

# ETHICS AND COMPLIANCE STATEMENT

## OUR COMMITMENT TO ETHICAL CONDUCT AND GOVERNANCE

Ethics and compliance remain fundamental to how Kenanga Investment Bank Berhad and Its Subsidiaries (“**Kenanga Group**” or “**the Group**”) conduct business. They underpin the Group’s governance framework, guide decision-making, and support sustainable value creation for stakeholders.

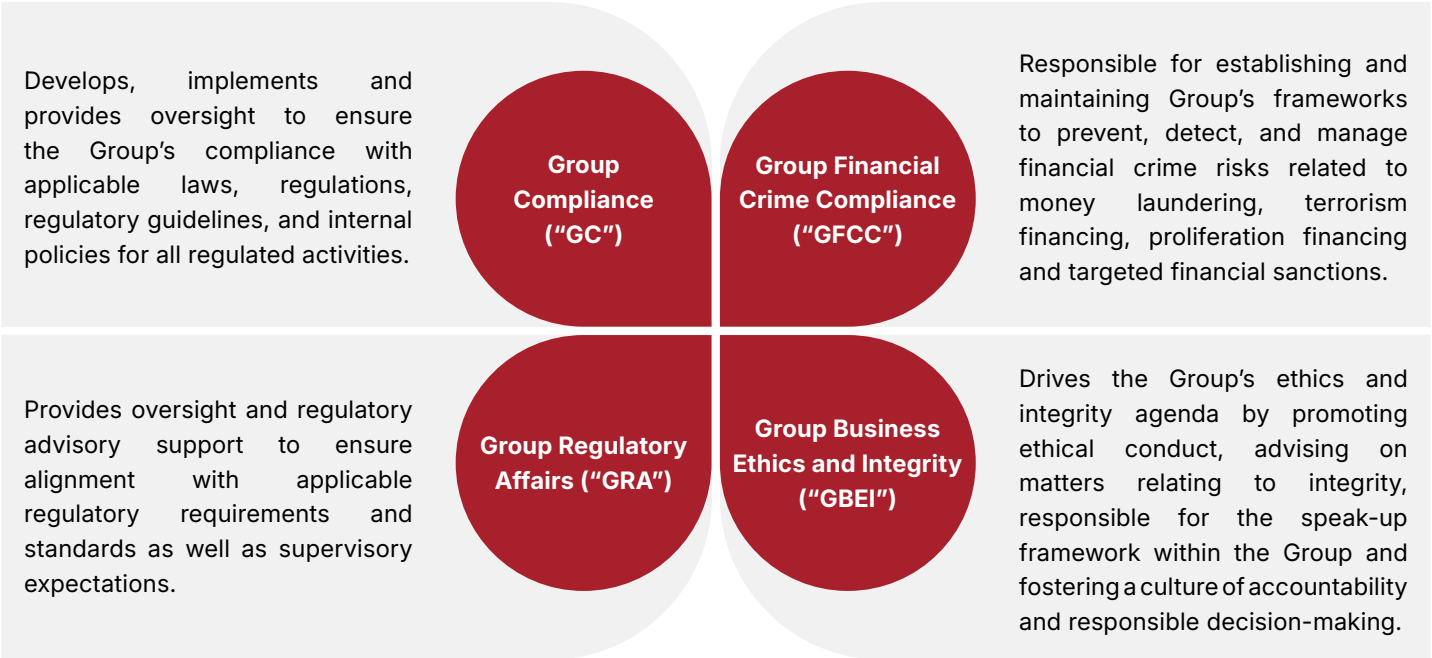
In an increasingly complex regulatory environment marked by heightened stakeholder expectations and evolving regulatory developments, the Group continues to uphold ethical conduct, integrity, and accountability. These principles are integrated within the Group’s governance structures, policies and operational practices, ensuring that compliance is not a standalone obligation but an integral part of business conduct.

Throughout 2025, the Group maintained ethical standards, strengthening compliance discipline and cultivating a culture where integrity is demonstrated consistently in behaviour, decision-making, and outcomes.

