shareholders on the Company’s financial performance and operations for 2021 and Business Prospects for 2022.</p> <p>The GMD and members of the Senior Management were on hand to address questions received “live” from the Shareholders, proxies and corporate representatives during the Questions and Answers (“Q&A”) Session regarding KIBB Group’s business and operations, and other queries/clarifications in connection with the AGM before the meeting proceeded to vote on the proposed resolutions.</p> <p>At the AGM, the GMD personally read out the responses to all the questions received in advance from the shareholders and the Minority Shareholder Watchdog Group prior to the AGM and he also responded to all the questions received on real time basis during the AGM.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- d. voting including voting in absentia; and
- e. remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the constant evolving situation of the Coronavirus Disease 2019 (“COVID-19”) pandemic with the emergence of new variant of concern, Kenanga Investment Bank Berhad (“KIBB” or “the Company”) had continued to conduct its Forty-Eighth (48th) Annual General Meeting (“AGM”) virtually via live webcast and online remote voting using the Remote Participation and Electronic Voting Facilities (“RPEV Facilities”), the services of which were rendered by KIBB’s Share Registrar, Boardroom Share Registrars Sdn Bhd (“Boardroom”).</p> <p>Aside from offering the Shareholders with the opportunities to participate in the AGM and vote remotely via the RPEV Facilities, the Company had also continued to offer the e-Proxy lodgement via Boardroom Smart Investor Portal, the services of which were also rendered by Boardroom according to the steps detailed in the Administrative Guide.</p> <p>a. Remote Shareholders’ Participation at the AGM</p> <p>The Shareholders (i.e. individuals and corporate shareholders, as well as Authorised Nominees and Exempt Authorised Nominees) were given the opportunity to participate and vote remotely via access to Boardroom’s AGM Portal at https://meeting.boardroomlimited.my/.</p> <p>For the purpose of security, the Shareholders were required to register online with Boardroom Smart Investor Portal (for first time registration only) according to the steps detailed in the Administrative Guide.</p> <p>Upon successful system verification of the shareholders’ details against the Company’s General Meeting Record of Depositors, the Shareholders were given remote access with User ID and Password for the Virtual AGM Portal along with an email guide from Boardroom on steps to view live webcast, ask questions and vote.</p>

	<p>The Virtual AGM Portal was opened for login an hour (one (1) hour) before the commencement of the AGM at 10.00 a.m. on 26 May 2022.</p> <p>b. Voting in Absentia</p> <p>Shareholders who logged in to participate the AGM at the Virtual AGM Portal at https://meeting.boardroomlimited.my/ also cast their votes online via the same portal using the same login credentials.</p> <p>The above virtual platform using the LumiAGM application has enabled the Company to reach out to a wider spectrum of Shareholders by giving them the opportunity to exercise their rights as Shareholders by participating in the AGM and voting from wherever location they might be, even from the comfort of their home.</p> <p>c. Cyber Hygiene Practices</p> <p>In respect of the concern on good cyber hygiene practices to be put in place including data privacy and security to prevent cyber threats, the Poll Administrator has made representation to the Company that the security, confidentiality, integrity and availability of LumiAGM application are vital to conducting a successful AGM in Malaysia.</p> <p>Its LumiAGM systems and suppliers' services are certified with ISO/IEC 27001:2013 international standard. This certification provides a robust, auditable and externally verified framework of controls designed to maintain the confidentiality, integrity and availability of customer information and the personal data Lumi processes on their behalf. Lumi uses strong, industry best-practice encryption techniques to ensure customer data is protected from unauthorized access. The Lumi platform is subject to regular and extensive penetration test using independent, accredited third-party experts.</p> <p>The Poll Administrator also states that the client data has never been used for Quality Assurance purposes and is not retained beyond the purpose of processing client's proxy forms for the conduct of the general meetings.</p>
<p>Explanation for departure :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	

Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. All the Directors and Senior Management as mentioned under Practice 13.2 were present during the Forty-Eighth (48th) Annual General Meeting (“AGM”) of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) to address any questions posed by the shareholders.2. To encourage more participation from Shareholders, the Company's Administrative Guide provided steps and channels to guide shareholders to pose their questions prior to the AGM.3. At the AGM, a video presentation was screened with the Poll Administrator showing and explaining to the Shareholders, Proxies and Corporate Representatives the steps to pose questions during the meeting.4. During the AGM, Mr. Lee Kok Khee, the Executive Director and Head of Group Equity Broking Business of KIBB briefed the Shareholders on the Company's Financial Performance and Operations for 2021 and Business Prospects for 2022.5. The Group Managing Director (“GMD”) and members of the Senior Management were present to address all questions received from the Shareholders, Proxies and Corporate Representatives during the dedicated Q&A Session.6. All questions posed by the Minority Shareholders Watch Group and Shareholders, Proxies and Corporate Representatives prior to and during the AGM were read out and answered by the GMD.7. All questions and the corresponding responses were posted on the Company's website after the AGM.

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: <ol style="list-style-type: none">1. The Forty-Eighth (48th) Annual General Meeting (“AGM”) of Kenanga Investment Bank Berhad (“KIBB”) held on 26 May 2022 was conducted virtually, via live streaming and online remote voting using the Remote Participation and Electronic Voting Facilities, the services of which were rendered by KIBB’s Share Registrar, Boardroom Share Registrars Sdn Bhd.2. During the AGM, a video presentation was screened with the Poll Administrator showing and explaining to the Shareholders, Proxies and Corporate Representatives the steps to pose questions during the meeting.3. The real-time interaction with the Board and Senior Management, including responses to any questions or remarks posed, were made available via the Messaging Window of the Virtual AGM Portal.4. During the AGM, a dedicated Q&A session was provided for all AGM attendees to pose their questions after the Company’s presentation on its financial performance and operations for 2021 and Business Prospects for 2022.5. All questions posed by the Minority Shareholders Watch Group and Shareholders, Proxies and Corporate Representatives prior to and during the AGM were read out and answered by the Group Managing Director.
Explanation for departure	:

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The Forty-Eighth (48 th) Annual General Meeting (“AGM”) of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) was held on 26 May 2022. The minutes of the AGM together with all the questions received and corresponding answers were uploaded onto the Company’s website on 6 July 2022, twenty-eight (28) business days from the date of the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

BOARD OF DIRECTORS

Board Composition

The Board of KIBB currently comprises the following eight (8) Directors, five (5) of whom are Independent Non-Executive Directors (“**INED**”) and three (3) are Non-Independent Non-Executive Directors (“**NINED**”):

YAM TAN SRI DATO’ SERI SYED ZAINOL ANWAR IBNI SYED PUTRA JAMALULLAIL
(“TAN SRI DATO’ SERI SYED ANWAR JAMALULLAIL”)

Chairman, INED

ENCIK ISMAIL HARITH MERICAN

NINED

MR. LUK WAI HONG, WILLIAM

NINED

ENCIK JEREMY NASRULHAQ

Senior INED

PUAN NORAZIAN AHMAD TAJUDDIN

INED

MR. KANAGARAJ LORENZ

INED

MR. CHOY KHAI CHOON

NINED

MADAM CHIN SIEW SIEW

INED

Changes of the Board Composition During the Financial Year 2022

During the Financial Year 2022, the Board composition had undergone some revision with the retirement of Mr. Luigi Fortunato Ghirardello, a NINED on 26 May 2022, appointment of Madam Chin Siew Siew as an INED on 1 June 2022 and re-designation of Mr. Luk Wai Hong, Willian from an INED to a NINED on 1 November 2022, upon him reaching the threshold tenure of nine (9) years for an INED.

Appended below are the profiles of the current Board of Directors updated as at 31 March 2023.

