

# **CORPORATE GOVERNANCE REPORT**

**STOCK CODE** : 6483  
**COMPANY NAME** : KENANGA INVESTMENT BANK BERHAD  
**FINANCIAL YEAR** : December 31, 2019

## **OUTLINE:**

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

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

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

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

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

### Intended Outcome

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

### Practice 1.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>1. The Board of Directors ("<b>Board</b>") is charged with leading and guiding Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") in an effective and responsible manner. 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 understood and met.</p> <p>Each individual Director, on the other hand, has a legal duty to act in the best interest of the Company. The Directors of KIBB, collectively and individually, are aware of their responsibilities to shareholders and other stakeholders for the manner in which the affairs of the Company are managed.</p> <p>The Board is guided by the Board Charter which clearly sets out its roles and responsibilities and describes matters expressly reserved for the Board's determination and matters delegated to the Board Committees and Management.</p> <p>The Board Charter is reviewed and updated periodically to ensure that any updates on relevant laws and regulations are duly incorporated. The Board Charter is available for reference on the Company's website at <a href="https://kenanga.com.my/investor-relations">https://kenanga.com.my/investor-relations</a>.</p> <p>2. As stated in the Board Charter, the Board reserves full decision making powers notwithstanding any delegation of authority to the Board Committees and Management, on matters relating to amongst others, strategies, business plans and budget; significant policies; conflict of interest issues relating to a substantial shareholder and/ or a Director; material acquisitions and disposition of assets not in the ordinary course of business;</p>

	<p>investment in capital projects; authority levels; risk management policies; as well as key human resource issues.</p> <p>3. In discharging its roles and responsibilities, the Board has established specialised Board Committees namely the Group Nomination &amp; Remuneration Committee (“<b>NRC</b>”), the Audit Committee (“<b>AC</b>”), the Group Board Risk Committee (“<b>GBRC</b>”), the Group Board Digital Innovation &amp; Technology Committee (“<b>GBDITC</b>”), the Employees’ Share Scheme Committee and the Shariah Committee to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration. Although the Board has delegated certain duties to the Board Committees, it remains responsible for the decisions of the committees.</p> <p>4. In supporting the overall operational management and businesses of the Company, the Board had also established the following Management Committees comprising Senior Management personnel within KIBB Group, with specific Terms of Reference outlining their roles and responsibilities in line with the Group Approving Authority Framework as approved by the Board:</p> <ul style="list-style-type: none"> <li>• Group Executive Committee;</li> <li>• Group Risk Committee;</li> <li>• Group Operational Risk Committee*;</li> <li>• Group Credit Committee;</li> <li>• Group Products Committee;</li> <li>• Group Outsourcing &amp; Procurement Committee;</li> <li>• Group Information Technology Steering Committee;</li> <li>• Group Disciplinary Committee;</li> <li>• Group Talent Committee;</li> <li>• Building Committee;</li> <li>• Business Continuity Management Committee; and</li> <li>• Staff Outreach Committee.</li> </ul> <p><i>(*) Group Operational Risk Working Team was converted to a Management Committee named Group Operational Risk Committee following approval of the Board of KIBB on 25 April 2019.</i></p> <p>5. The Board approves KIBB’s objectives, strategies and business plans, which take into account KIBB’s risk appetite, risk management capabilities, financial resources, Management capabilities, as well as market conditions and ensures that performance against plans is regularly reviewed and monitored.</p> <p>Prior to the tabling and approval of the Business Plan and Budget for the Year 2020, the Board had first, on 27 November 2019, discussed in great detail the strategies, business plan and initiatives put forth by Management for the Financial Year Ending 31 December 2020.</p>
--	---

