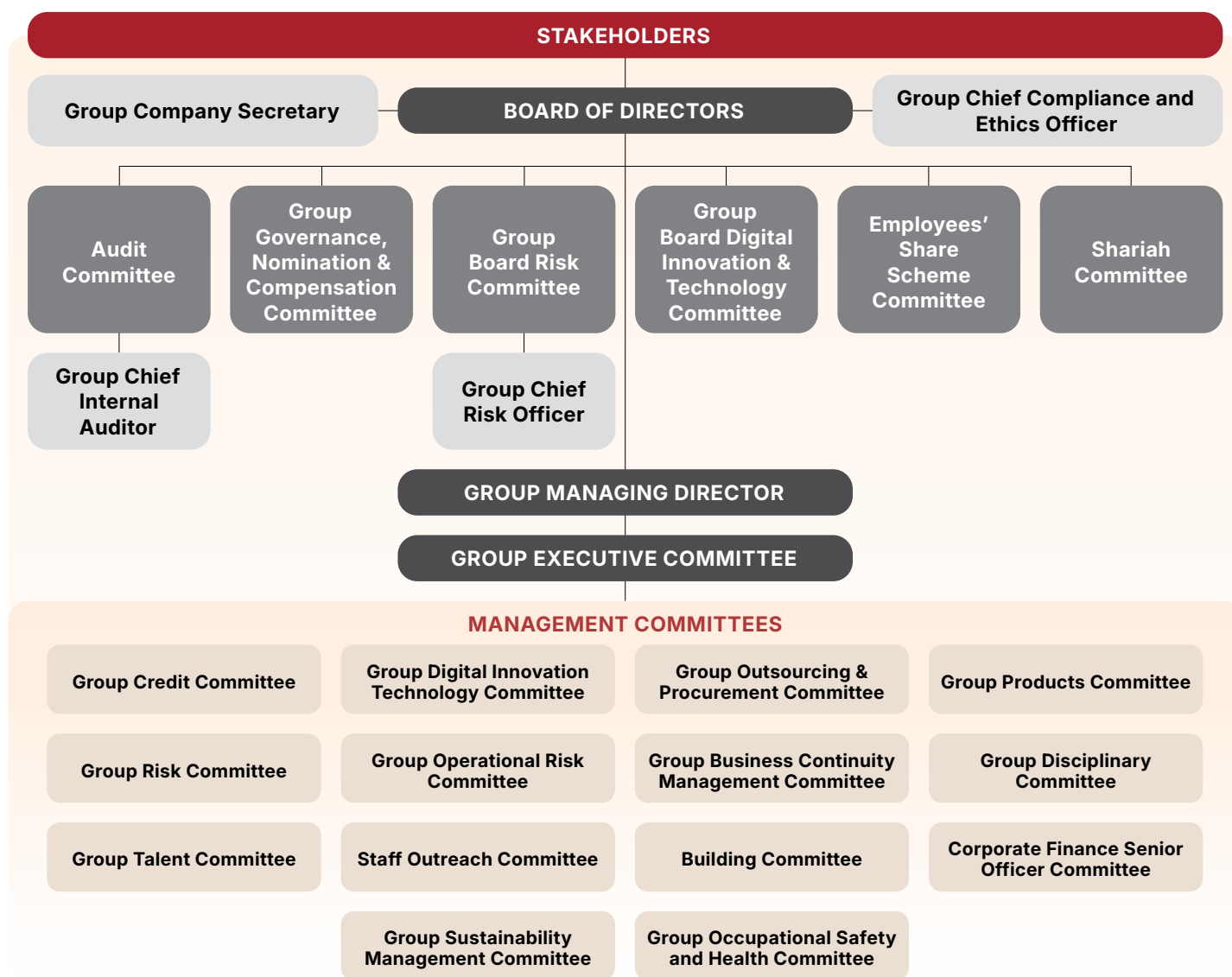


CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Governance is regarded by the Board of Directors (“**Board**”) as vital to the success of the business of Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”). Therefore, the Board is unreservedly committed to applying the principles necessary to ensure that the principles of good governance are practised in all of the Company’s business dealings and operations.

Understanding that the responsibility for good corporate governance rests with them, the Board strives to adopt the principles and best practices of corporate governance and ensures that KIBB and Its Subsidiaries (“**KIBB Group**” or “**Kenanga Group**” or “**the Group**”) complies with the various guidelines issued by Bank Negara Malaysia (“**BNM**”), Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and the Securities Commission Malaysia (“**SC**”).

The Board is also committed to continuously undertake the appropriate actions to embed the principles and recommendations of the revised Malaysian Code on Corporate Governance (“**MCCG**”) issued by the SC on 28 April 2021, into the Company’s existing policies and procedures.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**Board Responsibilities**

The 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 -

- 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.

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.

Each of the Board members of the Company is aware of his/ her responsibilities to always exercise his/ her powers in accordance with the Companies Act 2016, for a proper purpose and in good faith and in the best interest of the Company. They also understand that each of them 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.

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. To promote objectivity, robust and open deliberations, the Board Committees are chaired by an Independent Director who is not the Chairman of the Board. The roles and responsibilities of the Board Committees are set out in their respective Terms of Reference which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

The Board, in fulfilling its oversight role and carrying out its strategic intent and mandates, will give direction and guidance through the Group Managing Director ("**GMD**") to Management or Management Committees to execute the approved corporate strategies, established goals, as well as policies.

Notwithstanding any delegation of authority to Management or Committees, the Board reserves full decision-making power on matters relating to, amongst others, strategies, business plans and budget, significant policies, conflict of interest issues relating to Substantial Shareholders and/ or a Director, material acquisitions or disposals 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. The Board reserved matters are also reflected in the Board Charter.

The roles and responsibilities of the Board are clearly defined in the Board Charter which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Reserved Matters

The Board's key activities during the Financial Year Ended ("**FYE**") 31 December 2025, included amongst others, reviewing, deliberating, recommending and approving where appropriate, key matters as outlined below.

Strategy/ Financials

- Budget and Business Plan for KIBB Group for the Financial Year Ending 31 December 2026
- Proposals on New Investments/Business Collaborations/ New Business Initiatives/ Corporate Exercises and Subsequent Updates
- Price Adjustment and Disposals of Equity Stake in Associate Companies
- Strategy Roadmap of a Subsidiary
- Capital Injection to Joint Venture Company and Associate Company
- Monthly Management Accounts
- Quarterly Financial Results
- Waiver of Intercompany Balance for Dormant Companies
- Renewal of Inter-Company Loan
- Audited Financial Statements for the FYE 31 December 2024 and the Reports for the Directors and Auditors
- Proposed Interim Dividend for the FYE 31 December 2024
- Representation Letter to Ernst & Young PLT ("**EY**") in Relation to the Audit for the FYE 31 December 2024
- Re-Appointment of External Auditors and Audit Fees for the FYE 31 December 2025
- Report on Non-Budgeted Expenditure Exceeding RM250,000
- 2025 Equity Derivatives' Business Plan and Proposed Market Risk Limits
- Reports on Associate and Joint Venture Companies
- Renewal of Solvency Statement in Relation to the Share Buyback Exercise
- Provision of Financial Support and Contingency Funding for Subsidiaries
- Exercise of Call Option to Redeem Tranche 4 Tier 2 Subordinated Note under the Tier 2 Subordinated Note Programme
- Establishment and Issuance of Additional Tier 1 Capital Securities ("**AT1CS**") under the AT1CS Programme of up to RM500.0 million in Nominal Value, and Redemption of Tranche 5 Tier 2 Subordinated Note under the Tier 2 Subordinated Note Programme
- Annual Impairment Assessment of Goodwill and Intangibles for the FYE 31 December 2025
- Share Buy-Back Statement in Relation to the Proposed Renewal of Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk, Compliance and Oversight

- Monthly Regulatory Reports and Compliance Reports
- Regulatory Audit/ Examinations Reports
- Monthly Risk Management Reports
- Year-End Status of Annual Work Plan 2024 of Group Regulatory and Corporate Services
- Statement on Risk Management and Internal Control ("**SORMIC**") and Representation Letter to the External Auditors
- Recovery Time Objectives ("**RTO**") and Maximum Tolerable Downtime ("**MTD**") for Critical Business Functions/ Systems 2025
- Business Continuity Plan and Disaster Recovery Plan Test Matrix 2025
- Interim Dividend for the FYE 31 December 2024
- Update on Limit Down Issues
- Revision to the Group Business Continuity Management Committee's Term of Reference
- Monthly Reports on KIBB's Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities
- Internal Capital Adequacy Assessment Process ("**ICAAP**") 2024 (with BNM Semi-Annual Stress Testing Report 31 December 2024 embedded)
- Asset and Liability Management Policy Update
- Review of Financial Markets Product Framework ("**FMPF**") and Linear Combination Product Programme ("**LCPP**")
- Operational Risk Capital Charge Assessment for Year 2024
- Pillar 3 Disclosure as at 31 December 2024
- Submission of Leveraged Collar as Live Example for LCPP to BNM
- BNM's Net Stable Funding Ratio ("**NSFR**") Thematic Review and Follow-Up Status Update
- Structured Financing Product Programme ("**SFPP**")
- Submission of Protected Financing as Live Example for SFPP to BNM
- Operational Risk Scenario Analysis Assessment 2025
- BNM Semi-Annual Stress Testing Report for Position as at 30 June 2025
- Independent Price Verification for Imagine System
- Revision to the Group Operational Risk Committee's Terms of Reference
- Underlying Suitability Assessment – Master Framework
- RTO and MTD for Critical Business Functions and Systems 2025
- Revision to the Cyber Resilience Framework
- ICAAP Trigger Event – Notification of Tier-1 Capital Ratio Deviation and Endorsement of the Proposed Action Plan
- Rollover of the Skim Perbankan Islam Structured Placement with Kenanga Investors Berhad ("**KIB**"), a Wholly Owned Subsidiary of KIBB and Extension of KIB as the Designated Fund Manager to Manage This Fund via a Shariah Compliant Non-Discretionary Investment Management Mandate
- Independent Credit Review Plan 2025

Governance

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Reports by Board Committees on Matters Discussed at the Respective Meetings of the Board Committees
- Retirement of Directors of KIBB Group at the Forthcoming Annual General Meetings of the Respective Entities
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Directors' Training Calendar for 2025 and Quarterly Status Report on KIBB Group Directors' Training for 2024/ 2025
- Disclosures for 2024 Integrated Annual Report
- Remuneration and Benefits for Chairman and Directors of KIBB Group
- Key Human Resource Matters
 - Review of the List of Management Key Responsible Persons ("**KRPs**") of KIBB Group as of 1 January 2025
 - 2024 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
 - 2025 Balanced Scorecards for Management KRPs
 - 2024 Performance Bonus and 2025 Annual Salary Increment
 - Updates of GMD and Management KRPs' Succession Plan
 - Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
 - Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers Within KIBB Group
 - Review of Material Risk Takers and Other Material Risk Takers Compensation

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separation of the Roles of Chairman and GMD

The Company aims to ensure a balance of power and authority between the Chairman and the GMD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of the Chairman and the GMD are separated and their roles and responsibilities are clearly defined and formally documented in the Board Charter.