YAM TAN SRI DATO' SERI SYED ZAINOL ANWAR IBNI SYED PUTRA JAMALULLAIL

Age	: 71
Gender	: Male
Nationality	: Malaysian
Position	: Chairman of the Board of Directors/ Independent Non-Executive Director
Date of Appointment	: 1 July 2020
Membership of Board Committee(s)	: Nil
Length of Tenure as Director (As at 31 March 2023)	: Two (2) Year Nine (9) Months
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: Nil
Number of Board Meetings Attended in 2022	: Eleven (11)/ Eleven (11) (100%)
Academic & Professional Qualification(s)	: <ul style="list-style-type: none">• Bachelor of Arts in Accounting, Macquarie University, Sydney, Australia• Chartered Accountant, Malaysian Institute of Accountants• Certified Practising Accountant (CPA) Australia• Court of Emeritus Fellows, Malaysian Institute of Management
Award	: <ul style="list-style-type: none">• Chairman of the Year Award 2012 – 2013 by "The BrandLaureate", the Grammy Awards for The World's Best Brands by The World Brands Foundation
Present Appointment(s)	: <ul style="list-style-type: none">• Chairman of Nestle (Malaysia) Berhad• Chairman of S P Setia Berhad• Chairman of Lembaga Zakat Selangor• Chancellor of SEGi University• Yayasan Perpustakaan Raja Tun Uda

Past Relevant Experiences

- Chairman, Malaysia Airports Holdings Berhad
- Chairman, Cahya Mata Sarawak Berhad
- Chairman, Malakoff Corporation Berhad
- Chairman, Media Prima Berhad
- Chairman, Malaysian Resources Corporation Berhad
- Chairman, DRB-Hicom Berhad
- Chairman, EON Bank Berhad
- Chairman, Uni Asia Life Assurance Berhad
- Chairman, Uni Asia General Insurance Berhad
- Chairman, Lembaga Tabung Haji Investment
- Chairman, Realmild (M) Sdn Bhd
- Chairman, Radicare (M) Sdn Bhd
- Chairman, Pulau Indah Ventures Sdn Bhd
- Independent Director, Maxis Communication Berhad
- Independent Director, Bangkok Bank Berhad
- Group Managing Director, Amanah Capital Partners Berhad
- Corporate Finance Manager, Amanah Merchant Bank Berhad
- Investment Manager, D&C Nomura Merchant Bank Berhad
- Senior Auditor, Price Waterhouse Australia (Sydney)
- Financial Accountant, Malaysian Airlines Systems Berhad

Declaration

YAM Tan Sri Dato' Seri Syed Anwar Jamalullail has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

ENCIK ISMAIL HARITH MERICAN

Age : 72

Gender : Male

Nationality : Malaysian

Position : Non-Independent Non-Executive Director

Date of Appointment	: 26 August 2010
Membership of Board Committee(s)	: • Member of the Group Governance, Nomination & Compensation Committee
Length of Tenure as Director (As at 31 March 2023)	: Twelve (12) Years and Seven (7) Months
Shareholding in Kenanga Investment Bank Berhad (“KIBB”)	: Nil
Number of Board Meetings Attended in 2022	: Eleven (11)/ Eleven (11) (100%)
Academic & Professional Qualification(s)	: • Bachelor of Arts in History, University of Malaya, Malaysia
Present Appointment(s)	: • Managing Director of Zubaimas Realty Sdn Bhd • Chairman of Matrix Capital Sdn Bhd
Past Relevant Experiences	: • Non-Independent Non-Executive Director of K & N Kenanga Holdings Berhad • Managing Director in Straits Securities Sdn Bhd • Employed by KIBB with the last position held as a Dealer’s Representative (Institutions and International) • Involved in the investment industry when he trained and worked with Strauss Turnbull & Co., a firm of stockbrokers in London • Assistant Accountant in The Economist Newspaper Ltd • Articleship at Peat, Marwick, Mitchell & Co. in London, United Kingdom

Declaration

Encik Ismail Harith Merican is the son of YM Tan Sri Dato’ Paduka Tengku Noor Zakiah Binti Tengku Ismail, a major shareholder of KIBB. He has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

MR. LUK WAI HONG, WILLIAM

Age : 59

Gender : Male

Nationality : Hong Kong

Position : Non-Independent Non-Executive Director

Date of Appointment :

- 1 November 2013 (Independent Non-Executive Director)
- 1 November 2022) (Re-designated as a Non-Independent Non-Executive Director)

Membership of Board Committee(s) :

- Member of the Group Board Risk Committee
- Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director : Nine (9) Years and Five (5) Months
(As at 31 March 2023)

Shareholding in Kenanga Investment Bank Berhad ("KIBB") : Nil

Number of Board Meetings Attended in 2022 : Eleven (11)/ Eleven (11) (100%)

Academic & Professional Qualification(s) :

- Bachelor of Arts (Honours), Concordia University, Montreal, Canada
- Masters of Urban Planning, University of Michigan, United States of America ("USA")
- Executive Fellowship awarded by the State of Washington, USA

Present Appointment(s) :

- Non-Independent Non-Executive Director of Kenanga Investors Berhad ("KIB"), a wholly-owned subsidiary of KIBB
- Chairman and Non-Independent Non-Executive Director of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB
- Chairman of Investment Committee of KIB
- Member of the Audit and Risk Committee of KIB
- Director of Investment of Cotton Tree Capital Ltd

Past Relevant Experiences

- Chairman of the Group Board Risk Committee as well as Member of the Audit Committee, Group Governance, Nomination & Compensation Committee and Employees' Share Scheme Committee, KIBB
- Independent Non-Executive Director, K & N Kenanga Holdings Berhad
- Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore
- Managing Director and Co-Head of Saba Proprietary Trading Group Asia in Deutsche Bank AG, Hong Kong
- Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore
- Director and Head of Structured Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore
- Senior Associate Director and Senior Credit and Derivatives Trader in Deutsche Bank AG, Singapore
- Senior Fixed Income Trader in HSBC Markets, Hong Kong
- Fixed Income and Credit Trader in Lehman Brothers Asia, Hong Kong and Japan
- Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington, USA

Declaration

Mr. Luk Wai Hong, William has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

ENCIK JEREMY NASRULHAQ

Age : 69

Gender : Male

Nationality : Malaysian

Position : Senior Independent Non-Executive Director

Date of Appointment	: 1 June 2017
Membership of Board Committee(s)	: <ul style="list-style-type: none"> • Chairman of the Audit Committee • Member of the Group Governance, Nomination & Compensation Committee • Member of the Employees' Share Scheme Committee • Member of the Group Board Digital Innovation & Technology Committee
Length of Tenure as Director <i>(As at 31 March 2023)</i>	: Five (5) Years and Ten (10) Months
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: 187,900 Shares
Number of Board Meetings Attended in 2022	: Eleven (11)/ Eleven (11) (100%)
Academic & Professional Qualification(s)	: <ul style="list-style-type: none"> • Bachelor of Science (Agribusiness) Degree (with Distinction), Universiti Putra Malaysia • Chartered Accountant, Malaysian Institute of Accountants ("MIA") • Chartered Audit Committee Director, Institute of Internal Auditors Malaysia • Fellow Member, Chartered Institute of Management Accountants ("CIMA"), United Kingdom • Fellow Member, Institute of Corporate Directors Malaysia
Present Appointment(s)	: <ul style="list-style-type: none"> • Director of Sweetet Development Sdn Bhd • Member of ELITE (Experiential Learning with Industries and Technocrats) of Universiti Malaya
Past Relevant Experiences	<ul style="list-style-type: none"> • Chairman of Urusan Teknologi Wawasan Sdn Bhd • Chairman of Malaysia Airports (Niaga) Sdn Bhd • Independent Non-Executive Director/ Senior Independent Non-Executive Director, Chairman of the Board Nomination & Remuneration Committee, Chairman of the Whistleblowing Independent Committee, Member of the Board Audit Committee and the Board Finance & Investment Committee of Malaysia Airports Holdings Berhad