	<p>Based on the approved strategies and business plans, Key Performance Indicators (“<b>KPIs</b>”) were then set to define, measure and monitor the Management’s performance and progress towards achieving KIBB’s goals.</p> <p>6. In facilitating the Board in the discharge of its responsibility of overseeing the conduct of business of KIBB Group and in ensuring that the Business Plan is aligned with KIBB Group’s strategies, the Group Managing Director (“<b>GMD</b>”), acting as a channel between the Board and the Management, is assigned with the responsibility of updating the Board at each Board meeting on the status of the business operations, the challenges faced and the mitigating or remedial actions taken or to be taken in relation thereof. On the other hand, the Group Chief Financial and Operations Officer would report to the Board on the financial performance of KIBB and its subsidiaries, as well as its associate and joint-venture companies. This would also enable the Board to assess the Management’s performance against the budget set for the financial year.</p> <p>7. In terms of the status of KIBB Group’s compliance with relevant regulatory requirements, the Board was updated at its scheduled meetings by the Group Chief Regulatory and Compliance Officer, on the status of any regulatory audits conducted by the relevant regulators on regulated entities within KIBB Group.</p> <p>During this update, the Board would deliberate on the findings raised and recommendations issued by the respective regulators arising from their respective audits, as well as the Management’s responses to those recommendations and endorse the action plans identified to address any gaps identified by the regulators.</p> <p>8. The Board is responsible in 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.</p> <p>In discharging this responsibility, the Board approves and periodically reviews the risk management capabilities of KIBB Group to ensure their ability to support KIBB Group’s business activities and any expansion thereof. In this regard, the Board is supported by the GBRC.</p> <p>Under its Terms of Reference, the GBRC’s responsibilities cover, inter alia, the areas of risk strategies and risk profile, risk policies and framework, risk appetite and limits setting, as well as risk methodologies and infrastructure.</p> <p>In addition, the GBRC also assists the Board in ensuring that a sound control environment exists within KIBB and its subsidiaries</p>
--	---

with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions, and internal audit.

9. The Board is supported by the NRC in carrying out its functions in matters concerning the appointments and removals, as well as performance evaluation and development and assessment of the fitness and propriety of the members of the Boards of KIBB and its subsidiaries, the GMD and Senior Management, in line with the relevant regulatory and internal requirements.
10. With regard to the nomination and appointment of Directors of KIBB and its subsidiaries, Board Committees members, the GMD and Senior Management of KIBB Group, the NRC's responsibilities as stipulated in its Terms of Reference include the establishment of minimum requirements for the Board, the GMD and Senior Management, such as the required mix of skills, experience, qualifications and other core competencies required of them. The requirements and criteria shall be approved by the Board.
11. In terms of the remuneration of Directors, Board Committee members, the GMD and Senior Management of KIBB Group, it is the responsibility of the NRC to recommend to the Board for approval, a remuneration framework which supports KIBB Group's culture, objectives and strategy and reflects the responsibility and commitment of Directors, Board Committee members, the GMD and Senior Management of KIBB Group.
12. In compliance with the requirements of Bank Negara Malaysia ("**BNM**")'s Policy Document on Risk Management in Technology ("**RMiT**") on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of KIBB had, at its meeting on 29 August 2019, approved the establishment of the Group Board Digital Innovation & Technology Committee ("**GBDITC**") comprising the following members:

Name of Member	Designation
i. Kanagaraj Lorenz	Chairman, Independent Non-Executive Director (" <b>INED</b> ")
ii. Luk Wai Hong, William	Member, INED
iii. Norazian Binti Ahmad Tajuddin	Member, INED
iv. Jeremy Bin Nasrulhaq	Member, INED
v. Luigi Fortunato Ghirardello	Member, Non-Independent Non-Executive Director (" <b>NINED</b> ")
vi. Dato' Richard Alexander John Curtis	Member, NINED