Whilst the Chairman is responsible for leading the Board in setting the values and standards of the Company, as well as maintaining a relationship of trust with and between Management and Non-Executive Directors, the GMD, on the other hand, is entrusted with the executive responsibility for the day-to-day management of the business which includes 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 with the assistance of the Management team. In fulfilling this role, the GMD is given certain powers to execute transactions, guided by the internal rules and procedures and in accordance with the threshold set in the Group Approving Authority Framework.

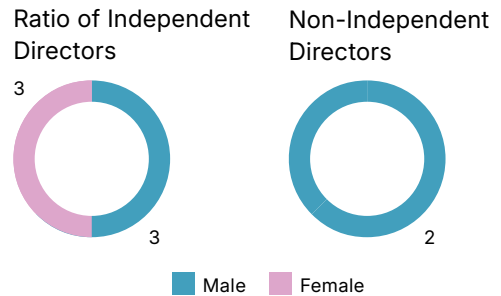
Board Composition

The Board of KIBB currently comprises the following eight (8) members, six (6) of whom are Independent Non-Executive Directors ("INEDs") and the remaining two (2) are Non-Independent Non-Executive Directors ("NINEDs"):

- ▶ **YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**
Chairman, INED
- ▶ **ENCIK ISMAIL HARITH MERICAN**
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
- ▶ **MS. ANGELINE-ONG SU MING**
INED
- ▶ **MR. LUK WAI HONG, WILLIAM**
NINED
(Retired on 1 November 2025)

SNAPSHOT OF THE BOARD'S PROFILE

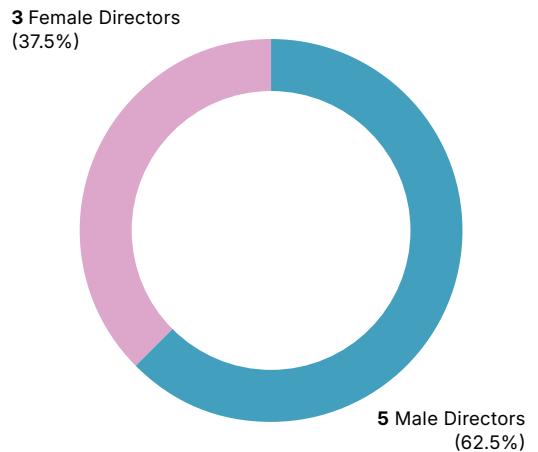
Board Balance and Composition



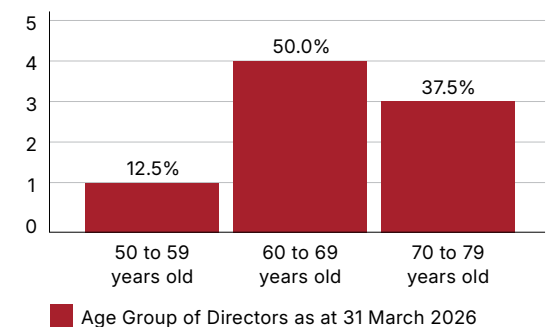
Directors' Nationality



Gender Diversity on Board

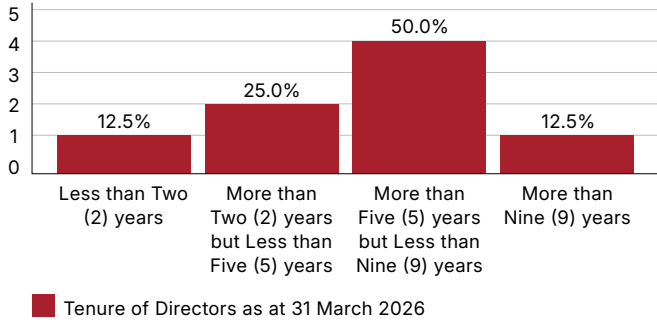


Number of Directors under Different Age Group

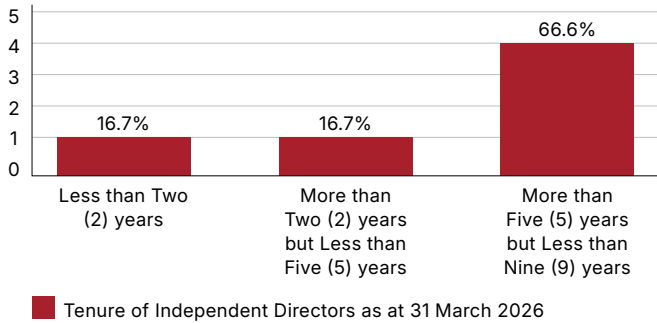


CORPORATE GOVERNANCE OVERVIEW STATEMENT

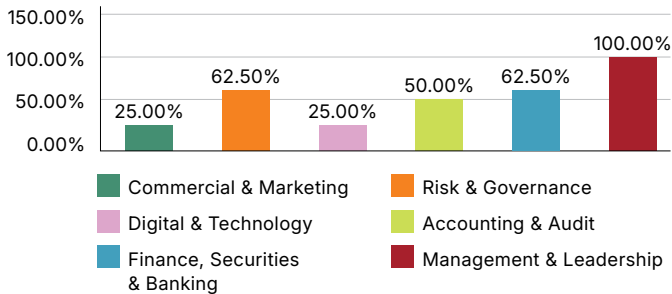
Number of Directors under Different Tenure



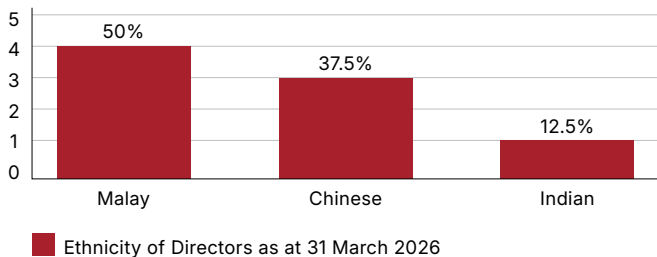
Number of Independent Directors under Different Tenure



Skills and Experiences



Ethnicity



The Board’s composition complies with the minimum one-third (1/3) requirement of Independent Directors as stipulated in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia and the majority of Independent Directors requirement stipulated in BNM’s Policy Document on Corporate Governance.

Whilst always ensuring a balance of skills set for the Board, in terms of gender diversity, age and ethnicity, the Board had also achieved its target for the Board to comprise at least 30% women Directors.

At the moment, the Board is represented by three (3) or 37.5% women Directors, namely Puan Norazian Ahmad Tajuddin, Madam Chin Siew Siew and Ms. Angeline-Ong Su Ming.

Tenure of Independent Directors

In compliance with BNM’s Policy Document on Corporate Governance and as set out in KIBB’s Board Charter, the tenure of an INED should not exceed a cumulative term of nine (9) years.

Upon completion of nine (9) years, an INED may continue to serve on the Board as a NINED subject to BNM’s prior approval being obtained. Based on the current Board composition, none of the INED’s tenure exceeds nine (9) years.

Notwithstanding the aforementioned, 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 MCCG, moving forward and in the spirit of the MCCG, Clause 3.3 of KIBB’s Board Charter which allows for extension of an INED’s tenure beyond the nine (9) years, had been revised to incorporate a formal policy which limits the tenure of an INED to nine (9) years without further extension in line with the MCCG’s Step Up Practice 5.4.

In this regard, the Group Governance, Nomination & Compensation Committee (“GNC”) and the Board have always been cognisant of the need for the compositions of the Board and Board Committees of entities within KIBB Group to be periodically reviewed for purposes of succession planning and Board refresh.

The profile of each Director is available on pages 76 to 83 of this Integrated Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Board Committee Meetings

In 2025, eleven (11) Board meetings were held, one (1) of which was special meeting which was convened to discuss and consider urgent proposals that required the Board's expeditious deliberation and consideration.

As stipulated in the Board Charter and the Constitution of the Company, a Director of the Company must attend at least 75% of the Board meetings held during the financial year, in line with the requirement of BNM's Policy Document on Corporate Governance.

During the Financial Year Ended 31 December 2025, all the Directors of the Company attended 100% of the Board meetings convened, demonstrating a strong commitment and dedication of the Board members in fulfilling and discharging their respective roles and responsibilities as Directors of the Company.

The Directors' attendance at Board and Board Committee meetings held during the Financial Year Ended 31 December 2025 are provided below.

Board	Number of Meetings			
	Name of Director	Held ⁽¹⁾	Attended	Percentage (%)
	YAM Tan Sri Dato' Seri Syed Anwar Jamalullail (Chairman)	11	11	100.0%
	Encik Ismail Harith Merican	11	11	100.0%
	Mr. Luk Wai Hong, William ⁽²⁾	10	10	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	11	11	100.0%
	Ms. Angeline-Ong Su Ming	11	11	100.0%

Notes

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

⁽²⁾ Retired as Board member on 1 November 2025.

Audit Committee ("AC")	Number of Meetings			
	Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)
	Encik Jeremy Nasrulhaq (Chairman)	9	9	100.0%
	Mr. Kanagaraj Lorenz	9	9	100.0%
	Puan Norazian Ahmad Tajuddin	9	9	100.0%

Notes

⁽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 the AC and Group Board Risk Committee ("GBRC") held on 27 November 2025 and one (1) joint meeting between the AC and GNC held on 13 March 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

GNC	Number of Meetings		
Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)
Madam Chin Siew Siew (Chairman)	9	9	100.0%
Encik Jeremy Nasrulhaq	9	9	100.0%
Encik Ismail Harith Merican	9	9	100.0%
Puan Norazian Ahmad Tajuddin	9	9	100.0%
Mr. Choy Khai Choon	9	9	100.0%

Notes

⁽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 the AC and GNC which was held on 13 March 2025.

GBRC	Number of Meetings		
Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)
Puan Norazian Ahmad Tajuddin (Chairman)	7	7	100.0%
Mr. Luk Wai Hong, William ⁽³⁾	5	5	100.0%
Mr. Kanagaraj Lorenz	7	7	100.0%
Mr. Choy Khai Choon	7	7	100.0%
Ms. Angeline-Ong Su Ming	7	7	100.0%

Notes

⁽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 the AC and the GBRC which was held on 27 November 2025.

⁽³⁾ Ceased to be a member of the GBRC on 1 November 2025.

Group Board Digital Innovation & Technology Committee ("GBDITC")	Number of Meetings		
Name of Director	Held ⁽¹⁾	Attended	Percentage (%)
Mr. Kanagaraj Lorenz (Chairman)	7	6	85.7%
Mr. Luk Wai Hong, William ⁽²⁾	6	6	100.0%
Encik Jeremy Nasrulhaq	7	7	100.0%
Mr. Choy Khai Choon	7	7	100.0%
Madam Chin Siew Siew	7	7	100.0%

Notes

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

⁽²⁾ Ceased as a member of the GBDITC on 1 November 2025.

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 Shariah Committee member held office.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Governance, Nomination & Compensation Committee

The GNC of KIBB comprises three (3) INEDs and two (2) NINEDs and is chaired by an INED who is not the Chairman of the Board.