- Member of the Digital Technology Implementation Committee, Capital Market Advisory Committee, as well as its Oversight Committee in MIA
- Chairman of the MIA-Malaysian Qualifications Agency Joint Technical Committee and Disciplinary Committee in MIA
- Deputy President of CIMA, Malaysia Division for several years and had served on the council of the MIA for four (4) years from 1 July 2018 till 30 June 2022
- Committee Member of a few national organisations such as the Malaysian International Chamber of Commerce and Industry and the Federation of Malaysian Manufacturers
- Supply Chain Director for Unilever (M) Holdings Sdn Bhd, Malaysia and Unilever Singapore Pte Ltd, Singapore
- Commercial Director for Unilever (M) Holdings Sdn Bhd, Malaysia
- Regional Finance Manager for Unilever Asia Retail Foods
- Several senior financial and supply chain positions in Unilever (M) Holdings Sdn Bhd, P.T. Unilever Indonesia and Unilever Asia (S) Pte Ltd

Declaration

Encik Jeremy Nasrulhaq has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

PUAN NORAZIAN AHMAD TAJUDDIN

Age : 62

Gender : Female

Nationality : Malaysian

Position : Independent Non-Executive Director

Date of Appointment : 15 December 2017

Membership of Board Committee(s)	: • Chairman of the Group Board Risk Committee (Appointed as a Chairman on 1 November 2022) • Member of the Audit Committee (Appointed on 1 November 2022) • Member of the Group Governance, Nomination & Compensation Committee • Member of the Employees' Share Scheme Committee
Length of Tenure as Director (As at 31 March 2023)	: Five (5) Years and Three (3) Months
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: 10,000 Shares
Number of Board Meetings Attended in 2022	: Eleven (11)/ Eleven (11) (100%)
Academic & Professional Qualification(s)	: • Bachelor of Science (Honours) in Mathematics, University of Leeds, United Kingdom • Master of Business Administration (Finance), Edith Cowan University, Australia
Present Appointment(s)	: • Chairman and Independent Non-Executive Director of Kenanga Investors Berhad ("KIB"), a wholly-owned subsidiary of KIBB • Independent Non-Executive Director of Kenanga Islamic Investors Berhad, a wholly-owned subsidiary of KIB • Independent Non-Executive Director of I-VCAP Management Sdn Bhd, a wholly-owned subsidiary of KIB • Member of the Investment Committee and Audit and Risk Committee of KIB
Past Relevant Experiences	• Chairman of the Group Governance, Nomination & Compensation Committee and the Employees' Share Scheme Committee as well as Member of the Group Board Digital Innovation & Technology Committee, KIBB • Chairman and Independent Non-Executive Director of Pacific & Orient Insurance Co. Berhad ("POI"), a subsidiary of Pacific & Orient Berhad • Member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee of POI • Chairman of the Investment Committee of KIB

- Non-Independent Non-Executive Director and Member of the Risk Management Committee and Nomination & Remuneration Committee of Prudential BSN Takaful Bhd
- Deputy Chief Executive Officer of Bank Simpanan Nasional Berhad
- Manager, Treasury of DaimlerChrysler (M) Sdn Bhd
- Assistant General Manager, Treasury of KAF Discount Berhad
- Deputy Chief Operating Officer, Group Treasury & International Banking of EON Bank Berhad Group
- Senior Dealer, Treasury of Bank Bumiputra (M) Berhad

Declaration

Puan Norazian Ahmad Tajuddin has no family relationship with any Director and/or major shareholder of KIBB. She also has no conflict of interest with KIBB.

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

MR. KANAGARAJ LORENZ

Age : 65

Gender : Male

Nationality : Malaysian

Position : Independent Non-Executive Director

Date of Appointment : 26 December 2017

Membership of Board Committee(s) :

- Chairman of the Group Board Digital Innovation & Technology Committee
- Member of the Audit Committee
- Member of the Group Board Risk Committee

Length of Tenure as Director : Five (5) Years and Three (3) Months
(As at 31 March 2023)

Shareholding in Kenanga Investment Bank Berhad ("KIBB") : 388,000 Shares

Number of Board Meetings Attended in 2022 : Eleven (11)/ Eleven (11) (100%)

Academic & Professional Qualification(s) : • Fellow Member, Institute of Chartered Accountants in England and Wales, United Kingdom
• Member, Malaysian Institute of Certified Public Accountants

Present Appointment(s) : Nil

Past Relevant Experiences

- Executive Director and Group Chief Executive Officer of GHL Systems Berhad
- Managing Director of eNETS Pte Ltd
- General Manager International Business Development of Network for Electronic Transfers (Singapore) Pte Ltd
- Chief Executive Officer of The Payment Solutions Company Pte Ltd
- Vice President, Marketing Head and Vice President, Financial Controller & Chief of Staff in Citibank Berhad
- Risk Manager of Citibank N.A., Australia and Malaysia

Declaration

Mr. Kanagaraj Lorenz has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

MR. CHOY KHAI CHOON

Age : 65

Gender : Male

Nationality : Malaysian

Position : Non-Independent Non-Executive Director

Date of Appointment : 13 December 2021

Membership of Board Committee(s)	: • Member of the Group Governance, Nomination & Compensation Committee • Member of the Group Board Risk Committee (Appointed on 26 January 2022) • Member of the Group Board Digital Innovation & Technology Committee (Appointed on 26 January 2022)
Length of Tenure as Director (As at 31 March 2023)	: One (1) Year and Three (3) Months
Shareholding in Kenanga Investment Bank Berhad (“KIBB”)	: Nil
Number of Board Meetings Attended in 2022	: Eleven (11)/ Eleven (11) (100%)
Academic & Professional Qualification(s)	: • Master in Business Administration, Oklahoma University, USA • Bachelor Degree in Commerce, University of New South Wales, Australia • Attended the General Management programme in INSEAD, France • Fellow Member, Certified Practising Accountants, Australia • Chartered Accountant, Malaysian Institute of Accountants
Present Appointment(s)	: • Non-Independent Non-Executive Chairman of Zurich Life Insurance Malaysia Berhad and Zurich General Insurance Malaysia Berhad where he serves as a Member of the Audit Committee, Board Investment Committee, Risk Management and Sustainability Committee, and Nomination and Remuneration Committee of both companies • Independent Non-Executive Director (“INED”) of Hap Seng Plantations Holdings Berhad (“HSP”) and a Member of the Audit Committee of HSP • INED of MSM Malaysia Holdings Berhad (“MSM”) and the Chairman of MSM’s Audit, Governance and Risk Committee and a Member of its Investment and Tender Committee • Non-Executive Director of Asian Banking School Sdn Bhd • Non-Executive Director of Bond and Sukuk Information Platform Sdn Bhd

Past Relevant Experiences

- Authority Member of the Labuan Financial Services Authority (“**LFSA**”) and Chairman of the Audit Risk Management Committee of LFSA
- Senior INED of Malaysia Marine and Heavy Engineering Holdings Berhad where he assumed the position as Chairman of the Board Audit Committee and a Member of the Nomination & Remuneration Committee
- Public Interest Director of Federation of Investment Managers Malaysia (“**FIMM**”) where he also served as FIMM’s Chairman of the Nomination and Remuneration Committee and Chairman of the Private Retirement Scheme Sub-Committee
- President/Chief Executive Officer, Cagamas Berhad
- Senior General Manager, Group Head, RHB Banking Group
- Chief Executive Officer, Morley Fund Management Ltd, Singapore
- Regional Finance & Planning Director, Asia, Aviva Insurance Asia Ltd
- Assistant General Manager (“**GM**”) and GM, Commercial Union Assurance Berhad
- Senior Manager, Strategic Planning, Credit Corporation Malaysia Berhad (“**CCMB**”), Manager in various division of CCMB such as Corporate Planning Services, Commercial Division, Credit Division