## COMPLIANCE AND ETHICS GOVERNANCE STRUCTURE

The Group’s ethics and compliance framework is supported by a coordinated governance and operating model under the Group Compliance and Ethics (“**GCE**”) function. This framework is designed to provide effective oversight, ensure regulatory compliance, promote ethical conduct, and support consistent application of policies and standards across the Group.

In 2025, the GCE function comprised four specialised departments, each with distinct but complementary roles. Together, these departments support the Board and Senior Management in discharging their oversight responsibilities and in embedding ethics and compliant practices across the Group’s operations and culture.



While each department has distinct responsibilities, the effectiveness of the ethics and compliance framework is underpinned by close collaboration across the GCE function, as well as other control and assurance functions. This integrated approach supports consistent management of ethics, compliance, conduct, and regulatory risks across the organisation.

## ETHICS AND COMPLIANCE STATEMENT

**COMPLIANCE OVERSIGHT AND ASSURANCE**

GC provided oversight and advisory support to ensure the Group's regulated activities were conducted in accordance with applicable laws, regulations, guidelines, and internal policies.

Through ongoing engagement with business units and control functions, GC supported consistent interpretation and application of regulatory requirements across the organisation. These efforts reinforced responsible conduct, strengthened compliance culture, and sustained informed decision-making in day-to-day operations.

**1. Market Conduct, Surveillance and Information Controls**

The Group maintained a disciplined approach to market conduct and trading oversight throughout 2025. GC oversaw market and trading surveillance activities to promote fair, orderly, transparent markets and to detect unusual or possible trading behaviour at an early stage.

In parallel, GC maintained controls relating to confidential information and personal trading through the maintenance of Restricted Lists, Blackout Lists and Over-the-Wall registers. These controls aim to mitigate conflicts of interest and safeguard material non-public information, as well as support the integrity of the Group's market activities.

Together, these measures contribute to a strong control environment that upholds market integrity and supports compliance with capital market conduct requirements.

**2. Regulatory Reporting, Assurance and Supervisory Engagement**

GC supported the Group's regulatory reporting and supervisory engagement obligations through structured reporting, timely submissions and responsive engagement with regulators. These activities continued throughout 2025, including monthly assessment of branch submissions via the Branch Monthly Self-Assessment Checklist ("**BMSAC**"), quarterly branch visits and ongoing review of marketing and training materials prior to public dissemination. These reviews consistently recorded generally satisfactory outcomes. GC maintained regular engagement with business units and branches to address compliance themes, operational issues and emerging risks.

Regulatory reporting submissions—including monthly and quarterly submissions to regulators, technology filings eKYC reporting, and ComRep, were submitted in a timely and disciplined manner, reflecting the Group's commitment to maintaining transparent and constructive regulatory relationships. In addition, GC played a key liaison role in responding to regulatory enquiries, coordinating information requests and supporting departments during supervisory engagements.

**3. Compliance Outcomes and Organisational Resilience**

The Group's compliance oversight efforts in 2025 contributed to maintaining a stable and resilient regulatory standing. Continuous monitoring, supervisory engagement and cross-functional collaboration supported early identification of issues, timely remediation and consistent application of compliance standards across the Group.

GC also worked closely with other compliance and control functions, including GFCC, GBEI and GRA, to support an integrated approach to regulatory compliance, conduct risk management and governance assurance.

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### FINANCIAL CRIME RISK MANAGEMENT AND RESILIENCE

The Group places strong emphasis on the prevention, detection and management of financial crime risks as a core component of its ethics and compliance framework. The Group maintains a risk-based and structured approach to managing money laundering, terrorism financing and proliferation financing risks across its operations.

#### 1. Fortifying Financial Crime Governance Frameworks

During 2025, GFCC focused on strengthening the Group's financial crime governance architecture through the development and enhancement of key frameworks and methodologies. This included the establishment of tailored Anti-Money Laundering ("AML")/ Counter-Financing of Terrorism ("CFT")/ Counter Proliferation Financing ("CPF")/ Targeted Financial Sanctions ("TFS") frameworks for selected subsidiaries, aligned with Group standards while taking into account differences in business models and organisational structures.

These frameworks clarified roles and responsibilities, standardised controls and strengthened escalation and reporting mechanisms to Senior Management and the Board, thereby improving oversight and accountability across the Group.