Details on the GNC's composition, as well as its members' attendance at the GNC meetings during the Financial Year Ended 31 December 2025 are provided on pages 8 and 101 of this Integrated Annual Report 2025 and in Section B of the Corporate Governance Report ("**CG Report**") which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/agm2026>.

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

During the FYE 31 December 2025, the GNC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters stated below.

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Establishment of Kenanga Group's Guiding Principles for Board and Board Committee Composition
- Retirement of Directors of KIBB Group at the Forthcoming Annual General Meetings of the Respective Entities
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Directors' Training Calendar for 2025 and Status Report on KIBB Group Directors' Training for 2024/ 2025
- Disclosures for Integrated Annual Report 2024
- Payment of Directors' Fees for the FYE 31 December 2024 and Meeting Allowances for FYE 31 December 2025 for KIBB Group
- Remuneration and Benefits for Chairman and Directors of KIBB Group
- Review of the List of Management Key Responsible Persons ("**KRPs**") of KIBB Group as of 1 January 2025
- 2024 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
- 2025 Balanced Scorecards for Management KRPs
- 2024 Performance Bonus and 2025 Annual Salary Increment
- Updates of GMD and Management KRPs' Succession Plan
- Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
- Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers Within KIBB Group
- Review of Material Risk Takers and Other Material Risk Takers Compensation

Board Appointment Framework

The Board, via the GNC, has put in place a formal and transparent framework governing the appointments of new Directors and Board Committee members, wherein the GNC will recommend the appointment of suitable candidate as Director and Board Committee member of the KIBB Group, to the Board for approval.

With regard to skills and experience, a skills matrix review process had been put in place whereby the GNC will undertake a rigorous assessment of potential candidates, prior to making any recommendations to the Board for appointment of a new Director.

During the FYE 31 December 2025, the Board composition had undergone a change with the retirement of Mr. Luk Wai Hong, William as a NINED of KIBB effective 1 November 2025.

With the change, the Board still comprises a majority of Independent Directors and the Board's composition in terms of gender diversity had been increased from 33% to 37.5% women Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Employees' Share Scheme Committee

To assist the Board in the administration of KIBB Group's Employees' Share Scheme ("**ESS**" or "**Scheme**"), in accordance with the By-Laws governing the Scheme as approved by Shareholders of KIBB, the Board had established an ESS Committee comprising solely of Independent Directors.

The main objective of the ESS as approved by the Shareholders of KIBB on 25 May 2017, is 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 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**" or "**Eligible Persons**"), 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.

The functions and responsibilities of the ESS Committee are set out in its Terms of Reference 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 the SC.

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

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

Board Diversity and Gender

In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which the Board members from their different ages, cultural backgrounds, industry exposure, expertise, competency, experience, knowledge and gender 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 an appropriate mix of members to achieve diversification.

During the search of a suitable candidate, one (1) of the key considerations is to ensure that the skill set of the Board is appropriately balanced to support the strategies and long-term goals of KIBB Group. Amongst others, the considerations include whether the skill set of the new candidate could complement the collective skill set of the existing Directors, the integrity and the character of the candidate, the ability to contribute different perspectives to the Board, as well as the ability to commit sufficient time and attention to the affairs of the Company and whether he/ she could fit in with the Company's culture.

Following the issuance of the revised MCCG by the SC on 28 April 2021, the Board of KIBB had, at its meeting on 29 July 2021, deliberated on the status of KIBB's application of the Practices and adoption of the Step Up Practices of the MCCG.

Arising from the gap analysis, the Board had identified certain action plans in terms of application and adoption of the Practices and Step Up Practices, respectively.

One (1) of the action plans identified was to adopt Practice 5.9 of the MCCG which recommended for the Board to comprise at least 30% women Directors. 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, for the Board of a CMSL Holder to comprise at least 30% women Directors.

In pursuit of applying Practice 5.9 of the MCCG, the Board had identified several potential women candidates as an INED and had on 7 December 2023, approved the appointment of Ms. Angeline-Ong Su Ming, subject to further approval from BNM. BNM had on 15 March 2024, approved the appointment of Ms. Angeline-Ong Su Ming and her appointment was formalised with effect from 4 June 2024.

Subsequent to the appointment of Ms. Angeline-Ong Su Ming as an INED on 4 June 2024, the Board composition had fulfilled the requirement of 30% women Directors. Hence, KIBB has fully adopted Practice 5.9 of the MCCG.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Education and Development**1. Induction Programme for Newly Appointed Director**

KIBB has developed an induction programme for its newly appointed Directors to familiarise them with the industry and KIBB Group's business and operations, within three (3) months of their appointments.

This induction programme, which is facilitated by the Group Company Secretary's Office, is conducted by way of a briefing and discussion amongst selected Senior Management with the newly appointed Director, on the Company's vision and mission, its philosophy and nature of business, current issues, the corporate strategy of the Group, responsibilities and duties of the Board as a whole, an overview of the risks of the businesses, risk management strategy of KIBB, legal requirements, compliance and regulations, as well as financial overview of the Group and the expectations of KIBB with regard to contributions from the Directors towards the Company's achievement of its goals.

During this induction programme, the newly appointed Director will also be briefed on the Company's governance framework, the Board processes, as well as his/ her individual roles and responsibilities as a Board member.

Non-Executive Directors appointed to the Boards of subsidiaries within the Group shall also be provided similar induction programme tailored to the scope of their appointments at the respective entities.

2. Directors' Continuous Education and Development

In ensuring that the Directors are kept abreast of new developments pertaining to the laws and regulations, the changing commercial risks, as well as, technology and cyber security issues, which may affect the Board and/ or the Company and to ensure that they are fully equipped with the necessary knowledge to assist them in fulfilling their responsibilities as Directors, the Company, through the Group Company Secretary's Office, facilitates the participation and attendance of Directors at appropriate external and in-house training programmes.

In addition to completing the Mandatory Accredited Programmes I and II ("**MAP I and II**") as required by Bursa Malaysia under Paragraph 15.08 of the MMLR of Bursa Malaysia, the Financial Institutions Directors' Education ("**FIDE**") Core Programme and the Islamic Finance for Board Programme as required by BNM, and the Capital Market Director Programme ("**CMDP**") as required by the SC for newly appointed Directors, the Board members are also encouraged to attend training programmes, conducted by recognised professionals/ providers, which are relevant to the Company's operations and business.

During 2025, the Board members of KIBB's subsidiaries, Kenanga Investors Berhad ("**KIB**"), Kenanga Islamic Investors Berhad and Eq8 Capital Sdn Bhd had completed the mandatory training programmes required by the respective regulators as stated below.

Training Programmes	Attendee	Date
CMDP Module 1: Directors as Gatekeepers or Market Participants	Mr. Ong Soon Chong ⁽¹⁾	23 July 2025
	Tuan Megat Mizan Nicholas Denney (" Tuan Megat Mizan ") ⁽²⁾	27 October 2025
CMDP Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)	Mr. Ong Soon Chong	24 July 2025
	Tuan Megat Mizan	29 October 2025
CMDP Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors	Mr. Ong Soon Chong	24 July 2025
	Tuan Megat Mizan	30 October 2025
CMDP Module 4: Emerging and Current Regulatory Issues in the Capital Market	Mr. Ong Soon Chong	25 July 2025
	Tuan Megat Mizan	31 October 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Training Programmes	Attendee	Date
MAP I	Mr. Ong Soon Chong	27 August 2025 and 28 August 2025

Notes

1. Mr. Ong Soon Chong was appointed as a Director of Eq8 Capital Sdn Bhd on 4 March 2025.
2. Tuan Megat Mizan was appointed as a Director of Kenanga Islamic Investors Berhad on 28 August 2025.

In facilitating the Directors' education and development, the Group Company Secretary's Office, in addition to monitoring the status of all mandatory training programmes to be completed by the Directors, also establishes an Annual Directors' Training Calendar encompassing external training programmes available in the market and/ or recommended by the Board members, as well as in-house training programmes.

This Annual Directors' Training Calendar shall be tabled at the GNC and the Board for endorsement in the first (1st) quarter of each year to create awareness amongst the Directors of training programmes which are available for the year. Thereafter, the GNC and the Board will be updated on the status of Directors' participation in these training programmes on a quarterly basis.

In establishing the Annual Directors' Training Calendar, the feedback/ suggestions received from Directors during the annual Board Effectiveness Evaluation exercise in terms of specific training needs required to enhance the Board's effectiveness and skills set, will also be taken into consideration.

Based on the feedback received from the Directors during the Board Effectiveness Evaluation conducted in 2025, the following areas were identified to be included in the Directors' training needs:

- Sustainability, Environmental, Social and Governance ("**ESG**") Risks and Climate Change Risks;
- Artificial Intelligence ("**AI**")/ disruptive technology/ fintech advancement; and
- Regulatory/ industry updates (financial services and capital markets industries).

3. Training Programmes Attended by Directors During Financial Year 2025

The training programmes attended by the Directors during the FYE 31 December 2025 are listed below.

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
1. Special Lecture: How Global Events Will Effect the Outlook for the Financial Industry in 2025 (YBhg Tan Sri Andrew Sheng) by FIDE FORUM	JN/ NAT/ RL/ CKC
2. Asean Investment Conference 2025 by Securities Commission Malaysia ("SC")	CKC
3. Webinar on Tariffs, Contracts & Risks by Malaysian Institute of Corporate Governance ("MICG")	CKC
4. Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half of 2024 by FIDE FORUM	JN/ CSS/ AOSM
5. Trump's Tariff and the Global Economy: What's Next, and what can be done by Asia School of Business ("ASB")	JN
6. The Influence of Board Culture on Corporate Performance by FIDE FORUM	CSS
7. Sasana Symposium 2025 'Structural Reforms: Building a Resilient Malaysia by BNM	JN/ NAT/ CKC/ CSS/ AOSM