Declaration

Mr. Choy Khai Choon is a Board representative of Cahya Mata Sarawak Berhad, a major shareholder of KIBB. He has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

MADAM CHIN SIEW SIEW

Age : 58

Gender : Female

Nationality : Malaysian

Position	: Independent Non-Executive Director
Date of Appointment	: 1 June 2022
Membership of Board Committee(s)	: <ul style="list-style-type: none"> • Chairman of the Group Governance, Nomination & Compensation Committee (Appointed on 1 November 2022) • Chairman of the Employees' Share Scheme Committee (Appointed on 1 November 2022) • Member of the Group Board Risk Committee (Appointed on 1 November 2022) • Member of the Group Board Digital Innovation & Technology Committee (Appointed on 1 July 2022)
Length of Tenure as Director <i>(As at 31 March 2023)</i>	: Ten (10) Months
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: Nil
Number of Board Meetings Attended in 2022	: Six (6)/ Six (6) (100%)
Academic & Professional Qualification(s)	: <ul style="list-style-type: none"> • Bachelor of Science in Computer Science from University of Arkansas, United States of America
Present Appointment(s)	: <ul style="list-style-type: none"> • Independent Non-Executive Director of AIG Malaysia Insurance Berhad • Independent Non-Executive Director of Southern Steel Berhad ("SSB") and a member of SSB's Nomination Committee and Remuneration Committee
Past Relevant Experiences	: <ul style="list-style-type: none"> • Chief Digital Officer, General Manager for Commercial Direct Report to the Country Managing Director and ASEAN Chief Digital Officer, IBM Malaysia • Regional Sales Leader for IBM Technologies Services Direct Report to the ASEAN General Manager for Technology Services Group, IBM – ASEAN Region • Business Operation Leader for IBM Technology Services Direct Report to the ASEAN Vice President for Technology Services Group. A talent development role, IBM – ASEAN Region

- General Manager for Global Technology Services, IBM Malaysia

Declaration

Madam Chin Siew Siew has no family relationship with any Director and/or major shareholder of KIBB. She also has no conflict of interest with KIBB.

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2022.

ATTENDANCE AT BOARD MEETINGS

The Directors' attendance at Board meetings held during the Financial Year Ended 31 December 2022 are provided below.

Board	Number of Meetings		
Name of Director	Held ⁽¹⁾	Attended	Percentage (%)
YAM Tan Sri Dato' Seri Syed Anwar Putra Jamalullail (Chairman)	11	11	100.0%
Mr. Luigi Fortunato Ghirardello ⁽²⁾	5	4	80.0%
Encik Ismail Harith Merican	11	11	100.0%
Mr. Luk Wai Hong, William	11	11	100.0%
Encik Jeremy Nasrulhaq	11	11	100.0%
Puan Norazian Ahmad Tajuddin	11	11	100.0%
Mr. Kanagaraj Lorenz	11	11	100.0%
Mr. Choy Khai Choon	11	11	100.0%
Madam Chin Siew Siew ⁽³⁾	6	6	100.0%

Note

(1) Reflects the number of meetings held during the time the Director held office.

(2) Retired from the Board of KIBB on 26 May 2022.

(3) Appointed as an INED on 1 June 2022.

ROLES AND RESPONSIBILITIES OF THE BOARD

1. The Board is charged with leading and guiding the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholder(s) and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholder(s) and stakeholders are understood and met.
2. The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices of corporate governance.
3. The Board's responsibilities are outlined in the Board Charter, to be read together with Section 56 of the Financial Services Act 2013 and Section 65 of the Islamic Financial Services Act 2013,

as well as other applicable rules, regulations and guidelines issued by the relevant regulators and authorities, as well as relevant laws.

4. The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public.
5. In fulfilling its role, the Board must –
 - a. approve the risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Company's risk profile⁴;
 - b. promote, together with Senior Management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour;
 - c. oversee the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Company;
 - d. in relation to KIBB's activities carried out under its Islamic Banking Window, promote Shariah compliance in accordance with BNM's expectations set out in the policy document on *Shariah Governance Framework for Islamic Financial Institutions* and ensure its integration with KIBB's business and risk strategies;
 - e. oversee the implementation of the Company's governance framework and internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
 - f. promote timely and effective communication between the Company and relevant regulators on matters affecting or that may affect the safety and soundness of the Company;
 - g. oversee and approve the recovery and resolution, as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
 - h. ensure that the internal auditors have full access to all records and are given an appropriate standing in the Company's hierarchy to enhance the independence of the internal auditors in achieving their audit objectives;
 - i. establish policies and procedures governing related party transactions and conflicts of interest situations that prohibit activities and relationships that diminish the quality of corporate governance, such as conflicts of interest situations, corruption and bribery, and providing preferential treatment to related parties and other favoured entities;

⁴ This will include initiatives which affect the financial soundness, reputation, or key operational controls of the Company.

- j. approve a set of code of conduct, stressing on the importance of accountability, professionalism and integrity that are communicated throughout the Company;
- k. promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- l. establish specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration and ensure the effective functioning of these various Board Committees.

Although the Board may delegate certain duties to the Board Committees, it remains responsible for the decisions of the Board Committees and it is furthermore the duty of the Committee members to inform and seek decision from the Board whenever necessary;

- m. ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards;
 - n. establish formal and transparent arrangements for maintaining an appropriate relationship with the external, as well as internal auditors;
 - o. discharge and perform its duties and responsibilities pertaining to anti-money laundering and counter terrorism financing as provided in guidelines, circulars or directives issued by the relevant regulators; and
 - p. ensure that the corporate governance disclosures in the Company's Annual Report are accurate, clear and presented in a manner that is easily understood by its shareholders, customers and other relevant stakeholders.
6. The Board reserves full decision-making powers notwithstanding any delegation of authority to Board Committees, Management or Management Committees on the following matters:
- a. Conflict of interest issues relating to substantial shareholder or a Director;
 - b. Material acquisitions and disposition of assets which may or may not be in the ordinary course of business;
 - c. Investment in capital projects;
 - d. Approving Authority levels;
 - e. Establishment or revision of internal policies for Kenanga Group;
 - f. Related party transactions;
 - g. Credit exposure to connected parties; and
 - h. Key human resource issues.

BOARD COMMITTEES

Audit Committee

The Audit Committee (“AC”) of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) presently comprises solely INEDs and is chaired by an INED who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance.

As at 31 December 2022, the AC comprised the following members:

- Encik Jeremy Nasrulhaq**
Chairman, Senior INED
- Mr. Kanagaraj Lorenz**
Member, INED
- Puan Norazian Ahmad Tajuddin**
Member, INED

Attendance of Members at AC Meetings Held During the Financial Year Ended 31 December 2022

Audit Committee (“AC”)	Number of Meetings		
Name of Director	Held ⁽¹⁾ ⁽²⁾	Attended	Percentage (%)
Encik Jeremy Nasrulhaq (Chairman)	8	8	100.0%
Mr. Luk Wai Hong, William ⁽³⁾	8	8 ⁽⁴⁾	100.0%
Mr. Kanagaraj Lorenz	8	8	100.0%
Puan Norazian Ahmad Tajuddin ⁽⁵⁾	0	0	0.0%

Note

(1) Reflects the number of meetings held during the time the Director held office.