In parallel, enhancements were made to the Group's Enterprise-Wide Risk Assessment, AML/ CFT Risk Rating for Branches, and Risk Scoring Methodology. These efforts improved alignment with national and international risk priorities, refined geographic and sanctions risk assessments, and enhanced the management of politically exposed person risks.

#### 2. Enhancing Detection, Monitoring, as well as Control Effectiveness

The Group further enhanced its transaction monitoring and surveillance capabilities throughout 2025. Key initiatives included annual reviews of monitoring rules and parameters, the introduction of quality assurance reviews over alert closures and the establishment of an Internal Watchlist Framework.

These measures were complemented by enhanced onboarding controls, including improved beneficial ownership identification and verification mechanisms, supported by targeted training across the Group. Together, these initiatives improved early detection of financial crime risks, strengthened risk-based decision-making and reduced the likelihood of misuse of accounts or structures for illicit purposes.

The Group also advanced its digitalisation agenda within financial crime compliance. Data analytics initiatives were undertaken to support a strategic digitalisation agenda. These efforts focused on integrating Robotic Process Automation into critical workflows, enhancing transaction monitoring capabilities through advanced analytical tools, strengthening country risk assessment methodologies and improving party linkage identification capabilities.

These tools further strengthened visibility over risks and supported timely escalation and intervention.

#### 3. Supporting Law Enforcement and Regulatory Confidence

The Group continues to play a key role in supporting law enforcement agencies and regulators through timely and effective cooperation. This included responding to regulatory and law enforcement requests, facilitating investigations, and ensuring accurate and prompt submission of suspicious transaction reports and related information.

Notably, the Group actively contributed to Malaysia's Financial Action Task Force ("FATF") Mutual Evaluation Exercise by representing the capital markets industry and supporting regulatory engagements. These efforts, undertaken in close coordination with GFCC, demonstrated the maturity of the Group's AML/ CFT/ CPF framework and its alignment with international standards, contributing to Malaysia achieving a "Regular Follow-Up" outcome under the FATF evaluation process.

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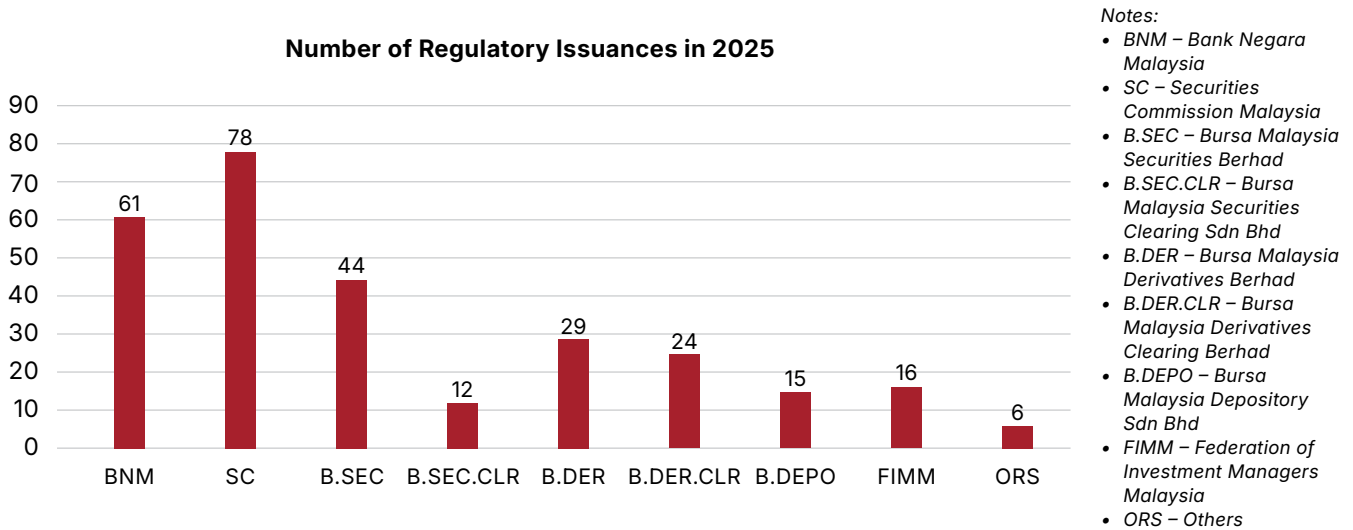
### REGULATORY ADVISORY, GOVERNANCE AND OVERSIGHT

Strong regulatory advisory, governance, and effective oversight are fundamental to sustaining trust, safeguarding financial stability, and supporting long-term business sustainability.