	<p>To facilitate effective discussions at the GBDITC meetings, the following personnel had been included as permanent invitees to all GBDITC meetings:</p> <ol style="list-style-type: none"> <li>GMD;</li> <li>Chief Technology Officer; and</li> <li>Head, Technology Risk &amp; Business Continuity Management.</li> </ol> <p>The main function of the GBDITC was to provide focused and in-depth deliberation on digital innovations and technology-related matters.</p> <p>In addition to providing oversight on technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital innovations as proposed by Management, in line with KIBB Group's medium and long term business strategy which includes the digitalisation strategy for the Group and aligned with the relevant regulatory requirements.</p> <p>13. The Board established the Employees' Share Scheme Committee to support the Board in administering the Employees' Share Scheme ("<b>ESS</b>" or "<b>Scheme</b>") in accordance with the By-Laws governing the Scheme as approved by shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017. The ESS Committee comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, with specific Terms of Reference outlining its roles and responsibilities, as well as its authority.</p> <p>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 ("<b>Eligible Employees</b>"), 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.</p> <p>14. BNM had on 24 September 2012 granted its approval for KIBB to conduct Islamic Banking business via the establishment of an Islamic Banking Window. In ensuring that its Islamic financial products and services are in compliance with Shariah</p>
--	--

	<p>requirements, the Board is guided by the advice of the Shariah Committee. All members of the Shariah Committee are Shariah qualified persons except for one member who is equipped with Islamic finance/ Islamic accounting practitioner's background and whose appointment has been approved by BNM.</p> <p>15. In performing its role, the Board is fully committed to upholding a high standard of corporate governance practices and fostering a culture which values transparency, ethical behaviour, integrity and accountability, as well as engaging in corporate social responsibilities.</p> <p>The Board has an obligation to protect and enhance the interests of its shareholders, while taking into account the interests of other stakeholders, including employees, customers, regulators, vendors, suppliers, investors and the community at large.</p> <p>Towards this end, the Board has taken steps to ensure that KIBB Group's strategies continue to promote sustainability, with a focus on environmental, social and governance aspects of KIBB Group's business as defined in the Sustainability Statement which forms part of the Company's 2019 Annual Report.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 1.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"> <li>1. The Chairman of the Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") is an Independent Non-Executive Director ("<b>INED</b>"). Encik Izlan Izhab ("<b>Encik Izlan</b>"), who was appointed as an INED of KIBB on 8 September 2016, was appointed as the Chairman of the Board of KIBB on 7 February 2017. Even though Encik Izlan serves on the Audit Committee ("<b>AC</b>"), he does not chair the AC, in line with the requirements of Bank Negara Malaysia's Policy Document on Corporate Governance for the Board Committees not to be chaired by the Chairman of the Board.</li> <li>2. 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 Executive and Non-Executive Directors. In addition, the Chairman also ensures the provision of accurate, timely and clear information to the Directors to enable effective and informed decision making.</li> <li>3. The Chairman, in consultation with the Group Managing Director and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.</li> <li>4. The Chairman is responsible for managing the business of the Board to ensure that all Directors are appropriately briefed on issues arising at Board meetings; that sufficient time is allowed for discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for Board discussion; and that the issues discussed are mainly forward looking and concentrate on strategies.</li> <li>5. The Chairman ensures that every Board resolution is put to a vote to ensure the will of the majority prevails and that the Management look beyond their executive functions and accept their full share of responsibility on governance.</li> <li>6. In addition, the Chairman is also designated as the Senior Independent Non-Executive Director for shareholders and stakeholders to convey their concerns regarding the Kenanga Group.</li> <li>7. Encik Izlan's profile can be found in the Profiles of Directors in the Company's 2019 Annual Report.</li> </ol>
<b>Explanation for departure</b>	:	



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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.3