(2) Total number of meetings held was inclusive of one (1) joint meeting between AC and GBRC which was held on 30 August 2022.

(3) Ceased to be a member of the AC on 1 November 2022.

(4) Attended all the eight (8) meetings held up to 25 October 2022.

(5) Appointed as a member of the AC on 1 November 2022.

Two (2) of the AC members, namely Jeremy Nasrulhaq and Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) respectively, in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This would strengthen the effectiveness of the AC and serves as part of the AC’s succession plan in terms of its membership to ensure full compliance with relevant regulatory requirements.

The AC supports the Board in ensuring that there is a reliable and transparent financial reporting process within KIBB and its subsidiaries and overseeing the effectiveness of the internal control function of KIBB Group.

The functions and responsibilities of the AC are set out in the Terms of Reference of the AC which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

Group Governance, Nomination & Compensation Committee

The Group Governance, Nomination & Compensation Committee (“GNC”) comprises a majority of INEDs and is chaired by an INED who is not the Chairman of the Board, in line with the requirements of BNM’s Policy Document on Corporate Governance.

As at 31 December 2022, the GNC comprised the following members:

1. **Madam Chin Siew Siew**
Chairman, INED
2. **Puan Norazian Ahmad Tajuddin**
Member, INED
3. **Encik Jeremy Nasrulhaq**
Member, Senior INED
4. **Encik Ismail Harith Merican**
Member, NINED
5. **Mr. Choy Khai Choon**
Member, NINED

Attendance of Members at the GNC Meetings Held During the Financial Year Ended 31 December 2022

Group Governance, Nomination & Compensation Committee (“GNC”)	Number of Meetings		
	Name of Director	Held ⁽¹⁾	Attended
Madam Chin Siew Siew ⁽²⁾ (Chairman)	0	0	0%
Mr. Luk Wai Hong, William ⁽³⁾	8	8 ⁽⁴⁾	100.0%
Encik Jeremy Nasrulhaq	8	8	100.0%
Mr. Luigi Fortunato Ghirardello ⁽⁵⁾	5	5 ⁽⁶⁾	100.0%
Encik Ismail Harith Merican	8	8	100.0%
Puan Norazian Ahmad Tajuddin ⁽⁷⁾	8	8	100.0%
Mr. Choy Khai Choon ⁽⁸⁾	3	3	100.0%

Note

(1) Reflects the number of meetings held during the time the Director held office.

(2) Appointed as a Chairman of the GNC on 1 November 2022.

(3) Ceased to be a member of the GNC on 1 November 2022.

(4) Attended all the eight (8) meetings held up to 25 October 2022

(5) Retired from the Board of KIBB and ceased as a member of the GNC on 26 May 2022.

(6) Attended all the five (5) meetings held up to 28 April 2022

(7) Ceased to be the Chairman of the GNC on 1 November 2022 but remained as its member.

(8) Appointed as a member of the GNC on 1 June 2022.

The GNC was established to support the Board in carrying out its functions in matters concerning the Board and its subsidiaries, the Group Managing Director (“GMD”), Management Key Responsible Persons (“KRPs”) and Company Secretary, in line with the relevant regulatory and internal requirements including appointments and removals, composition, performance evaluation and

development, as well as assessment of fitness and propriety. The GNC also supports the Board in actively overseeing the design and operation of a well-structured compensation and human resource management system for KIBB Group as set out in BNM's Policy Document on Corporate Governance.

The functions and responsibilities of the GNC are set out in the Terms of Reference of the GNC which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

Group Board Risk Committee

The Group Board Risk Committee ("GBRC") comprises a majority of INEDs and is chaired by an INED who is not the Chairman of the Board.

As at 31 December 2022, the GBRC comprised the following members:

1. **Puan Norazian Ahmad Tajuddin**
Chairman, INED
2. **Mr. Luk Wai Hong, William**
Member, NINED
3. **Mr. Kanagaraj Lorenz**
Member, INED
4. **Mr. Choy Khai Choon**
Member, NINED
5. **Madam Chin Siew Siew**
Member, INED

Attendance of Members at the GBRC Meetings Held During the Financial Year Ended 31 December 2022

Group Board Risk Committee ("GBRC")	Number of Meetings			
	Name of Director	Held ⁽¹⁾ ⁽²⁾	Attended	Percentage (%)
	Puan Norazian Ahmad Tajuddin ⁽³⁾ (Chairman)	8	8	100.0%
	Mr. Luigi Fortunato Ghirardello ⁽⁴⁾	2	2	100.0%
	Mr. Luk Wai Hong, William ⁽⁵⁾	8	8	100.0%
	Mr. Kanagaraj Lorenz	8	8	100.0%
	Mr. Choy Khai Choon ⁽⁶⁾	7	7	100.0%
	Madam Chin Siew Siew ⁽⁷⁾	1	1	100.0%

Note

- (1) Reflects the number of meetings held during the time the Director held office.
- (2) Total number of meetings held was inclusive of one (1) joint meeting between AC and GBRC which was held on 30 August 2022 except for Mr. Luigi Fortunato Ghirardello and Madam Chin Siew Siew.
- (3) Appointed as a Chairman of the GBRC on 1 November 2022.
- (4) Retired from the Board of KIBB and ceased to be a member of the GBRC on 26 May 2022.

- (5) Ceased to be the Chairman of the GBRC on 1 November 2022 but remained as its member.
 (6) Appointed as a member of the GBRC on 26 January 2022.
 (7) Appointed as a member of the GBRC on 1 November 2022.

The GBRC was established to support the Board in meeting the expectations on risk management as set out in BNM’s Policy Document on Risk Governance. It assists the Board in the implementation of a sound remuneration system, by examining whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the GNC.

The functions and responsibilities of the GBRC are set out in the Terms of Reference of the GBRC which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

Employees’ Share Scheme Committee

The Board has established the Employees’ Share Scheme Committee (“**ESS Committee**”) comprising solely INEDs and is chaired by an INED who is not the Chairman of the Board, with specific Terms of Reference outlining its roles and responsibilities, as well as its authority.

As at 31 December 2022, the ESS Committee comprised the following members:

1. **Madam Chin Siew Siew**
Chairman, INED
2. **Puan Norazian Ahmad Tajuddin**
Member, INED
3. **Encik Jeremy Nasrulhaq**
Member, Senior INED

Attendance of Members at the ESS Committee Meetings Held During the Financial Year Ended 31 December 2022

Employees’ Share Scheme Committee (“ESS Committee”)	Number of Meetings		
	Name of Director	Held ⁽¹⁾	Attended
Madam Chin Siew Siew ⁽²⁾ (Chairman)	0	0	0.0%
Mr. Luk Wai Hong, William ⁽³⁾	1	1	100.0%
Encik Jeremy Nasrulhaq	1	1	100.0%
Puan Norazian Ahmad Tajuddin ⁽⁴⁾	1	1	100.0%

Note

- (1) Reflects the number of meetings held during the time the Director held office.
 (2) Appointed as a Chairman of the ESS on 1 November 2022.
 (3) Ceased to be a member of the ESS Committee on 1 November 2022.
 (4) Ceased to be the Chairman of the ESS Committee on 1 November 2022 but remained as its member.

The main objective of the Employees’ Share Scheme (“**ESS**” or “**Scheme**”) as approved by the shareholders of KIBB on 25 May 2017, was to align the employees’ interests with the long-term objectives of KIBB Group to create sustainable value enhancement for its shareholders through a high-performance culture.

The ESS Committee was established to assist the Board to administer the ESS in accordance with the By-Laws governing the Scheme as approved by the shareholders of KIBB.