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme		Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax		
8.	Setia Governance, Risk & Audit Forum 2025 - "Enhancing Value Through Resilience" by S P Setia Berhad	TSAJ
9.	Economic Indicators and Monetary Policy: A Guide for Business Leaders by ICLIF Executive Education Centre (Asia School of Business) ("ICLIF")	JN/ CSS/ AOSM
10.	Permodalan Nasional Berhad - Knowledge Forum 2025	TSAJ
11.	Navigating Shareholder Expectations: Remuneration Sentiment Insights in Malaysian Financial Institutions co-hosted by FIDE FORUM and Deloitte	JN/ NAT/ CSS/ AOSM
12.	Independent Directors & Tax Exposure: Clearing the air by RDS Partnership	TSAJ
13.	Audit Oversight Board's Conversation with Audit Committees by SC	NAT
14.	Global Internal Audit Standards by Institute of Internal Auditors (" IIAM ")	JN
Regulatory and Compliance, Dialogue and Discussion with Regulators, Institutions		
15.	Training on S P Setia's Conflict of Interest and Related Party Transactions Policy by S P Setia	TSAJ
16.	Directors' In-House Training: E-Invoice Awareness Briefing by PWC	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
17.	E-Invoice - Service Tax Impact on Independent Directors - FIDE FORUM	CKC
18.	Compliance with Listing Requirements - Reporting of Financial Statements by CKM Advisory organised by Kenanga Group Training department	LWH/ NAT
19.	ICDM Advocacy: E-invoicing for Directors - MyInvois & MyTax Portal Walkthrough with Ernst & Young ("EY")	NAT
20.	FIDE CORE PROGRAMME (Module A) by ASB	AOSM
21.	FIDE CORE PROGRAMME (Module B) by ASB	AOSM
22.	Directors' In-House Training: Boardroom Accountability in AML/ CFT/ CPF: Navigating Malaysia's Evolving Regulatory Landscape and Risk Environment by Mr. Aazad Ananthan Abdullah of Symphony Digest	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
Information Technology/ Digitalisation/ Cyber Security		
23.	EY AI Conference by EY	JN
24.	Board Leadership Workshop: Board's role in Digital Transformation: Putting Words into Action by FIDE FORUM	NAT/ CSS
25.	Governance of Generative AI by ICLIF	CSS
26.	Tokenising Financial Assets: What Financial Leaders Needs to Know Today by FIDE FORUM	JN/ NAT/ CSS/ AOSM
27.	Masterclass - Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities by FIDE FORUM	CSS
28.	AI's Next Wave: Chips, Code and Localisation by FIDE FORUM	NAT
29.	Navigating Digital Disruption: How can Board in Financial Institution Enhance Strategic Digital Governance by FIDE FORUM	JN
30.	MyFintech Week 2025 Ideate, Innovate, Co-Create: Shaping the Future of Finance - Collaboration between SC, Asian Institute of Chartered Bankers ("AICB"), Fintech Association of Malaysia and Malaysia Digital Economy Corporation ("MDEC")	NAT/ RL/ CKC

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme		Attended By
Information Technology/ Digitalisation/ Cyber Security		
31.	MyFintech Week 2025 Ideate, Innovate, Co-Create: Shaping the Future of Finance - Collaboration between SC, AICB, Fintech Association of Malaysia and MDEC	IHM/ JN/ AOSM
32.	Carbon Markets and Transition Credits by Climate Governance Malaysia Roundtable Series 2025	NAT
33.	Directors' In-House Training: Ensign Cyber Threat Landscape Report 2025 by Ensign Malaysia Sdn Bhd	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
34.	Monash Business School - Who is liable when AI goes wrong? Navigating the legal maze of AI	RL
35.	Monash Business School - Judgement & Decision making in Virtual and Physical Worlds	RL
36.	Singapore Fintech Festival 2025	IHM/ JN/ CKC
Islamic Banking and Finance, Shariah Compliance		
37.	Islamic Finance for Board by ISRA International Consulting Sdn Bhd ("ISRA Consulting")	AOSM
Sustainability and Environment, Social and Governance ("ESG")		
38.	National Climate Governance Summit 2025 by Climate Governance Malaysia	NAT
39.	BNM Sasana Symposium - Walkthrough on Climate Risk, Stress Testing & Scenario Analysis by Risk Management of KIBB	IHM/ NAT/ RL/ CSS/ AOSM
40.	Urban Biodiversity Conference 2025 by Sime Darby Property organised by S P Setia Berhad	TSAJ
41.	Directors' In-House Training: ESG - Just Transition for Board Leadership by Margie Ong, Thoughts In Gear; and Lim Wei Ren, Eastsprings Investments	TSAJ/ IHM/ LWH/ JN/ NAT/ RL/ CKC/ CSS/ AOSM
42.	Climate Talk or Last? By Prof Mak Yuen & Tina Thomas by ASB Academic	TSAJ/ CSS/ AOSM
43.	Setia Sustainability Day 2025 by S P Setia Berhad	TSAJ
44.	Carbon Markets and Transition Credits by Climate Governance Malaysia Roundtable Series 2025	NAT
45.	Blended Finance Access by Climate Governance Malaysia Roundtable Series 2025	NAT
46.	Principle to Action: Shaping Malaysia's just transition by Climate Governance Malaysia Roundtable Series 2025	NAT

Legend

- YAM Tan Sri Dato' Seri Syed Anwar Jamalullail ("**TSAJ**")
- Encik Ismail Harith Merican ("**IHM**")
- Mr. Luk Wai Hong, William ("**LWH**")
- Encik Jeremy Nasrulhaq ("**JN**")
- Puan Norazian Ahmad Tajuddin ("**NAT**")
- Mr. Kanagaraj Lorenz ("**RL**")
- Mr. Choy Khai Choon ("**CKC**")
- Madam Chin Siew Siew ("**CSS**")
- Ms. Angeline-Ong Su Ming ("**AOSM**")

CORPORATE GOVERNANCE OVERVIEW STATEMENT

4. Training Programmes Attended by Members of Shariah Committee During Financial Year 2025

The training programmes attended by the Shariah Committee members during the FYE 31 December 2025 are provided below.

Title of Programme	Attended By
1. 3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by Securities Commission Malaysia	DGJ
2. Asset and Funds Management Programme	DGJ
3. MIA Webinar Series: Fundamentals of Corporate Finance	DGJ
4. Muzakarah Penasihat Syariah Institusi Kewangan Islam KLIFF 2025 Kali Ke-18	DGJ
5. 3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by Securities Commission Malaysia	DMF
6. Asset and Funds Management Programme	DMF
7. MIA Webinar Series: Fundamentals of Corporate Finance	DMF
8. 3 rd Nadwah of Shariah Advisers in Islamic Capital Market 2025 by SC	DFM
9. Asset and Funds Management Programme	DFM
10. MIA Webinar Series: Fundamentals of Corporate Finance	DFM
11. 20 th Kuala Lumpur Islamic Finance Forum 2025 & Muzakarah Penasihat Syariah Institusi Kewangan Islam KLIFF 2025 Kali Ke-18	DFM

Legend

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

Succession Plan

Board and Board Committee

The Board had, in October 2015, formalised the Board Succession Planning Framework ("**Framework**") which outlines the guiding principles for effective succession planning, as well as the detailed procedure in ensuring smooth transition in the Board's process and functioning as existing Directors leave, and new ones come on board. This Framework is reviewed on a regular basis to ensure its alignment with the latest development in the relevant regulatory requirements, if necessary.

The Board had on 29 October 2024, approved the updated Framework in line with the latest regulatory and statutory requirements.

Senior Management

In July 2015, the Board had, upon the GNC's recommendation, approved the Talent and Succession Management Framework and Methodology for the Kenanga Group, which aims at ensuring ready successors for leadership positions capable of driving business growth and achieving the Group's strategic business plan, ensuring a pool of qualified and competent staff prepared and ready to fill up critical positions within the Group as and when required; and ensuring effective development, engagement and retention of high potential employees.

The Talent and Succession Management Framework and Methodology for the Kenanga Group is reviewed on annual basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Non-Executive Directors' Remuneration Framework

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors and Senior Management needed to operate the Company successfully, taking into consideration all relevant factors including the functions, workload and responsibilities involved, but without excessively overpaying to achieve its goal. Regarding the level of remuneration of the GMD and Senior Management personnel, it is deliberated by the GNC after giving due consideration to compensation levels of comparable positions of other similar companies in Malaysia.

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. The GNC also reviews annually the performance of the GMD, Chief Executive Officers of the subsidiaries of the Company, as well as Senior Management and make appropriate recommendations to the Board for approval accordingly.

The remuneration of the GMD and Senior Management are made up of two (2) components i.e., fixed basic salary and a variable component comprising the annual discretionary performance bonus and share awards under the ESS. The share awards will only be vested upon the GMD and Senior Management meeting the agreed Key Performance Indicators ("KPIs"). Details of such share awards are set out in Note 55 of the Financial Statements section of this Integrated Annual Report 2025.

For the FYE 31 December 2025, the Directors and Shariah Committee Members are paid the annual fees and meeting allowances for each meeting of the Board, Board Committee or Shariah Committee that they have attended, as stated below.

Fees	FYE 31 December 2025
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	RM78,000.00
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00
Member of Shariah Committee ⁽²⁾	RM54,000.00
	RM48,000.00

Type of Meeting Allowance	Per Meeting	
	Chairman	Member
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 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 FYE 31 December 2021 as approved by the Board of KIBB on 26 January 2022, upon the GNC's recommendation. The same had also been approved by the Shareholders at the Forty-Eighth (48th) Annual General Meeting ("AGM") of the Company held on 26 May 2022.

⁽²⁾ The Annual Fee for the FYE 31 December 2025 was based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

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The payment of Directors' fees will be made after obtaining the Shareholders' approval at the AGM.

The breakdown of the remuneration of individual Directors which includes fees, other emoluments and benefits-in-kind for the FYE 31 December 2025 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 ⁽²⁾	-	26,000.00	-	108,150.00 ⁽³⁾	654,150.00
Encik Ismail Harith Merican	300,000.00	-	44,000.00	-	-	344,000.00
Mr. Luk Wai Hong, William ⁽⁴⁾	381,468.49	-	82,000.00	-	-	463,468.49
Encik Jeremy Nasrulhaq	390,000.00	-	74,000.00	-	-	464,000.00
Puan Norazian Ahmad Tajuddin	522,005.48	-	126,000.00	-	-	648,005.48
Mr. Kanagaraj Lorenz	370,000.00	-	68,000.00	-	-	438,000.00
Mr. Choy Khai Choon	450,000.00	-	88,000.00	-	-	538,000.00
Madam Chin Siew Siew	340,000.00	-	58,000.00	-	-	398,000.00
Ms. Angeline-Ong Su Ming	300,000.00	-	40,000.00	-	-	340,000.00
TOTAL	3,573,473.97	-	606,000.00	-	108,150.00	4,287,623.97

Notes

⁽¹⁾ Subject to the Shareholders' approval at the forthcoming AGM.

⁽²⁾ Included RM40,000 in lieu of Club Membership.

⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.

⁽⁴⁾ Retired as Board member on 1 November 2025.

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 ⁽²⁾	-	26,000.00	-	108,150.00 ⁽³⁾	654,150.00
Encik Ismail Harith Merican	300,000.00	-	44,000.00	-	-	344,000.00
Mr. Luk Wai Hong, William ⁽⁴⁾	274,849.31	-	44,000.00	-	-	318,849.31
Encik Jeremy Nasrulhaq	390,000.00	-	74,000.00	-	-	464,000.00
Puan Norazian Ahmad Tajuddin	370,000.00	-	72,000.00	-	-	442,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	68,000.00	-	-	438,000.00
Mr. Choy Khai Choon	360,000.00	-	72,000.00	-	-	432,000.00
Madam Chin Siew Siew	340,000.00	-	58,000.00	-	-	398,000.00
Ms. Angeline-Ong Su Ming	300,000.00	-	40,000.00	-	-	340,000.00
TOTAL	3,224,849.31	-	498,000.00	-	108,150.00	3,830,999.31

Notes

⁽¹⁾ Subject to the Shareholders' approval at the forthcoming AGM.

⁽²⁾ Included RM40,000 in lieu of club membership.

⁽³⁾ Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits.

⁽⁴⁾ Retired as Board member on 1 November 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to the revised MMLR issued by Bursa Malaysia on 29 November 2024 on Paragraph 9.25 in relation to the enhancement of the remuneration disclosures in annual report with regard to Chief Executive of listed corporations, the detailed remuneration of the GMD is disclosed as stated below.