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") aims to ensure an appropriate balance of power and authority between the Chairman and the Group Managing Director ("<b>GMD</b>") with a clear division of responsibility between the running of the Board and the Company's business respectively. The role of the Chairman, as explained under Practice 1.2 above, and the role of the GMD are clearly separated and defined in the Board Charter of KIBB.</li><li>2. Datuk Chay Wai Leong ("<b>Datuk Chay</b>") was appointed as the GMD since 17 May 2011. Datuk Chay also served as the only Executive Director on the Board of KIBB until he resigned as a Board member on 28 January 2017. This was part of the Company's efforts in meeting the mandatory regulatory requirements, imposed by BNM under its Policy Document on Corporate Governance, for the Board to comprise a majority of Independent Directors at all times. Datuk Chay, however, remains as the GMD of KIBB until now.</li><li>3. As the GMD, Datuk Chay has been delegated certain key functions which include developing the strategic direction of the Company for review and approval of the Board and ensuring that the Company's strategies and corporate policies as approved by the Board are effectively implemented.</li><li>4. The GMD is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions and has the executive responsibility for the day-to-day operations of the Company's business.</li><li>5. Datuk Chay's profile is included in the Senior Management Team's Profiles in the Company's 2019 Annual Report.</li></ol>
<b>Explanation for departure</b>	:	

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

<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 1.4

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

Application :	Applied
Explanation on application of the practice :	<ol style="list-style-type: none"><li>1. The Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") is supported by a fully qualified and competent Company Secretary, Puan Norliza Abd Samad ("<b>Puan Norliza</b>"), who is a Chartered Secretary and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators, with more than twenty-five (25) years of experience in company secretarial practice.</li><li>2. The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board. In discharging this role, the Company Secretary works closely with the Chairman to provide counsel to the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and Senior Management across KIBB Group.</li><li>3. The Company Secretary attends all Board and Board Committee meetings and ensures that such meetings are appropriately convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. After each meeting, all issues that require follow-up are communicated to the relevant Senior Management personnel for their actions and these issues would be recorded as matters arising for tabling at the next meeting whereby the status of actions taken would be updated to the Board and Board Committees until full resolution of those issues.</li><li>4. The Directors have ready and unrestricted access to the advice and services of the Company Secretary who acts as a primary point of contact and source of advice and information for Non-Executive Directors with regard to the Company and its activities in order to assist them in their decision making process and enable them to discharge their duties effectively. The Board is also regularly updated on new statutes and directives issued by the regulatory authorities.</li><li>5. Puan Norliza's qualifications and experience are set out in the Senior Management Team's Profiles in the Company's 2019</li></ol>

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

### Intended Outcome

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

### Practice 1.5

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. In 2019, the Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") was scheduled to meet eleven (11) times with special Board meetings convened as and when necessary to consider urgent proposals or matters that require the Board's expeditious review and consideration.  In order to facilitate the Directors' planning, the annual meeting calendar is disseminated to the Directors well in advance before the beginning of each new year.</li><li>2. Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and as promptly as possible.</li><li>3. To facilitate productive and meaningful deliberation, the proceedings of the Board meetings are conducted in accordance with a structured agenda. The agenda and the Board papers are circulated to the Directors well before the Board meeting to allow time for Directors to review the Board papers or if deemed necessary, to take up independent professional advice at KIBB's expenses.</li><li>4. In order to maintain confidentiality, meeting papers on issues or corporate proposals which are deemed highly confidential and top secret, will only be distributed to Directors at the Board meeting itself or put in a sealed envelopes with a strict instruction to be opened only by the Directors themselves. In addition, the Directors have a duty to declare immediately to the Board should they have an interest, whether directly or indirectly, in any transaction to be entered into. They are required to abstain from getting involved in the Board's deliberations and decision making on the transaction in question, and to ensure that they do not exercise any influence over the Board in respect of that transaction.</li></ol>

	<p>5. In the event a corporate proposal is required to be approved by the shareholders, interested Directors are required to abstain from voting in respect of their shareholdings in KIBB on resolutions pertaining to the corporate proposal.</p> <p>They are to further ensure that any persons connected to them, similarly abstain from voting on such resolutions.</p> <p>6. Apart from meetings, information is also disseminated to the Board informally via emails, telephone calls, social media platforms, website, or at corporate functions.</p> <p>7. In a very rare occasion where a Director was unable to attend a meeting in person, the Company would facilitate telephone conference call and/or video conference to enable the Director to participate in the Board/ Board Committee meetings. Directors have always practised the fullest commitment in attending meetings in person unless the circumstances are really unavoidable.</p> <p>8. Full minutes of each Board/ Board Committee meeting are prepared and kept by the Company Secretary and are made available for inspection by any Director during office hours.</p> <p>9. The Board/ Board Committee ensures that clear and accurate minutes of the Board/ Board Committee meetings are maintained to record the decisions of the Board/ Board Committee, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes would indicate whether any Director abstained from voting or excused himself from deliberating on a particular matter.</p>
<b>Explanation for departure</b> :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
<b>Measure</b> :	
<b>Timeframe</b> :	