Through the GRA function, the Group provides structured oversight and advisory support on regulatory matters, ensuring alignment with applicable supervisory expectations, regulatory requirements and governance standards.

#### 1. Dissemination of Regulatory Issuances

Timely dissemination of regulatory updates is critical to maintaining compliance and readiness. GRA facilitated the dissemination of 285 revised and new frameworks, guidelines and circulars. These efforts are key to ensuring ongoing compliance throughout the organisation.



These issuances span governance, conduct and operational domains and reflect the breadth of the Group’s regulatory obligations.

#### 2. Strengthening Regulatory Engagement and Readiness

In 2025, GRA strengthened the Group’s approach to managing regulatory and enforcement engagements through the introduction of a structured and standardised framework for handling visits and interactions with enforcement authorities.

The Guide on Handling Visits from Enforcement Officers established clear protocols governing the end-to-end management of enforcement engagements, from initial contact through to conclusion, ensuring orderly coordination, consistent communication and adherence to governance requirements.

#### 3. Enhancing Regulatory Awareness and Compliance Discipline

To promote sustained awareness and compliance discipline, GRA leveraged structured governance tools such as the Corporate Regulatory Compliance Calendar, and Regulatory Issuances Impact Review. These mechanisms enabled systematic tracking of regulatory obligations, early identification of gaps or delays and timely escalation to Management and governance forums where required.

Innovative and accessible communication initiatives such as the Regulatory Brew further supported the integration of regulatory awareness into day-to-day operations and decision-making, emphasising the importance of compliance as part of normal business conduct rather than a purely reactive exercise.

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### PROMOTING ETHICAL CONDUCT AND INTEGRITY PRACTICES

The Group, through GBEI, translates its values into practice by fostering ethical behaviour, accountability and integrity across all levels of the organisation. Through clear standards of conduct, effective Speak Up mechanisms and disciplined management of conflicts and misconduct risks, the Group promotes trust, fairness and responsible decision-making.

#### 1. Strengthening Anti-Bribery and Corruption Governance

The Group's Anti-Fraud, Bribery and Corruption Policy ("**AFBC Policy**") serves as the central framework governing the prevention, detection, and management of bribery, corruption and fraud risks across the organisation. It outlines the Group's zero-tolerance stance on bribery and corruption, sets clear expectations on ethical conduct and establishes mandatory standards for due diligence, approvals, reporting channels and internal controls.

These requirements reinforce accountability, promote consistent application of anti-bribery standards, ensure alignment with applicable law and regulatory obligations and help embed a culture of integrity, strengthen governance oversight, and safeguard the Group against bribery, corruption and related misconduct.

#### 2. Clear Standards of Conduct Anchored by the Code of Ethics

The Group Code of Ethics and Conduct for Employees ("**Employees Ethics Code**") continues to serve as the cornerstone of the Group's ethical framework. It sets out the standards of behaviour expected of all employees, including principles of professionalism, integrity, fairness, accountability and compliance with laws and internal policies.

In 2025, the Group actively promoted awareness and understanding of the Employees Ethics Code through structured onboarding processes for new employees and annual reaffirmation by existing employees. These measures remind employees of their responsibilities and the importance of ethical conduct in their daily work.

By maintaining clear, consistent and well-communicated standards of conduct, the Group ensures that ethical expectations are understood not merely as policy requirements, but as shared values that guide behaviour across the organisation.

#### 3. Speak Up and Psychological Safety

The Group remains committed to fostering an environment where employees and stakeholders feel safe and supported in raising concerns about suspected misconduct, unethical behaviour, or breaches of policies.

The Speak Up framework provides accessible and confidential reporting channels, including independent third-party reporting mechanisms, to enable concerns to be raised without fear of retaliation. The Group's approach emphasises confidentiality, fairness and protection for individuals who raise concerns in good faith.