Name	Salary (RM'000)	Bonus (RM'000)	Defined Contribution Plan - EPF (RM'000)	Other Emoluments (RM'000)	Benefits-in Kind (RM'000)	Total (RM'000)
Datuk Chay Wai Leong	1,667	3,702	874	-	86	6,419

Board Effectiveness Evaluation

In line with the requirements of the MMLR, BNM's Policy Document on Corporate Governance and the recommendations of the MCCG, the performance and contribution of the Board, Board Committees and individual Directors are assessed annually in accordance with the Board Effectiveness Evaluation ("BEE") Framework approved by the Board.

This performance evaluation aims to objectively improve the effectiveness, maximise strengths and address weaknesses of the Board, Board Committees, as well as individual Directors, if any. It enables the Board to assess how they are performing and identify how certain elements of their performance may be improved.

Individual Director's performance evaluation is also aimed at assessing whether each Director continues to contribute effectively and able to demonstrate commitment to the role, including commitment of time for the Board and Board Committee meetings and any other duties.

For the Board and Board Committees, effectiveness evaluation was conducted using the self-assessment method, whereas for individual Directors, a combination of self-assessment and peer assessment method was used, based on pre-determined criteria covering key areas in line with the Board Charter, as well as the Terms of Reference of the Board Committees.

The Board's effectiveness was assessed in the areas of its 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.

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

Based on the revamped BEE Framework approved by the Board of KIBB on 3 November 2023, 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.

The assessment of the Board's effectiveness were based on criteria such as Overall Board Effectiveness, Board Responsibilities, Board Culture, Board Chair, Board Composition, Board Committee's Effectiveness, Board's Relationship with the GMD, Board Remuneration, Board Administration and Process, as well Board Education.

The Board Committees are assessed based on the fulfilment of each 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.

As for individual Directors, the assessment was based on pre-determined broad criteria relating to Board Dynamics and Participation, Leadership, Integrity and Objectivity, as well as Knowledge and Expertise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The outcomes of the assessment were then collated and compiled by the Company Secretary for tabling at the 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 or any areas of improvement identified.

The results obtained from the individual Directors' evaluation also served as one (1) 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 BNM, 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.

With regard to the assessment conducted in respect of FYE 31 December 2025, based on the approved evaluation criteria, the overall rating of the Board, Board Committees and Individual Directors, were as provided below.

Part I: Board and Board Committee Effectiveness Evaluation

In terms of the effectiveness of the Board and Board Committees, based on the assessment of each of the evaluation criteria listed below, the Board had scored between 66.00% to 77.66% with an Overall Scoring of 38.09 out of the total marks of 52.00 or 73.25% in terms of its effectiveness.

The lowest score given was in respect of Board Remuneration and Board Education where the scoring was 66.66%.

Criteria	2025		2024	
	Average Scoring/ Total Scoring	Scoring (%)	Average Scoring/ Total Scoring	Scoring (%)
Section A: Overall Board Effectiveness	7.75/10.00	77.50	7.78/10.00	78.00
Section B: Board Responsibilities	2.13/3.00	71.00	2.26/3.00	75.33
Section C: Board Culture	2.16/3.00	72.00	2.23/3.00	74.33
Section D: Board Chair	2.14/3.00	71.33	2.29/3.00	76.33
Section E: Board Composition	2.13/3.00	71.00	2.32/3.00	77.33
Section F: Committees				
a. Board Committees Evaluation	2.23/3.00	74.33	2.32/3.00	77.33
b. Board Committees Self Evaluation				
i. Audit Committee	2.23/3.00	74.33	2.47/3.00	82.33
ii. Employees Share Scheme Committee	2.23/3.00	74.33	2.11/3.00	70.33
iii. Group Board Digital Innovation & Technology Committee	2.21/3.00	73.66	2.33/3.00	77.66
iv. Group Board Risk Committee	2.21/3.00	73.66	2.22/3.00	74.00
v. Group Governance, Nomination & Compensation Committee	2.33/3.00	77.66	2.22/3.00	74.00
Section G: GMD	2.21/3.00	73.66	2.41/3.00	80.33
Section H: Board Remuneration	2.00/3.00	66.66	1.89/3.00	63.00
Section I: Board Administration and Process	2.13/3.00	71.00	2.19/3.00	73.00
Section J: Board Education	2.00/3.00	66.66	2.11/3.00	70.33
Overall Scoring for Board	38.09/52.00	73.25	39.15/52.00	75.29

Overall, there is a slight decline in terms of the scoring from 75.29% for 2024 to 73.25% for 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the feedback received from Board members, the following could be concluded:

1. Overall Board Effectiveness

- a. In terms of the overall effectiveness, the Board was noted to be well diversified in its composition with a mix of the right expertise and skill sets. The Board worked well together with a strong focus on governance and differences in opinion in key decisions were well understood and respected
- b. In order to further enhance the Board's effectiveness, the Board members felt that more focus should be put on strategic issues where greater formal and informal discussions between Board members on key strategic issues should be encouraged.
- c. In relation to Board development plans, the feedback received suggested the need for deeper understanding on technological advancements (e.g. AI) and its impact on KIBB being a financial institution, particularly in relation to new opportunities, new entrants (non-traditional players) and emerging risks.

2. Board Responsibilities

- a. Under this section, based on the feedback received, the Board was noted to have been effective in providing direction to the Company and in the development and monitoring of strategies in the interest of promoting long term viability.
- b. The Board was also noted to have understood and actively supported KIBB's digitalisation plan in order to build a sustainable business going forward, through the annual review of the broader strategy with Management.
- c. In terms of key enhancements required, some Board members suggested for the Board to spend more time in developing strategies and for more discussion on strategies during Board meetings.
- d. In terms of process improvement, a Board member suggested for wider use of digital/ AI tools within the Company.

- e. Whilst the Board was updated on a monthly basis on the Company's financial performance, mid-year review should be conducted to keep the Board abreast with the progress/ execution of the wider strategy.

A separate meeting should be convened for the tabling of the annual budget and business plan for a more effective and in-depth deliberation by the Board.

- f. The Board was noted to have provided effective oversight on the development and implementation of sustainability strategies in the Company and ensuring ESG aspects were appropriately balanced with the interest of the stakeholders.

Good foundation had been laid and was recognised by KIBB's inclusion in the FTSE4GOOD Bursa Malaysia Index. KIBB was also proactive in its approach to Climate Risk – Stress Testing and Scenario Analysis.

- g. The Board had also ensured appropriate strategy, technology infrastructure, data management practices and information security practices were in place to address the needs of the Company.
- h. The Board had built strength through Board evaluation, succession planning and continuous development. The suggestion received from a Board member was for the Board evaluation and succession planning processes to be further improved with the use of technology/ AI.
- i. The Board needs to review and/ or refresh the compositions of the Boards and the Board Committees of KIBB and its subsidiaries on a regular basis to ensure a well-balanced expertise and experience, as well as diversity of skill sets amongst the Board members, and effective Board and Board Committee succession plan.
- j. The Board had ensured the integrity of the Company's financial and non-financial reporting was in conformity with regulatory requirements and good international practices through an effective AC, Group Finance, as well as Group Internal Audit.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. Board Culture

- a. The Boardroom environment encouraged and valued open, constructive debate and diversity views to reinforce mutual respect and trust.
- b. The Chairmen of the Board and Board Committees facilitated and encouraged open discussions where differing/ dissenting opinions were heard. The Board demonstrated empathy in facilitating the discussions on differing views as there was a high level of trust, respect and candour amongst the Board members.
- c. All Directors contributed positively to boardroom discussions, including bringing global perspective and innovative ideas to discussions.
- d. The Board demonstrated focus and commitment to achieving outcomes based on the Company's vision, mission, strategy and key performance indicators despite obstacles.
- e. The Board made good and timely decisions that kept the Company moving forward.
- f. The Board held itself and others accountable to meet commitments and for the decisions made.
- g. The Board had been effectively agile and comfortable in providing leadership and decision-making in situations where the way forward was not clear or ambiguous.
- h. The Board promoted an effective working relationship with Management and supported Management's execution of Board's decisions by providing adequate authority, resources and reasonable targets.

4. Board Chair

- a. The Board Chair had effectively led the Board in the decision-making process by facilitating a consultative environment encouraging contribution from all Directors and managing boardroom conflict in a timely manner.
- b. The Board Chair proactively set the tone from the top, both in shaping the Board culture and in upholding the corporate values of the Company.

5. Board Composition

- a. The current Board size fit-for-purpose given the strategic direction of the Company.
- b. The current Board composition had the necessary experience and expertise required and was sufficiently diverse in contributing to robust Board discussions and effective decision-making.
- c. In view of the evolving and increasing regulatory scrutiny by the regulators, the Board composition could be strengthened by appointing a member with strong governance and regulatory compliance background.

6. Board Committee

- a. The Board Committees had been effective in assisting the Board to perform its roles and responsibilities.
- b. The Board Committees had effectively engaged issues and discharged its responsibilities based on its Terms of Reference.
- c. The current Board Committee composition contributed to robust discussions and enabled the Board Committees to carry out their duties effectively.
- d. The administration and processes of the Board Committees provided sufficient access to information and resources.
- e. The Board Committees met sufficiently to discuss and follow through key issues.
- f. The Chairmen of the Board Committees effectively led the Committees to ensure robust decision-making.

7. GMD

- a. The GMD had been effective in developing and executing the Company's strategy and initiatives.
- b. The GMD displayed consistent leadership qualities and agility in managing business affairs of the Company while cultivating a high-performance culture from the top that reinforces ethical and professional behaviour.
- c. The GMD demonstrated transparency with the Board by maintaining a healthy and professional relationship that reinforces mutual respect and trust.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

8. Board Remuneration

The remuneration received was appropriately commensurate with the effort and time required to perform all the duties and responsibilities associated with the Director position.

9. Board Administration and Process

- a. Governance documents and processes (Board Charter, Board Committee Terms of Reference, Annual Board Agenda and other governance documents) had been effective in facilitating the Board in discharging its responsibilities.
- b. The Board and Board Committee meetings had been conducted regularly and effectively with sufficient time allocated to each meeting for robust discussion and effective decision making.
- c. The Company Secretary had been effective in discharging his/ her role in supporting effective Board functioning.
- d. Feedback was also received for the Board process to be further enhanced by improving the dissemination of meeting papers from five (5) days before meeting currently to seven (7) days before meeting, to allow adequate review and meeting preparation by the Board members.

Part II: Directors' Effectiveness Evaluation

In terms of Individual Directors, their effectiveness was assessed based on the following criteria:

1. Section A: Board Dynamics and Participation

Under this section the individual Director is assessed as to whether he/ she –

- attends meetings well prepared as evidenced by the quality of his/ her contribution to discussions;
- listens to and values other opinions, proactively questions and respectfully challenges views and status quo without stifling discussions;
- is a team player and is considerate, collaborative and inclusive of others' views; and
- communicates effectively with other Board Members, the GMD and thereby enriching the decision-making process.