### Intended Outcome

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

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

### Practice 2.1

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

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

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



	<ul style="list-style-type: none"> <li>• Group Board Digital Innovation &amp; Technology Committee;</li> <li>• Employees' Share Scheme Committee; and</li> <li>• Shariah Committee.</li> </ul> <p>The respective Chairman of the Board Committees will report to the Board on the views and deliberations by the respective Board Committees for consideration, with recommendations for the Board's approval. The confirmed minutes of these Board Committees are tabled at each Board meeting for notation.</p> <p>Although the Board delegates certain duties to the Board Committees, the ultimate responsibility for the final decision on all matters, however, lies with the entire Board.</p> <p>5. The Board Charter is available on the Company's website at <a href="https://kenanga.com.my/investor-relations">https://kenanga.com.my/investor-relations</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.1

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Kenanga Investment Bank Berhad ("<b>KIBB</b>") Group has established the Group Code of Professional Ethics and Conduct for Employees ("<b>Employees' Code</b>") in 2012 and the Code of Ethics and Conduct for Non-Executive Directors of KIBB Group ("<b>Directors' Code</b>") in 2016.</li><li>2. Both the Employees' Code and the Directors' Code (collectively referred to as "<b>the Codes</b>") were formulated to enhance the standard of corporate governance and corporate behaviour with the intention of:<ol style="list-style-type: none"><li>a. establishing a standard of ethical behaviour for Directors and employees based on trustworthiness and values that can be accepted, are held or upheld by any one person; and</li><li>b. upholding the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.</li></ol></li><li>3. The Codes define how KIBB Group relates to its shareholders, employees, customers, vendors, suppliers, investors and the communities in which it operates so as to enhance the reputation of KIBB Group through continuously upholding a high standard of public trust and confidence.</li><li>4. The Codes adopt the following policies and guidelines which are principled on promoting best ethical conduct:<ol style="list-style-type: none"><li>a. Avoiding conflicts of interest, or potential conflicts, between a Director's or an employee's personal interests and the interests of KIBB Group, its shareholders or clients;</li><li>b. Avoiding misuse of the position of Director and employee;</li></ol></li></ol>

	<p>c. Keeping material non-public and price sensitive information confidential and secure;</p> <p>d. Avoiding misuse of material non-public and price sensitive information relating to securities or other financial instruments;</p> <p>e. Ensuring completeness and accuracy of the relevant records of KIBB Group;</p> <p>f. Properly caring for and protecting the properties and assets of KIBB Group; and</p> <p>g. Prompting reporting of any knowledge or information about unethical business conduct and suspected commission of crimes.</p> <p>5. All the Directors and employees are required periodically, to acknowledge and declare their compliance with the terms in the Codes. The Employees are required to affirm their acceptance and understanding of the Codes via online learning, assessment and certification on a yearly basis, and to undertake to abide by the terms of the Codes, policies and procedures of KIBB Group for the time being in force. The Group Human Resources is responsible to review and monitor compliance with the Codes as part of its ongoing reviews.</p> <p>The Directors' Code is available on KIBB's corporate website <a href="https://kenanga.com.my/investor-relations">https://kenanga.com.my/investor-relations</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 3.2

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

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

	<p>reported any concern.</p> <p>However, if the reporting proves to be malicious, the Whistleblower may be subject to loss of safeguards provided under the policy, internal disciplinary action, dismissal, criminal prosecution and/or civil liability.</p> <p>4. Dedicated channels for reporting have been set up and made available on KIBB's corporate website which is accessible by all parties including clients, service providers, contractors, consultants, interns and others at <a href="https://kenanga.com.my/contact-us/">https://kenanga.com.my/contact-us/</a>.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