Throughout 2025, the Group focused on building confidence in the Speak Up framework by transitioning to a new independent third (3<sup>rd</sup>)-party platform provider, as well as expanding the scope of reportable matters to include sexual harassment and bullying in the workplace.

This approach underlines confidentiality, fairness and psychological safety and continues to build trust in the Group's reporting ecosystem.

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**4. Managing Conflicts of Interest with Transparency and Discipline**

Conflicts of Interest, whether actual, potential, or perceived, can undermine objectivity and stakeholder confidence if not properly managed. The Group therefore maintains a structured framework through its Conflict Management Policy and the Guidance on Conflict of Interest for identifying, disclosing and managing conflicts of interest across its operations.

The framework distinguishes between personal and business-related conflicts of interest and provides guidance on situations that may give rise to conflicts. Employees are expected to exercise sound judgement, remain vigilant to potential conflict situations and make timely disclosures where conflicts arise. Disclosures are supported by formal registers and escalation processes, enabling conflicts to be reviewed, assessed and managed through appropriate controls.

In 2025, the Group placed strong emphasis on the importance of transparency and proactive disclosure as key elements of effective conflict management, supporting impartial decision-making, and reinforcing confidence in the Group's integrity.

**5. Preventing Improper Influence through Gifts, Entertainment, Hospitality, Donations and Sponsorships**

Controls governing gifts, entertainment, hospitality, donations and sponsorships form an important part of the Group's anti-bribery and corruption framework. These controls, which include the Group Gift, Entertainment and Hospitality Policy and the Group Incoming Non-Commercial Sponsorship Policy, are designed to prevent improper influence, manage perception risks and ensure that objective decision-making.

Employees are expected to exercise sound judgment and comply with these requirements at all times. Awareness efforts and monitoring mechanisms continued throughout 2025 to support understanding of the underlying principles and ensure effective oversight.

**6. Safeguarding Market Integrity, Confidential Information and Fair Competition**

Ethical conduct extends beyond internal behaviour to interactions with markets, clients, and competitors. The Group remains committed to safeguarding market integrity and maintaining trust in the capital markets.

Controls are in place to protect confidential and material non-public information, including information barriers and Chinese Wall arrangements. The Group Chinese Wall Policy governs the flow of confidential, material non-public and price-sensitive information across divisions, with information barriers designed to prevent insider trading and market abuse.

The Group also maintains a framework to ensure compliance with competition and fair-trading requirements through its Group Competition Act Compliance Policy. This includes guidance on interactions with competitors, clients, suppliers and industry associations, as well as expectations on fair competition practices.

In 2025, the Group continued to deepen awareness of these obligations as part of its broader ethics and compliance efforts, recognising that market confidence is closely linked to ethical conduct and compliance discipline.

**7. Vendor Engagement and Third-Party Integrity**

The Group recognises that ethical conduct and compliance expectations extend beyond employees to vendors and other third parties engaged by the Group. In this regard, the Group has established standards governing vendor conduct, underpinned by the Group Policy on the Code of Conduct for Vendors, to promote integrity, transparency and responsible business practices across its value chain.

Vendor engagement is further supported by the Group's broader ethics and compliance framework, including the Employees Ethics Code and the AFBC Policy. These requirements highlight expectations of fair dealing, integrity in business relationships and compliance with ethical standards.

Where appropriate, the Group may take necessary actions in response to vendor non-compliance. This structured approach supports effective third-party risk management and sustainable, ethical business relationships.

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### CONTINUOUS TRAINING AND AWARENESS PROGRAMME

The Group recognises that strong ethics and compliance outcomes are sustained through continuous education, regular engagement and visible reinforcement of expected behaviours.

Throughout 2025, a series of education and awareness initiatives were implemented to strengthen ethical conduct, fraud awareness and regulatory understanding across the Group. These initiatives were designed to be accessible, relevant and engaging, supporting the objective of embedding integrity and vigilance into everyday work practices.

#### 1. Compliance Awareness Week 2025

The Compliance Awareness Week 2025, held from 10 to 11 June 2025, served as one of the Group's key enterprise-wide compliance engagement platforms for the year. Designed to make compliance accessible and practical, the two (2)-day programme drew strong participation across the organisation, demonstrating employees' continued commitment to strengthening Kenanga's compliance culture.