Based on the outcome of the assessment, the average scoring for all Directors ranges from the highest of 2.97 (99.00%) to the lowest 2.56 (85.33%). There was no adverse feedback given to any of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

2. Section B: Leadership, Integrity and Objectivity

Under this section, the individual Director is assessed as to whether he/ she -

- holds himself/ herself and others accountable to meet commitments and for decisions made;
- is courageous in stepping up to address difficult issues in order to ensure that matters are deliberated in a robust manner;
- upholds high levels of professionalism and impeccable integrity in his/ her conduct;
- remains composed and positive in the face of uncertainties when deciding on the best course of actions;
- shows empathy while persuading others to his/ her views;
- proactively discloses real and apparent conflict of interest situations and abstains from voting when necessary;
- demonstrates clarity of thought and independence of judgement in problem solving;
- is agile in adapting to different demands to his/ her role as a Board member; and
- makes good and timely decisions that keep the Company moving forward.

Based on the outcome of the assessment, the average scoring for all the Directors varies from the lowest of 2.47 (82.33%) to the highest of 2.94 (98.00%) out of 3.00. There was no adverse feedback given to any of the Directors.

3. Section C: Knowledge and Expertise

Under this section, the individual Director is assessed as to whether he/ she –

- demonstrates continuous learning by, among others, keeping abreast of industry developments and trends, competition, regulatory changes and technological advancements;
- is forward looking in the strategic insights and global perspective that he/ she brings to Boardroom discussions;
- is reasonably comfortable with the usage of technology whilst keeping abreast of its latest development;
- shares views that cultivate innovation in enhancing the Company's overall performance; and
- is mindful and takes into consideration relevant rules and regulation affecting the Company's various operations.

Based on the outcome of the assessment, the highest average rating was 2.95 (98.33%) and the lowest was 2.56 (85.33%) out of 3.00. There was no adverse feedback given to any of the Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the above, the Overall Average Scoring in respect of the individual Directors assessment was as follows:

2025			2024		
Average Scoring (Highest to Lowest)	Scoring (5)	No. of Directors	Average Scoring (Highest to Lowest)	Scoring (5)	No. of Directors
2.95/3.00	98.33%	2	2.90/3.00	96.67%	2
2.93/3.00	97.67%	1	2.89/3.00	96.33%	3
2.89/3.00	96.33%	1	2.88/3.00	96.00%	1
2.88/3.00	96.00%	2	2.87/3.00	95.67%	1
2.83/3.00	94.33%	1	2.86/3.00	95.33%	1
2.81/3.00	93.67%	1	2.79/3.00	93.00%	1
Total		8			9

Based on the assessment and the feedback received from members of the Board, as well as Board Committees, the following key initiatives to improve the Board's, as well as individual Directors' overall effectiveness had been identified:

- Directors to be continuously developed and equipped in the following areas:
 - ESG/ Sustainability/ Climate Change;
 - AI/ disruptive technology/ fintech advancement; and
 - Regulatory/ industry updates (financial services and capital markets industries).
- Regular informal discussion among the Directors to be organised to discuss strategic matters;
- Mid-year review on the Company's performance vis-à-vis its annual budget and progress of implementation of the strategic plans to be conducted;
- Timely circulation of Board papers;
- Succession Plan of Board, GMD and N-1s to be expedited and regularly reviewed; and
- To engage external consultant to conduct the BEE.

Independent Professional Advice

The Directors (either individually or as a group) have access to independent professional advice, at the expense of the Company, as well as separate and independent access to Senior Management at any point in time.

The Directors also have full access to the Group Company Secretary who is a Chartered Secretary under The Malaysian Institute of Chartered Secretaries and Administrators and qualified to act as company secretary under the Companies Act 2016. The Group Company Secretary ensures that the Directors are provided with sufficient information for the Board and Board Committee meetings which are accessible on the provided devices within reasonable period to the meetings.

Directorships in Other Companies

A Director must not have competing time commitments that may impair his/ her ability to discharge his/ her duties effectively. Directors are 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, as well as new external professional appointment. The notification should include an indication of time that will be spent on the new appointment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**Audit Committee**

The AC of KIBB comprises solely of INEDs and is chaired by an INED other than the Chairman of the Board. This is in line with the Step Up Practice 9.4 of the revised MCCG.

Details on the AC's composition, as well as its members' attendance at the AC meetings during the FYE 31 December 2025 are provided on pages 8 and 100 of this Integrated Annual Report 2025 and Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/agm2026>.

The AC is established to provide independent oversight on the Group's internal and external audit functions, internal controls and ensuring checks and balances within the Group.

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

Internal Audit Function

The Group Internal Audit ("**GIA**") is established by the 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**"), reports independently to the AC and has no responsibilities or authority over any of the activities reviewed by the Division.

The internal audit function is guided by its Audit Charter which is approved by the AC. The Audit Charter outlines amongst others, GIA's objectives, mission, scope, responsibility, accountability, authority, independence and objectivity, as well as standards and ethics.

An Annual Audit Plan based on the appropriate risk-based methodology has been developed and approved by the AC. On a quarterly basis, internal audit reports and status of internal audit activities including the adequacy of GIA's resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of audit recommendations by Management.

The GCIA is invited to attend the AC meetings to facilitate the AC's deliberations of audit reports.

The AC, pursuant to its Terms of Reference, oversees the effectiveness of the internal audit function of KIBB by –

- reviewing, approving and reporting to the Board the audit scope, procedures and frequency;
- 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 issues identified by GIA;
- taking note of significant disagreements between the GCIA and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact such disagreements may have on the audit process or findings;
- establishing a mechanism to assess the performance and effectiveness of the internal audit function;
- 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
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Board Risk Committee

The GBRC comprises three (3) INEDs and one (1) NINED and is chaired by an INED other than the Chairman of the Board.

Details on the GBRC's composition, as well as its members' attendance at the GBRC meetings during the FYE 31 December 2025 are provided on pages 8 and 101 of this Integrated Annual Report 2025 and in Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/agm2026>.

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 also 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. In addition, the GBRC supports the Board in carrying out the oversight governance function of sustainability risks and opportunities and its underlying ESG matters of the Group.

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

During the FYE 31 December 2025, the GBRC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters as stated below.

- Proposed Interim Dividend for the FYE 31 December 2024
 - 2024 Performance Appraisal of Group Chief Risk Officer ("**GCRO**") of KIBB
 - 2025 Balanced Scorecard for GCRO of KIBB
 - Inclusion of Managing Key Risks and Opportunities in Integrated Annual Report 2024
 - ICAAP 2024 (with BNM Semi-Annual Stress Testing Report as at 31 December 2024 Embedded)
 - Pillar 3 Disclosure as at 31 December 2024
 - BNM Semi-Annual Stress Testing Report for Position as at 30 June 2025
 - Annual Review of Underlying Suitability Assessment ("**USA**") – Master Framework and USA – Linear Combination Product Programme
 - Revisions of the following:
 - Technology Risk Management Framework
 - Multi-Asset Investment Product Programme
 - FMPF – Conventional
 - Climate Change Risk Management Framework
 - Operational Risk Management Framework
 - Operational Risk Scenario Analysis Framework
 - Contingency Funding Plan for Year 2025
 - Risk Appetite Framework
 - Cyber Incident and Response Drill Stress Test Exercise Report
 - Re-assignment of Ownership and Revision of the FMPF
 - Adoption of Fair Value to Profit and Loss for Products Issued by KIBB under the FMPF
 - Technology Risk Stress Test – Cyber Incident Response (Stress Test #2 and Reverse Stress Test) Report
 - Changes of Market Risk Limits for Equity Markets for Financial Year 2026 and Beyond
- Besides approving the 2024 Performance Appraisal and 2025 Balanced Scorecard for the Head of Independent Credit Review ("**ICR**") and ICR Plan 2025, the following updates had also been tabled to the GBRC during the FYE 31 December 2025, for its deliberation and notation:
- Risk Management Reports
 - Business Continuity Plan and Disaster Recovery Plan Test Matrix 2025
 - Ageing Report for Treasury Bonds, Held-for-Trading and Available-for-Sale Portfolios as at 30 November 2024 and 31 December 2024
 - Kenanga Research Macroeconomic Outlook Summary
 - Climate Risk – Stress Testing and Scenario Analysis Report
 - Operational Risk Capital Charge Assessment for Year 2024
 - Investment Portfolio Updates by Kenanga Private Equity Sdn Bhd
 - ICR's Post Approval Review of Kenanga Capital Sdn Bhd's Loans and Share Margin Financing
 - Operational Risk Scenario Analysis Assessment 2025
 - Revisions of the following:
 - Composition of the Group Risk Committee
 - Operational Risk Scenario Analysis Procedure
 - Operational Risk Key Risk Indicator Procedure
 - Reporting Approach for Operational Risk Events
 - Gap Analysis and Action Plan vis-à-vis the SC's Guidelines on Technology Risk Management
 - Scenario Risk Based Assessment 2025 for RENTAS System
 - KIBB's Onboarding Process of High-Risk Clients
 - Update on the Business Case for the Establishment of Equity Product Origination
 - Scenario-Based Risk Assessment 2025 for SWIFT System

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Board Digital Innovation & Technology Committee

The GBDITC comprises three (3) INEDs and one (1) NINED and is chaired by an INED other than the Chairman of the Board.

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 risks, 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 includes the digitalisation strategy for the Group.

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

Risk Management and Internal Control

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 Group.

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.

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. The Group's inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the Shareholders' investments and the Group's assets.

The details of KIBB Group's internal control system and risk management framework are set out in the SORMIC appearing on pages 139 to 143 of this Integrated Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Audit Committee to Ensure Compliance with Financial Reporting Standards**

At the Board meetings, the Board reviews Management's reports on the business performance of KIBB, as well as its major subsidiaries, associate and joint-venture companies and the analysis of the Group's performance in comparison to the positions in the preceding month and quarter, as well as year-to-date.

The Board deliberates, and in the process, assesses the viability of business propositions and corporate proposals, and the principal risks that may have significant impact on KIBB's business or on its financial position, as well as the related mitigating factors.

The Board aims to provide a clear, balanced and comprehensive assessment of the Group's financial performance and prospects through the Audited Financial Statements and quarterly financial reports, as well as through material disclosures made in accordance with the MMLR of Bursa Malaysia.

The AC assists the Board in overseeing the integrity of the Group's financial reporting and part of this role involves the operation of the financial reporting processes. The processes are aimed at providing the assurance that the financial statements and related notes are completed in accordance with applicable legal requirements and accounting standards and give a true and fair view of the Group's financial positions. In fulfilling this responsibility, the AC also reviews the accuracy and adequacy of the Chairman's Message and corporate governance disclosures in the Company's Integrated Annual Report 2024, the interim financial reports and preliminary announcements in relation to the preparation of financial statements.

During the year under review, two (2) sessions between the AC and the External Auditors were held in the absence of Management, as part of the medium for greater exchange of views and opinions between both parties in relation to financial reporting.

Investor Relations and Shareholder Communications

The Board is committed to providing the Shareholders, investors and other stakeholders with comprehensive, timely and equal access to information on the Group's activities to enable them to make informed investment decisions.