The roles and responsibilities of the ESS Committee which are outlined in its Terms of Reference include the determination of all questions of policy and expediency that may arise in the administration of the ESS including, amongst others, the terms of eligibility of the employees of the Company and its non-dormant subsidiaries (“**Eligible Employees**”), the method or manner in which the grants are made to and exercised by Eligible Employees and any conditions imposed in relation thereto, and the termination of any options, and generally the exercise of such powers and performance of such acts as are deemed necessary or expedient to promote the best interests of the Company.

Group Board Digital Innovation & Technology Committee

The Group Board Digital Innovation & Technology Committee (“**GBDITC**”) comprises a majority of INEDs and is chaired by an INED who is not the Chairman of the Board.

As at 31 December 2022, the GBDITC comprised the following members:

1. **Mr. Kanagaraj Lorenz**
Chairman, INED
2. **Mr. Luk Wai Hong, William**
Member, NINED
3. **Encik Jeremy Nasrulhaq**
Member, Senior INED
4. **Mr. Choy Khai Choon**
Member, NINED
5. **Madam Chin Siew Siew**
Member, INED

Attendance of Members at the GBDITC Meetings Held During the Financial Year Ended 31 December 2022

Group Board Digital Innovation & Technology Committee (“GBDITC”)	Number of Meetings		
	Name of Director	Held ⁽¹⁾	Attended
Mr. Kanagaraj Lorenz (Chairman)	6	6	100.0%
Mr. Luk Wai Hong, William	6	6	100.0%
Mr. Luigi Fortunato Ghirardello ⁽²⁾	1	1	100.0%
Puan Norazian Ahmad Tajuddin ⁽³⁾	5	5	100.0%
Encik Jeremy Nasrulhaq	6	6	100.0%

Mr. Choy Khai Choon ⁽⁴⁾	6	6	100.0%
Madam Chin Siew Siew ⁽⁵⁾	4	4	100.0%

Note

- (1) Reflects the number of meetings held during the time the Director held office.
(2) Retired from the Board of KIBB and ceased to be a member of the GBDITC on 26 May 2022.
(3) Ceased to be a member of the GBDITC on 1 November 2022.
(4) Appointed as a member of the GBDITC on 26 January 2022.
(5) Appointed as a member of the GBDITC on 1 July 2022.

The GBDITC was established on 29 August 2019 to support the Board in providing direction and oversight over technology-related matters as set out in BNM’s Policy Document on Risk Management in Technology.

In addition to providing oversight on technology-related matters, including risk, the GBDITC also reviews, evaluates and makes appropriate recommendations to the Board for approval, proposals on technology/ digital innovations put forward by Management, in line with KIBB Group’s medium and long term business strategy which shall include the digitalisation strategy for the Group.

The functions and responsibilities of the GBDITC are set out in the Terms of Reference of the GBDITC which is available on KIBB’s website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

Shariah Committee

The Shariah Committee was established to provide objective and sound advice to the Board of KIBB to ensure that the Company’s aims and operations, business affairs and activities pertaining to its Islamic Banking Window (Skim Perbankan Islam) comply with Shariah rules and regulations as reflected in the fatwas, rulings and guidelines issued by Shariah Advisory Council of BNM and Securities Commission Malaysia.

As at 31 December 2022, the Shariah Committee comprised the following members:

- a. **Dr. Ghazali Jaapar**
Chairman, Shariah Committee
- b. **Dr. Mohammad Firdaus Mohammad Hatta**
Member, Shariah Committee
- c. **Dr. Fadillah Mansor**
Member, Shariah Committee

Attendance of Members at the Shariah Committee Meetings Held During the Financial Year Ended 31 December 2022

Shariah Committee	Number of Meetings			
	Name of Shariah Committee Member	Held ⁽¹⁾	Attended	Percentage (%)
	Dr. Ghazali Jaapar (Chairman)	12	12	100.0%
	Dr. Mohammad Firdaus Mohammad Hatta	12	12	100.0%
	Dr. Fadillah Mansor	12	12	100.0%

Note

(1) Reflects the number of meetings held during the time the Director held office.

The composition of the Shariah Committee is in line with Paragraphs 13.1 to 13.5 of BNM's Shariah Governance Policy Document which require the Shariah Committee, at a minimum, to comprise at least three (3) members.

All members of the Shariah Committee possess the Shariah background and are Shariah qualified persons.

The functions and responsibilities of the Shariah Committee are set out in the Terms of Reference of the Shariah Committee which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance>.

TRAINING PROGRAMMES ATTENDED BY DIRECTORS DURING THE FINANCIAL YEAR 2022

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
1. An Overview of Revenue Recognition: Property Development Activities by Ernst & Young PLT ("EY") - In-House Programme Organised by S P Setia Berhad ("S P Setia")	TSAJ
2. Overview on Zone AOA (Asia, Oceania and Sub-Saharan Africa) Strategic Roadmap 2022 - In-House Programme Organised by Nestle (Malaysia) Berhad ("Nestle")	TSAJ
3. ASEAN Business Summit by Bloomberg	CKC
4. Management Accounting and Business Environment - University Malaysia "UM" (attended as a speaker of Faculty of Business and Economics of UM)	JN
5. Webinar on The Corporate Governance ("CG") Overview Statement, CG Report, Audit Committee Report and the Statement on Risk Management & Internal Control ("SORMIC")	JN
6. Nomination and Remuneration Committee ("NRC") Dialogue & Networking - Session #1 by Institute of Corporate Directors Malaysia ("ICDM")	NT
7. MetaFinance: The Next Frontier of the Global Economy by FIDE FORUM	NT & RL
8. Thriving in the New Normal Leading Through Geopolitical Volatility & Compressed Transformation by Bloomberg and Accenture	CKC
9. Assessing Your Organisational Culture by ICLIF Executive Education Center ("ICLIF") (Asia School of Business)	CKC
10. Governance & Compliance Training – In-House Directors' Training organised by Nestle	TSAJ
11. FIDE FORUM Leadership Perspectives Forum on Board Effectiveness in Conjunction with the Launch of FIDE FORUM Board Effectiveness Evaluation Guidebook	JN & NT
12. Navigating Through the Evolution of Corporate Governance with the introduction of Tax Corporate Governance Framework by KPMG Board Leadership Centre Exclusive	CSS