To broaden reach beyond the main sessions, the accompanying Compliance Quiz attracted around 700 participants while approximately 250 employees visited the compliance-themed activity stations at Kenanga Tower.

The programme featured external speakers who provided insights into real-world compliance challenges. The curated combination of expert-led knowledge sessions and hands-on activities reinforced the message that compliance must be reflected through behaviour, not merely policy awareness.

The event, themed "**Beyond the Rules: Voice It, Own It, Do It**", reaffirmed the Group's position that integrity and accountability are essential to long-term sustainability and stakeholder confidence.

#### 2. Ethical Conduct and Fraud Awareness Poster Campaign

In 2025, the Group implemented a two-week Ethical Conduct and Fraud Awareness poster campaign aimed at promoting ethical behaviour and deepening fraud awareness across the organisation.

The campaign featured a series of thought-provoking posters displayed in common areas within Kenanga Tower, ensuring visibility to employees. To promote inclusivity, the posters were also made accessible through the Group's internal SharePoint platform.

Each poster carried a curated quote or message designed to prompt reflection on integrity, vigilance, accountability, and responsible decision-making.

#### 3. Kenanga's 9<sup>th</sup> Fraud Awareness Week

Kenanga Group has been a Corporate Alliance Partner of the Association of Certified Fraud Examiners ("**ACFE**") since 2015. The partnership reflects its strong commitment to combating fraud by fostering education, ethical leadership, and a strong tone from the top.

In 2025, the Group organised its 9<sup>th</sup> annual Fraud Awareness Week ("**FAW**") programmes from 17 – 21 November 2025 in conjunction with ACFE's International FAW. The theme, "**Building the Future with Compliance and Ethics as Our Compass – Trust, Transparency, Transformation**", underscored the Group's commitment to ethical leadership, compliance discipline and proactive governance.

The programmes conducted through FAW 2025 were designed to promote accountability, enhance fraud awareness and encourage collaboration across internal and external stakeholders.

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**a. Annual Regulatory Seminar**

The 10<sup>th</sup> Annual Regulatory Seminar (“ARS”) continued to serve as a cornerstone of the Group’s compliance education framework. Launched during FAW 2025 and delivered as a pre-recorded eLearning on LinkedIn Learning, ARS enabled nationwide access and it is accredited for 10 Continuing Professional Education (“CPE”) points by the Securities Industry Development Corporation.

A total of 1,145 employees registered; 1,072 participants completed the quiz with a minimum score of 80% within the timeframe and qualified for 10 CPE points.

ARS covered topics on regulatory compliance, financial crime risk management, anti-bribery and corruption and emerging regulatory developments. Sessions were delivered by internal subject matter experts and external practitioners, providing both organisational context and industry perspectives.

**b. Fraud Awareness Week 2025 Ceremony**

The FAW 2025 Ceremony, held on 18 November 2025 at Kenanga Tower, was attended by over 120 participants, including representatives from external organisations. The Ceremony reinforced key messages on ethical leadership, vigilance against fraud and the importance of culture in sustaining integrity.

The programme featured keynote and sharing sessions by distinguished speakers from ACFE – Malaysia Chapter and the Royal Malaysian Police (“PDRM”), offering insights into emerging fraud trends, enforcement perspectives and the role of institutions in strengthening fraud resilience. These sessions complemented the Group’s internal messaging by situating fraud risk management within broader industry and societal context.

The Ceremony also hosted the Final Round of the FAW Games 2025 and concluded with the presentation of awards and tokens of appreciation, which helped foster engagement, recognition and shared ownership of integrity initiatives.

**c. Fraud Awareness Week Games 2025**

In June 2025, the Malaysia Book of Records recognised the FAW Games for achieving the *Largest Participation in Anti-Fraud Games*, based on the participation numbers recorded in 2024. Building on this achievement, the FAW Games 2025 continued to be a central engagement platform during FAW, attracting strong participation with a total of 144 teams taking part.

The teams comprised of internal teams from across the Group as well as external teams representing a wide range of organisations, including financial institutions, professional bodies, regulators, corporates and academic institutions. This broad participation underscored the relevance of fraud awareness and ethical conduct across sectors and cultivated cross-industry collaboration.