To ensure continuous communication between KIBB Group and its stakeholders, as well as to facilitate mutual understanding, the Group employs a wide range of communication channels via its Kenanga Digital Channels such as Facebook, Instagram,

LinkedIn, TikTok, YouTube, direct communication and publication of all relevant Group information on its website at <https://www.kenanga.com.my>. The Group utilises its corporate website and social media channels as a means of providing information to its Shareholders and the broader investment community. In 2023, the Company released its first-ever Sustainability Report which is intended to enhance the Group's ESG disclosures to stakeholders.

KIBB Group's corporate website provides comprehensive and easy access to the latest information about the Group. The Group's information made available on the corporate website includes information relating to inter alia, KIBB and its subsidiaries' corporate profiles, Board, Senior Management, corporate governance related matters such as the Board Charter, as well as the Terms of Reference of the various Board Committees, financial reports, annual reports and corporate news via public announcement, media releases and articles.

KIBB endeavours to improve communications with its stakeholders by ensuring information about the Company, products and services are up-to-date and easily accessible with the use of technology via its own Digital Channels and other forms of external media be it digital or traditional such as broadcast or print.

The Company believes it is important to communicate information to stakeholders on a regular basis. In support of this, the Company conducts quarterly result briefings with its institutional shareholders. During these sessions, the Company provides snapshots of its results and business, as well as holding Questions and Answers ("Q&A") sessions to answer inquiries from participants. Quarterly financial information is also communicated via press release and quarterly result briefing decks, as well as the Company's social media channels and corporate website.

For better coordination and control of efficiency, all investor relations events are organised and managed by the Group Marketing, Communications and Sustainability of KIBB.

In order to enhance stakeholders' experience whilst surfing the corporate website, the Company is continuously looking into ways to enhance its corporate website to ensure that the navigation is indeed user-friendly, and information shared are easily accessible to all stakeholders. For this purpose, the Company had taken the effort in 2021 to enhance the searchability of its websites via Search Engine Optimisation (SEO) and Search Engine Marketing (SEM).

Information relating to the procedures of whistleblowing is also available on the corporate website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

General Meetings

In line with its digital transformation efforts, the Company has focused on the dissemination of its Annual Report via its website at <https://www.kenanga.com.my/investor-relations/agm2026> in order to reach a wider spectrum of Shareholders who are active internet users.

Shareholders are encouraged to attend the AGM and to use these opportunities to raise questions and vote on important matters affecting the Group, including the re-election of Directors, the receipt of the Audited Financial Statements, Directors' Remuneration, Renewal of Share-Buy Back Authority, as well as corporate proposal, if any.

The Company had conducted its Fifty-First (51st) AGM physically on 29 May 2025.

During the AGM, all the members of the Board together with the External Auditors, Company Secretary, the GMD and a few of the key Senior Management were present to attend to any questions posed by the Shareholders.

To foster better engagement with the Shareholders during the Fifty-First (51st) AGM, the Company had also arranged for one (1) of its Senior Management personnel to brief the Shareholders on the Company's financial performance and operations in respect of the FYE 31 December 2024 and Business Prospects for 2025 to keep them abreast of the Group's achievements and plans moving forward.

Following the presentation, the GMD presided over the Q&A session and answered all the questions raised by the Shareholders prior to the AGM, as well as the questions posted real-time during the AGM. In 2025 AGM, there were no questions received from the Minority Shareholders Watch Group.

Pursuant to Paragraph 9.21(2)(b) of the MMLR of Bursa Malaysia, KIBB had published its AGM minutes and Q&As (Key Matters Discussed) on the Company's website within the specified time after the AGM.

Apart from the engagement with stakeholders through the Annual Reports and general meetings, the Company also makes announcements relating to its quarterly results and other relevant announcements to Bursa Malaysia via Bursa LINK to provide stakeholders with material key information which could affect their decision making, thus enhancing the level of transparency.

To strengthen its line of communication with the Shareholders, as mentioned earlier, the Board had in July 2021 designated Encik Jeremy Nasrulhaq as the Senior Independent Director, to take heed of their concerns on matters related to corporate governance and the Group's performance, amongst others.

Sustainability Management

Sustainability is increasingly becoming a necessity for corporations around the world to adopt and implement within their business operations to be sustainable.

In cognisance of the importance of sustainability, the Board of KIBB had on 29 July 2021 established a Management level committee, the Group Sustainability Management Committee ("**GSMC**"), led by the GMD to drive the sustainability agenda for Kenanga Group.

The objective of the GSMC is to support the Board in the governance of sustainability in Kenanga Group including setting sustainability strategies, priorities and targets, to ensure that KIBB 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 the effective implementation of the Group's sustainability strategies and plans.

In addition to the above, a Group Chief Sustainability Officer was appointed in 2022 and resources were assigned to advance the Group's ESG agenda through the establishment of a Sustainability Department with dedicated headcount.

Sustainability Plan

In embarking on its sustainability journey, on 13 September 2021, a Sustainability Plan was presented to the GSMC to outline the Group's key sustainability priorities, which was later tabled at the GNC and approved by the Board of KIBB on 28 October 2021.

Double Materiality Assessment

In 2024, the first double materiality assessment was conducted to align with evolving sustainability reporting standards and manage stakeholder expectations, in line with the National Sustainability Reporting Framework and the requirements of IFRS S1 and S2. This assessment provided an overview of Kenanga Group's business impact towards the environment and society and identified sustainability risks and opportunities that may influence the financial performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Further, based on the outcomes of the Double Materiality Assessment, the GSMC, through the GNC, has recommended a refreshed Kenanga Sustainability Framework with new identified material matters to KIBB Board for endorsement. These updates are intended to better inform and support the execution of the Group's sustainability strategy.

Updated Kenanga Sustainability Framework

The updated Kenanga Sustainability Framework provides strategic direction for the Group's sustainability initiatives, including the setting of priorities, targets, and performance management across the organisation. It is anchored on four (4) sustainability pillars and reflects a refreshed set of material matters.

Following a comprehensive Double Materiality Assessment, thirteen (13) material matters were identified as most significant to the Group and its stakeholders. This assessment also introduced two (2) new topics: Financial Inclusion and Risk Management. Financial Inclusion underscores Kenanga Group's commitment to enhancing access to financial services, fostering inclusive economic development, and advancing social equity. Risk Management highlights the importance of proactively addressing risks related to sustainability and climate, and its relevance to the broader risk categories covered under the Kenanga Group's Enterprise Risk Management Framework to safeguard client interests and support long-term organisational resilience. Below are the updated Material Matters:

Sustainability Pillars	Updated Material Matters
Good Governance	<ul style="list-style-type: none"> • Good Business Conduct • Risk Management • Regulatory Compliance
Sustainable Economic Growth	<ul style="list-style-type: none"> • Responsible Investment • Digitalisation • Cyber Security • Client Experience
Environmental Stewardship	<ul style="list-style-type: none"> • Climate Impact
Empowering People and Communities	<ul style="list-style-type: none"> • Diversity and Inclusion • Employee Safety, Health and Wellbeing • Talent Attraction, Development and Management • Community Investment • Financial Inclusion

Kenanga Group's Sustainability Goals and Targets, Sustainability Roadmap 2023-2025

In April 2022, guided by the Kenanga Group's Sustainability Framework and Sustainability Plan, the Group Sustainability Goals and Targets were presented to the GSMC by Group Marketing, Communications & Sustainability. The goals and targets, which outlined the Group's sustainability ambitions, were subsequently approved by the Board of KIBB on 6 April 2022, upon the recommendation of the GNC.

Later, on 7 December 2022, the Board approved the Group Sustainability Roadmap 2023-2025, following recommendations from both the GSMC and the GNC. The Roadmap serves as a strategic guide to implementing the Group's sustainability goals and targets.

In 2024, the Group's sustainability goals and targets were reviewed to assess their continued relevance and progress. As a result of this review, the Board approved a refreshed set of goals and targets to better align with national sustainability priorities and the evolving expectations of stakeholders.

To support the implementation of the Sustainability Roadmap, relevant ESG KPIs were further strengthened and integrated into the Balanced Scorecards of respective employees to track and monitor ESG performance.

Additionally, following the update of the sustainability goals and targets, Group Human Resource introduced Individual Development Plans ("IDPs") to enhance ESG-related competencies among employees in relevant roles. These IDPs aim to equip personnel with the skills, knowledge, and mindset required to drive the Group's ESG agenda while fostering a culture of continuous learning.

As the Group concludes the implementation of Kenanga Group's Sustainability Roadmap 2023-2025 ("**Sustainability Roadmap**"), the Roadmap is currently being reviewed to assess its continued relevance and alignment with the requirements of IFRS S1 and S2, guided by the National Sustainability Reporting Framework. In 2025, a Decarbonisation Roadmap was introduced to complement the Sustainability Roadmap, with a specific focus on climate impact management and decarbonisation initiatives across all Greenhouse Gas ("**GHG**") emission scopes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Kenanga Group Climate Risk Management

On 9 December 2021, the Board had approved Kenanga Group's Climate Change Risk Management Framework ("**CCRM Framework**") to incorporate climate risk management expectations from the regulators, and the broader market. The Framework outlines key principles, governance structures, best practices, Climate Change Principles Based Taxonomy ("**CCPT**") classifications, and the Group's risk appetite. This guides Kenanga Group's approach to managing climate change-related risks and it serves as a comprehensive reference for integrating climate considerations into the Group's governance processes, business strategy and operations, risk management system, as well as reporting and disclosure practices.

The climate change risk to be managed by the Group shall be governed by the existing risk governance structure that involves the Board, Board Committees, Management Committees, Business Units and Group Risk Management.

The CCRM Framework serves as a guide to facilitate climate risk assessments of economic activities, and its impact on climate and the environment. The CCRM Framework also covers the strategy, principles, as well as initiatives in areas of climate risk management for Kenanga Group operations. The CCRM Framework was updated in 2023, to align it with BNM's Policy Document on Climate Risk Management and Scenario Analysis issued in November 2022, and again in 2024 to incorporate updates on BNM's FAQs and Due Diligence Questions on CCPT classification. As the climate policy landscape continues to shift, the framework will be updated accordingly to remain aligned with applicable regulations and strategic drivers.

As part of its ongoing efforts to strengthen climate risk management and meet regulatory expectations, Kenanga Group completed a preliminary climate scenario analysis and stress testing exercise in 2024. This was followed in 2025 by a more detailed climate scenario analysis and climate risk identification exercise for selected Business Units. These initiatives aimed to identify and assess the potential, including financial, impacts of climate-related risks at both portfolio and sectoral levels, thereby supporting the development of appropriate and resilient business strategies aligned with the requirements of IFRS S1 and S2.

Concurrently, since 2024, the Group has been assessing its Scope 3, Category 15 emissions, comprising financed and facilitated emissions across both on and off-balance sheet activities, guided by the Partnership for Carbon Accounting Financials and the GHG Protocol.

The outcomes of these exercises were presented to the GBRC and the GSMC by Group Risk Management and Group Marketing, Communications and Sustainability, respectively, to support the integration of climate risk insights into the Group's broader sustainability management and strategic planning.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS *(Pursuant to Paragraph 15.26(a) of the MMLR)*

The Board is fully accountable for ensuring that the Audited Financial Statements are prepared in accordance with the Companies Act 2016 and the applicable approved accounting standards set out by the Malaysian Accounting Standards Board so as to present a true and fair view of the state of affairs of the Group and of the profit and loss and cash flow as at the end of the accounting period.