13.	Overview on Human Resource by Nestle	TSAJ
14.	Overview on Sales & e-Commerce by Nestle	TSAJ
15.	ARC International SPAC Seminar	RL
16.	Engagement session with Board Members of General Insurers and Takaful Operators on Motor Claims Reforms by FIDE FORUM	CKC & CSS
17.	Alibaba Cloud Summit Kuala Lumpur 2022 by Ali Baba Cloud	JN & RL
18.	International Directors Summit 2022 by ICDM	JN
19.	The Emerging Trends Threats and Risks to the Financial Services Industry - Managing Global Risk Investment and Payment System - FIDE Forum	JN & CSS
20.	Sembang Nasi Lemak: Tone from the Top - Government Perspectives – In-House Programme Organised by S P Setia	TSAJ
Regulatory and Compliance, Dialogue and Discussion with Regulators, Institutions		
21.	Capital Market Directors Programme ("CMDP") - Module 1 - Directors As Gatekeepers of Market Participants by Securities Industry Development Corporation ("SIDC")	CKC & CSS
22.	CMDP - Module 2A - Business Challenges and Regulatory Expectations – What Directors Need To Know (Equities & Future Broking) by SIDC	CKC & CSS
23.	CMDP - Module 3 - Risk Oversight and Compliance – Action Plan For Board of Directors by SIDC	CKC & CSS
24.	CMDP - Module 4 - Emerging and Current Regulatory Issues in Capital Market by SIDC	CKC & CSS
25.	Non-Compliance with Laws and Regulations by Malaysian Institute of Accountants ("MIA") - attended as Moderator	JN
26.	Mandatory Directors' Programme ("MAP") by Bursa Securities	CSS
27.	Recovery and Resolution Planning Sharing Session by PIDM (Perbadanan Insurans Deposit Malaysia)-FIDE Forum	CSS
28.	Conversations with Audit Committee - Session 1 by Securities Commission Malaysia	JN & NT
29.	Malaysian Anti-Corruption Commission Act 2009 Section 17A: The Impact of the Technology & the Newly Enhanced Sustainability Reporting by Dr. Mark Lovatt - ICDM	TSAJ, IHM, LWH, JN, NT, RL, CKC & CSS
30.	Contemporary Issues In Anti-Money Laundering by Nature of Life	TSAJ, IHM, LWH, JN, NT, RL, CKC & CSS
Information Technology/ Digitalisation / Cyber Security		
31.	BNM-FIDE Forum MyFintech Week Masterclasses	TSAJ, LFG, LWH, JN, NT, RL & CKC
32.	Digital Transformation by ICLIF - In-House Directors' Training Organised by S P Setia	TSAJ
33.	Offshore Technology Conference Asia	CKC
34.	Bursa 2022 Market Intermediaries and Advocacy Programmes - Addressing and Responding to Growing and More Complex Threat of Cyber Security by Asia School of Business	LWH & CKC

35.	SIDC Webinar:- The Ongoing Journey of Digital Transformation: Latest Trends and Insight	JN
36.	Overview/ Update on Cyber Security by Nestle	TSAJ
37.	Singapore Fintech Festival 2022	IHM, LWH, JN, NT, RL, CKC & CSS
38.	Case Study on Properties Companies by Mr. Derick Loi of ANT Group	TSAJ
39.	Board of Directors Cybersecurity Awareness by EC-Council	TSAJ, IHM, LWH, JN, NT, RL, CKC & CSS
Islamic Banking and Finance, Shariah Compliance		
40.	Islamic Wealth Management from Shariah Perspective by Shariah Adviser of KIBB	NT
41.	INVESTASEAN2022 Business Sustainability Series - Shaping a Green Islamic Capital Market - Opportunities & Trends by Malayan Banking Berhad	TSAJ
Sustainability and Environment, Social and Governance ("ESG")		
42.	Sustainability and Its Impact on Organisations: What Directors Need to Know by ICLIF	LFG
43.	Task Force on Climate Related Financial Disclosure ("TCFD") - Climate Disclosure Training by Bursa Malaysia Berhad ("Bursa Malaysia") - TCFD 101	LFG, JN & NT
44.	BNM-FIDE Forum Dialogue: Climate Risk Management and Scenario Analysis	JN & NT
45.	TCFD - Climate Disclosure Training by Bursa Malaysia - TCFD 102	LFG, JN, & NT
46.	Introductory Session by UN Global Compact ("UNGC") on a. Brief Introduction on Board Leadership & Sustainability; and b. KIBB-UNGC Collaboration Plans	TSAJ, LFG, IHM, LWH, JN, NT, RL & CKC
47.	Global Outlook for ESG Finance by ICLIF - In-House Directors' Training Organised by S P Setia	TSAJ
48.	ESG Sharing Session by Korn Ferry	TSAJ
49.	PNB Knowledge Forum 22: Sustainable Investing: ESG at the Forefront by Permodalan Nasional Berhad	TSAJ
50.	Overview on ESG & Update from CSV (Creating Shared Value) Council by Nestle	TSAJ
51.	Briefing on ESG by EY – in-House Programme Organised by Zurich Insurance Malaysia Berhad	CKC
52.	Virtual MIA International Accountants Conference 2022: Leading ESG, Charting Sustainability by MIA	TSAJ & JN
53.	Understanding ESG Rating Frameworks to Enable Sustainable Investing in Malaysia by FTSE Russell	CKC
54.	International Sustainability Standards Board's Briefing Workshop and Q&As for Emerging Markets by United Nations Sustainable Stock Exchanges Initiative	JN & NT
55.	Sustainability Training – In-House Directors' Training Organised by Nestle	TSAJ

56.	Webinar on Directors' Duties and Climate Change by Malaysian Bar Council	TSAJ
57.	Setting Science-Based Targets by UNGC Academy	NT
58.	How to Understand and Take Action on the Global Goals by UNGC	NT
59.	Climate Governance Malaysia Conversations with Chairmen: A Standing Item in Board Agendas by FIDE FORUM	CKC
60.	Advocacy Dialogue on the Enhanced Sustainability Reporting Framework by Bursa Malaysia	NT & RL

Legend

- Tan Sri Dato' Seri Syed Anwar Jamalullail (“TSAJ”)
- Mr. Luigi Fortunato Ghirardello (“LFG”)
- Encik Ismail Harith Merican (“IHM”)
- Mr. Luk Wai Hong, William (“LWH”)
- Encik Jeremy Nasrulhaq (“JN”)
- Puan Norazian Ahmad Tajuddin (“NT”)
- Mr. Kanagaraj Lorenz (“RL”)
- Mr. Choy Khai Choon (“CKC”)
- Madam Chin Siew Siew (“CSS”)

TRAINING PROGRAMMES ATTENDED BY MEMBERS OF THE SHARIAH COMMITTEE DURING THE FINANCIAL YEAR 2022

Title of Programme		Attended By
1.	Application of Islamic Treasury from Industry Practitioner's Perspective by Islamic Finance Research and Coaching Sdn. Bhd. (“IFRAC”)	DGJ, DMF & DFM
2.	Assessing Potential Sukuk Default and Case Studies by IFRAC	DGJ
3.	A-Z Practical Knowledge on Sukuk Structuring by IFRAC	DGJ & DMF
4.	Sukuk Fundamentals for Everyone by IFRAC	DMF
5.	MFRS 17 Training by EY	DMF
6.	Takaful Industry in Malaysia: Development & Challenges organised by UiTM, Uni. Of Bolton UK, Great Eastern Takaful Berhad, Hume Institute Lausanne & Chartered Institute of Insurance UK.	DMF
7.	Code of Ethics & Professional Conduct by Association of Shariah Advisors in Islamic Finance Malaysia	DMF
8.	Knowing Your Role: Financial Planners & Financial Advisers Explained by Malaysian Financial Planning Council	DFM
9.	How to Manage an Equity Portfolio Using Both Fundamental Analysis and Technical Analysis by Financial Planning Association Malaysia	DFM
10.	NVRM122 Corporate Sukuk (Bonds) Financial Modelling using Microsoft Excel by Neurover (Malaysia) Sdn Bhd	DFM
11.	5 th World Islamic Economics and Finance Conference, organised by Minhaj University Lahore, Pakistan	DFM
12.	Webinar UBD School of Business and Economics, Islamic Finance in Australia: Data Analytics Approach by Prof Dr Ishaq Bhatti, organised by University Brunei Darussalam	DFM

13.	IF360 Webinar Series: Ke Arah Pembangunan Kewangan Inovasi dan Rangkuman Kewangan Islam by International Centre for Education in Islamic Finance ("INCEIF")	DFM
14.	Program Latihan Halal (Eksekutif Halal) by Majlis Profesional Halal	DFM
15.	IF360 Webinar Series: Peranan Kewangan Islam dalam Pembangunan Industri Halal by INCEIF	DFM

Legend

- Dr. Ghazali Jaapar ("DGJ")
- Dr. Mohammad Firdaus Mohammad Hatta ("DMF")
- Dr. Fadillah Mansor ("DFM")