The Games were conducted over multiple rounds, culminating in a physical final held during the FAW 2025 Ceremony. The redesigned structure introduced new rounds aligned more closely with governance, policy literacy, fraud risk awareness, and ethical decision-making. Participants were challenged on topics including internal policies, fraud schemes, pattern recognition, and analytical reasoning in a team-based environment.

By adopting a gamified approach, the FAW Games 2025 encouraged active learning and deeper engagement, reinforcing key fraud prevention messages in a manner that was interactive, practical, and memorable.

**d. FAW Quizzes**

To complement the main FAW programmes, the Group introduced targeted quizzes during FAW 2025 as a means of underlining key learning points and sustaining engagement throughout the week.

The quizzes focused on topics such as the Group’s ethics and integrity policies, and emerging fraud risks, including the role of technology. These micro-engagements served as practical, accessible refreshers while maintaining momentum and interest during FAW.

## ETHICS AND COMPLIANCE STATEMENT

### STRATEGIC VISION FOR 2026

As the regulatory, market, and risk landscape continues to evolve, sustaining high standards of ethics and compliance requires continuous strengthening of governance, accountability and organisational capability.

In 2026, the Group's ethics and compliance focus will centre on reinforcing ownership of compliance and conduct risks across the organisation, enhancing oversight through structured monitoring and assurance and further embedding ethical decision-making as a core organisational capability.

Through continued collaboration across the GCE functions, the Group aims to maintain a holistic view of regulatory, conduct, and financial crime risks, enabling more coordinated and effective responses.

#### 1. Reinforcing Accountability for Compliance and Conduct Risk Ownership

The Group will continue to emphasise that ownership of compliance and conduct risks rests primarily with business units. Control and oversight functions provide guidance, challenge and assurance, but do not replace accountability at the business level.

Efforts in 2026 will focus on strengthening clarity of roles and responsibilities, reinforcing management ownership of risks arising from business activities and ensuring that compliance considerations are embedded into day-to-day decision-making, product development and operational processes.

This approach supports a culture where ethical conduct and compliance are viewed not as external constraints, but as integral to sound business judgement and sustainable performance.

#### 2. Enhancing Oversight through Continuous Monitoring and Assurance

The Group will continue to strengthen its approach to monitoring, assessment and assurance across ethics, compliance and regulatory domains.

This includes refining risk-based monitoring methodologies, enhancing the use of data and analytics to identify emerging risks and trends and strengthening escalation and reporting mechanisms to support timely management and Board oversight.

#### 3. Investing in People, Capability and Technology

Recognising that effective ethics and compliance outcomes depend on people and capability, the Group will continue to invest in targeted training, awareness, and leadership development initiatives to strengthen judgement, vigilance and ethical decision-making.

In parallel, the Group will continue to leverage technology to enhance monitoring, analytics, and governance processes. This includes ongoing efforts to digitalise regulatory change management, compliance monitoring, and financial crime controls, while ensuring that technology adoption is accompanied by robust governance and oversight.

These efforts support operational resilience, audit readiness, and informed decision-making in an increasingly complex regulatory environment.

#### 4. Strengthening Anti-Bribery and Corruption Governance

Building on the commencement of the ISO 37001:2025 Anti-Bribery Management System certification process in 2025, the Group will continue to strengthen its anti-bribery and corruption governance framework.

This includes further embedding anti-bribery controls into policies, procedures, due diligence processes, reporting mechanisms, and governance oversight, while reinforcing a clear and consistent message of zero tolerance for bribery and corrupt practices across the Group and its value chain.

### FORWARD LOOKING STATEMENT

The Group's ethics and compliance framework will continue to evolve in response to regulatory developments, emerging risks, and stakeholder expectations. While policies, processes and tools may change, the Group's commitment to integrity, accountability and ethical conduct remains constant.

Looking ahead, the Group will continue to review and enhance its ethics and compliance practices to ensure they remain effective, proportionate and aligned with recognised best practices. These efforts strengthened governance, reinforce stakeholder confidence and support Kenanga's position as a responsible and trusted financial institution.