In preparing the Audited Financial Statements, the Directors are satisfied that the applicable approved accounting standards in Malaysia have been complied with reasonable and prudent judgment and estimates have been made. The Audited Financial Statements are also prepared on a going concern basis, as the Board has a reasonable expectation, after having made enquiries that the Group has adequate resources, to continue its operational existence in the foreseeable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL INFORMATION**Audit and Non-Audit Fees**

The details of the audit and non-audit fees payable to the External Auditors, EY and its affiliates, for the FYE 31 December 2025 are provided below.

	Group (RM)	KIBB (RM)
Statutory Audit	579,700	380,000
Audit/ Assurance Related	59,195	59,195
Non-Audit Fees – EY Assurance Team	81,500	39,500
Non-Audit Fees – EY Tax Team	0	0
Total Non-Audit	81,500	39,500
Grand Total	720,395	478,695

Related Party Transactions (“RPTs”) and Recurrent Related Party Transactions (“RRPTs”)

RPTs and/ or RRPTs entered into by the Company and/ or KIBB Group are reviewed by the AC during its quarterly meetings to ensure compliance with the MMLR of Bursa Malaysia. The AC is required to review the RPTs and RRPTs to ensure that they are monitored and conducted in a manner that is fair and at arms’ length basis, with the terms not to the detriment of minority shareholders and in the best interest of the Company and/or KIBB Group.

Material Contracts Involving Interests of Directors, GMD or Major Shareholders

There was no material contract entered into by the Company or its subsidiary companies involving the interests of the Directors, the GMD or Major Shareholders which still subsisted at the end of the FYE 31 December 2025.

Utilisation of Proceeds Raised from Corporate Proposals

On 11 June 2025, the Company had established the AT1CS Programme of up to RM500 million in nominal value.

On 22 August 2025, the Company had issued RM40,000,000 of AT1CS under the programme.

The proceeds from the issuance of the AT1CS Programme are being utilised by the Company for working capital, capital expenditure requirements and/or general corporate purposes.

The proceeds from the previous issuance of Subordinated Notes under the RM250 million in nominal value Tier 2 Subordinated Note Programme which was established on 27 March 2017 are being utilised by the Company for working capital requirement. The Company had fully redeemed the tranche 4 and tranche 5 of its Subordinated Notes with nominal value of RM50.0 million and RM47.0 million on 20 March 2025 and 28 August 2025, respectively.

Details on the outstanding Subordinated Notes under the programmes are set out under Note 26 of the Financial Statements section appearing on page 264 of this Integrated Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Employees' Share Scheme

After obtaining the Shareholders' approval at an EGM held on 25 May 2017, KIBB had, on 21 September 2017, established and implemented an ESS of up to 10% of its total issued share capital (excluding treasury shares) at any one time during the duration of the Scheme for the Eligible Employees which would be valid for a period of five (5) years from its commencement date. Following the Board of KIBB's approval on 10 June 2020, the duration of the ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

The ESS comprises the ESOS and Employees' Share Grant Plan ("**ESGP**"). It is governed by the ESS By-Laws approved by the Shareholders at the aforesaid EGM and administered by the ESS Committee, comprising three (3) INEDs.

Since the commencement of the ESS on 21 September 2017, six (6) offers had been made under the ESOS on 2 January 2018, 31 May 2018, 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively. As for the ESGP, the Board of KIBB had on 4 March 2021, approved the granting of the Performance Share Plan ("**PSP**") Award to Eligible Employees of the Company and its non-dormant subsidiaries on 3 May 2021 where the PSP shares were vested on 2 June 2021 ("**Vesting Date**").

In determining the total number of shares to be awarded to each Eligible Employee, the ESS Committee and the GNC had taken into consideration amongst others, the Eligible Employees' performance, seniority (denoted by corporate rank) and contribution to the growth and performance of KIBB Group. As part of the condition attached to the PSP Award, the PSP Grantee is restricted from selling/ transferring the shares issued to him/ her for a period of one (1) year from the Vesting Date.

The details of the ESS are set out under Note 55 of the Financial Statements section appearing on pages 371 to 380 of this Integrated Annual Report 2025.

Brief details on the number of options granted, exercised, forfeited and outstanding since the commencement of the ESS on 21 September 2017 and during the Financial Year ("**FY**") 2018, FY 2019, FY 2020, FY 2021, FY 2022, FY 2023, FY 2024 and FY 2025 are set out below.

For the Period from 21 September 2017 to 31 December 2018

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	59,423,000	10,000,000 ⁽³⁾	16,580,000 ⁽³⁾	32,843,000 ⁽³⁾
Exercised	194,400	0	0	194,400
Forfeited ⁽⁴⁾	1,479,000	0	0	1,479,000
Outstanding	57,749,600	10,000,000	16,580,000	31,169,600

For the FY from 1 January 2019 to 31 December 2019

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	6,431,000	0	750,000 ⁽⁵⁾	5,681,000 ⁽⁵⁾
Exercised	0	0	0	0
Forfeited ⁽⁴⁾	1,528,000	0	0	1,528,000
Cancelled ⁽⁶⁾	265,500	0	195,000	70,500
Outstanding	62,387,100	10,000,000	17,135,000	35,252,100

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2020 to 31 December 2020

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	3,311,000	0	0	3,311,000 ⁽⁵⁾
Exercised	9,247,100	0	1,161,000	8,086,100
Forfeited	1,731,000	0	450,000 ⁽⁷⁾	1,281,000 ⁽⁴⁾
Cancelled ⁽⁶⁾	952,500	0	195,000	757,500
Outstanding	53,767,500	10,000,000	15,329,000	28,438,500

For the FY from 1 January 2021 to 31 December 2021

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	4,578,000	0	0	4,578,000 ⁽⁵⁾
Adjustment ⁽⁸⁾	0	0	80,000	-80,000
Exercised	25,675,000	3,000,000	9,419,000	13,256,000
Forfeited ⁽⁴⁾	2,158,000	0	300,000	1,858,000
Cancelled ⁽⁶⁾	227,500	0	0	227,500
Reinstatement ⁽⁹⁾	450,000	0	450,000	0
Lapsed ⁽¹⁰⁾	86,000	0	0	86,000
Outstanding	30,649,000	7,000,000	6,140,000	17,509,000
Granted	3,610,000	320,000	2,030,000	1,260,000
Vested ⁽¹¹⁾	3,610,000	320,000	2,030,000	1,260,000
Outstanding	0	0	0	0

For the FY from 1 January 2022 to 31 December 2022

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment ⁽¹²⁾	0	0	840,000	-840,000
Exercised	12,673,500	0	5,758,000	6,915,500
Forfeited	956,500	0	0	956,500
Cancelled ⁽⁶⁾	269,500	0	0	269,500
Lapsed ⁽¹⁰⁾	39,500	0	0	39,500
Outstanding	16,710,000	7,000,000	1,222,000	8,488,000
Granted	0	0	0	0
Adjustment	0	0	50,000	-50,000
Vested	0	0	0	0
Outstanding	0	0	0	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2023 to 31 December 2023

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	1,791,500	1,000,000	0	791,500
Forfeited	1,154,500	0	0	1,154,500
Cancelled ⁽⁶⁾	118,500	0	0	118,500
Lapsed ⁽¹⁰⁾	2,092,000	2,000,000	0	92,000
Outstanding	11,553,500	4,000,000	1,222,000	6,331,500

For the FY from 1 January 2024 to 31 December 2024

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	4,855,000	1,000,000	732,000	3,123,000
Forfeited	230,000	0	0	230,000
Cancelled ⁽⁶⁾	52,000	0	0	52,000
Lapsed ⁽¹⁰⁾	3,502,500	3,000,000	0	502,500
Outstanding	2,914,000	0	0	2,914,000

For the FY from 1 January 2025 to 31 December 2025

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Exercised	698,500	0	154,000	544,500
Forfeited ⁽⁴⁾	187,000	0	0	187,000
Cancelled	0	0	0	0
Lapsed ⁽¹⁰⁾	569,000	0	0	569,000
Outstanding	1,459,500	0	336,000	1,123,500

Notes

⁽¹⁾ The Employee(s) of the KIBB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5.

⁽²⁾ The GMD is not a Director of KIBB. None of the Directors of KIBB is entitled to participate in the ESOS and the ESGP.

⁽³⁾ The offer to the GMD was granted on 31 May 2018 while the offer to Senior Management and Other Entitled Employees was granted on 2 January 2018 respectively.

⁽⁴⁾ ESOS forfeiture due to staff resignation

⁽⁵⁾ The offer to Other Entitled Employees and Senior Management was granted on 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively.

⁽⁶⁾ ESOS cancellation due to vesting conditions not fully met.

⁽⁷⁾ ESOS forfeiture in compliance with Section 92 of the Financial Services Act 2013.

⁽⁸⁾ Adjustment made due to an employee's appointment as the Chief Executive Officer of Eq8 Capital Sdn Bhd. Hence, the re-categorisation of the ESOS.

⁽⁹⁾ Reinstatement of the earlier forfeited ESOS in Note 7.

⁽¹⁰⁾ ESOS lapsed due to unexercised options within the three (3) years of the Exercisable Period.

⁽¹¹⁾ PSP Grant vested and credited to employees' CDS accounts.

⁽¹²⁾ Adjustment made due to an employee's appointment as a Group Executive Committee Member of KIBB. Hence, the re-categorisation of the ESOS.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Maximum Allowable Allocation of the Scheme

The aggregate maximum number of KIBB shares that may be offered to an Eligible Person under the Scheme shall be determined at the sole and absolute discretion of the ESS Committee after taking into consideration, amongst others, the provisions of the By-Laws of the ESS, MMLR of Bursa Malaysia or other applicable regulatory requirements prevailing during the option period relating to employees' and/ or Directors' share issuance schemes, as well as, the performance, targets, position, annual appraised performance, seniority and length of service of the Eligible Person or such other matters which the ESS Committee may in its sole and absolute discretion deem fit and subject to the following:

- a. Aggregate maximum number of KIBB shares which may be made available under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Company (excluding treasury shares) ("**ESS Shares**") at any point in time during the duration of the Scheme ("**Maximum ESS Shares**").
- b. Not more than 10% of the aggregate number of KIBB shares to be issued under the Scheme shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued share capital of KIBB (excluding treasury shares, if any).

The ESS granted to the GMD and Senior Management during the FYE 31 December 2025 and since the commencement of the ESS up to 31 December 2025 is tabulated below.

Description	1 January 2025 to 31 December 2025	Since Commencement Up to 31 December 2025
Percentage of the Aggregate Maximum Allocation over the Maximum ESS Shares	0%	33.51%
Actual Percentage of the ESOS Granted over the Maximum ESS Shares	0%	30.21%
Actual Percentage of the ESGP Vested over the Maximum ESS Shares	0%	3.30%

In respect of FY 2025, there was no allocation of the shares under the ESS made to the Eligible Employees and hence, no review was conducted.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Chairman of the Board