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework of KIBB is set out in the Statement of Risk Management and Internal Control as disclosed in KIBB's 2022 Annual Report.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

1. The Company aims to set remuneration levels which are sufficient to attract and retain the Directors, Senior Management and Other Material Risk Takers needed to operate the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without excessively over-paying to achieve its goal. The level of remuneration of the Directors, GMD and Senior Management personnel is determined by the GNC after giving due consideration to compensation levels of comparable positions among other similar companies in Malaysia.
2. The GNC carries out the annual review of the overall remuneration policy for Directors, the GMD and Senior Management whereupon recommendations are submitted to the Board for approval.
3. The GNC also reviews annually the performance of the GMD and Chief Executive Officers of the subsidiaries of the Company and submits recommendations to the Board for approval accordingly.
4. For the Financial Year Ended 31 December 2022, the Directors and Shariah Committee Members are paid the following the annual fee and meeting allowance for each meeting of the Board, Board Committee or Shariah Committee that they have attended respectively:

Fees	Financial Year Ended 31 December 2022	
Chairman of the Board	RM520,000.00	
Director	RM270,000.00	
Chairman of AC ⁽¹⁾	RM60,000.00	
Chairman of GNC/ GBRC/ GBDITC	RM40,000.00	
Chairman of Shariah Committee	RM80,200.00	
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00	
Member of Shariah Committee ⁽²⁾	RM55,000.00	
	RM49,000.00	
Type of Meeting Allowance	Chairman	Member
	Per Meeting	
Board Meeting	RM2,000.00	RM2,000.00
General Meeting of the Company	RM2,000.00	RM2,000.00
AC/ GNC/ GBRC/ GBDITC/ ESS Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee	RM600.00	RM500.00

Notes

- (1) The Annual Fee for the Chairman of the AC had been increased from RM40,000 to RM60,000 effective from the Financial Year 2021 as approved by the Board of KIBB on 26 January 2022, upon the GNC's recommendation.
- (2) The Annual Fee for the Financial Year Ended 31 December 2022 were based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

The Directors' fees will be paid after obtaining the Shareholders' approval at the Annual General Meeting ("AGM").

5. The breakdown of the remuneration of individual Directors of Kenanga Investment Bank Berhad which includes fees, other emoluments and benefits-in-kind for the Financial Year Ended 31 December 2022 is set out below.

Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in- Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00	-	24,000.00	-	31,150.00 ⁽²⁾	575,150.00
Mr. Luigi Fortunato Ghirardello	193,013.70 ⁽³⁾	-	38,000.00	-	-	231,013.70
Encik Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Mr. Luk Wai Hong, William	486,630.14	-	122,000.00	-	-	608,630.14
Encik Jeremy Nasrulhaq	390,000.00	-	70,000.00	-	-	460,000.00

Puan Norazian Ahmad Tajuddin	462,410.96	-	108,000.00	-	-	570,410.96
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	343,479.46	-	56,000.00	-	-	399,479.46
Madam Chin Siew Siew	185,123.29 ⁽⁴⁾		22,000.00	-	-	207,123.29
TOTAL	3,250,657.55	-	546,000.00	-	31,150.00	3,827,807.55

Notes

- (1) Subject to the Shareholders' approval at the forthcoming AGM.
(2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.
(3) Annual Directors' Fee was pro-rated for the period Mr. Luigi Fortunato Ghirardello was in office until his retirement from the Board of KIBB on 26 May 2022.
(4) Annual Directors' Fee was pro-rated for the period Madam Chin Siew Siew was in office following her appointment on 1 June 2022.

Company Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in-Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00	-	24,000.00	-	31,150.00 ⁽²⁾	575,150.00
Mr. Luigi Fortunato Ghirardello	143,013.70 ⁽³⁾	-	26,000.00	-	-	169,013.70
Encik Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Mr. Luk Wai Hong, William	388,301.37	-	84,000.00	-	-	472,301.37
Encik Jeremy Nasrulhaq	390,000.00	-	70,000.00	-	-	460,000.00
Puan Norazian Ahmad Tajuddin	370,000.00	-	68,000.00	-	-	438,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	343,479.46	-	56,000.00	-	-	399,479.46
Madam Chin Siew Siew	185,123.29 ⁽⁴⁾		22,000.00	-	-	207,123.29
TOTAL	3,009,917.82	-	456,000.00	-	31,150.00	3,497,067.82

Notes

- (1) Subject to the Shareholders' approval at the forthcoming AGM.
(2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.
(3) Annual Directors' Fee was pro-rated for the period Mr. Luigi Fortunato Ghirardello was in office until his retirement from the Board of KIBB on 26 May 2022.
(4) Annual Directors' Fee was pro-rated for the period Madam Chin Siew Siew was in office following her appointment on 1 June 2022.

6. With regard to the remuneration of Senior Management, KIBB Group’s Total Rewards Policy is currently under development taking into consideration relevant recommendations of the Malaysian Code of Corporate Governance, as well as BNM’s Policy Document on Corporate Governance.

Principally, the KIBB Group’s Total Rewards Management aims to drive high performance culture which attract, motivates and retain talents.

The main elements for KIBB Group’s Total Rewards are Total Compensation, Benefits and Talent Development as elaborated below.

- a. Total Compensation consist of Fixed Pay (i.e. Basic Salary and Fixed Allowance) and Variable Pay (i.e. Performance Bonus, Incentive and Long-term Incentive), with targeted Pay Mix levels in alignment with the Group’s performance, business/ support function and individual performance.

Fixed Pay is being reviewed annually through internal and external (benchmarked against financial institutional peers - local banks and asset management companies) benchmarking against individual responsibilities, performance, achievements, skillsets, as well as competency level.

In compliance with the requirements of BNM’s Policy Document on Corporate Governance, 30% of annual variable remuneration in the form of cash is deferred for all employees on Group-wide basis based on the following guidelines:

	CEO & Senior Management	Other Material Risk Takers	All Other Employees
30% deferment effective upon Bonus reaching certain months of base salary of:	>10 months	>8 months	>6 months

On 31 October 2017, the Board of KIBB had approved the Employees’ Share Scheme (“**ESS**”) comprising Employees’ Share Option Scheme (“**ESOS**”) and Employee Share Grant Plan (“**ESGP**”), in the form of Restricted Share Plan (“**RSP**”) and Performance Share Plan (“**PSP**”) as described in the By-Laws of the ESS. The objectives of the ESS are to -

- i. recognise and reward the Eligible Employees by giving recognition to their contributions and services that are considered vital to the operations and sustained growth and profitability of the Group;
- ii. retain, motivate and reward the Eligible Employees by allowing them to participate in the Company’s profitability and eventually realise capital gains arising from any appreciation in the value of the Shares;
- iii. attract prospective employees with relevant skills and experience to the Group by making the total compensation package more competitive; and
- iv. foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Employees upon vesting of the Shares as they will be able to participate directly in the equity of the Company and to provide an incentive for the Eligible Employees to

participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

- b. KIBB provides employee benefits programs which are reviewed regularly against local market practices. This is a supplementary to the cash compensation for employees and their family.
- c. KIBB provides employees with the opportunity and tools to achieve their skills and competency for short and long term in their career.

Senior Management's remuneration is being reviewed annually and benchmarked against the financial institutional peers (local banks and asset management companies). All matters relating to Senior Management's remuneration are presented and deliberated at the GNC upon which appropriate recommendations shall be made to the Board of KIBB for approval.

A summary of the total remuneration of the Senior Management, in aggregate with categorisation into appropriate components for the Financial Year Ended 31 December 2022 is provided under Practice 8.2.

www.kenanga.com.my

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