### Intended Outcome

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

### Practice 4.1

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

<b>Application</b> :	Applied													
<b>Explanation on application of the practice</b>	The Board of Directors (“ <b>Board</b> ”) of Kenanga Investment Bank Berhad (“ <b>KIBB</b> ”) comprises a majority of Independent Directors with five (5) Independent Non-Executive Directors (“ <b>INEDs</b> ”) and four (4) Non-Independent Non-Executive Directors (“ <b>NINEDs</b> ”) as listed below.													
	<table><thead><tr><th>INED</th><th>NINED</th></tr></thead><tbody><tr><td>1. Izlan Izhah – Chairman</td><td>1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman</td></tr><tr><td>2. Luk Wai Hong, William</td><td>2. Luigi Fortunato Ghirardello</td></tr><tr><td>3. Jeremy Nasrulhaq</td><td>3. Dato’ Richard Alexander John Curtis</td></tr><tr><td>4. Norazian Ahmad Tajuddin</td><td>4. Ismail Harith Merican</td></tr><tr><td>5. Kanagaraj Lorenz</td><td></td></tr></tbody></table>	INED	NINED	1. Izlan Izhah – Chairman	1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman	2. Luk Wai Hong, William	2. Luigi Fortunato Ghirardello	3. Jeremy Nasrulhaq	3. Dato’ Richard Alexander John Curtis	4. Norazian Ahmad Tajuddin	4. Ismail Harith Merican	5. Kanagaraj Lorenz		
	INED	NINED												
1. Izlan Izhah – Chairman	1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman													
2. Luk Wai Hong, William	2. Luigi Fortunato Ghirardello													
3. Jeremy Nasrulhaq	3. Dato’ Richard Alexander John Curtis													
4. Norazian Ahmad Tajuddin	4. Ismail Harith Merican													
5. Kanagaraj Lorenz														
	Based on the Board meetings held during the Financial Year Ended 31 December 2019, the Board displayed very good chemistry with healthy and robust discussion during meetings. They were able to express their divergent views freely and were able to gain insightful understanding and deliberations of the transactions or proposals being tabled for approval by engaging the Senior Management with challenging questions. Due to the Board’s diverse background and skills set, they were able to exercise high level review with diverse perspective drawn from their experiences and knowledge.													
<b>Explanation for departure</b>														
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.														
<b>Measure</b> :														
<b>Timeframe</b> :														

### Intended Outcome

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

### Practice 4.2

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

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

<b>Application</b>	:	Not applicable - No independent director(s) serving beyond 9 years	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

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

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	As embedded in Clause 3.3.1 of its Board Charter, Kenanga Investment Bank Berhad (" <b>KIBB</b> " or " <b>the Company</b> ") adopted a policy whereby the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. This is in line with Bank Negara Malaysia's expectation as stipulated in its Policy Document on Corporate Governance, as well as the Malaysian Code on Corporate Governance.



### Intended Outcome

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

### Practice 4.4

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<ol style="list-style-type: none"><li>1. The Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>"), via the Group Nomination &amp; Remuneration Committee ("<b>NRC</b>"), has put in place a formal and transparent framework governing the appointments of new Directors wherein the NRC will recommend the appointment of suitable candidate as Director of the Company and its subsidiaries, to the Board for approval.</li><li>2. The procedures in relation to Board appointment which are embedded in the Board Succession Planning Framework, starts with the review by the NRC of the status of the Board composition. The NRC will then report its findings and recommend to the Board for approval, the appropriate action to be taken.  If the NRC anticipates that a Director/ Board Committee member position shall become vacant within the next twelve (12) months (whether by reason of an announced intent to retire or otherwise), or if a Director/ Board Committee member position shall suddenly become vacant (whether by death or otherwise), the NRC shall, as soon as reasonably practicable, recommend to the Board, nominees for election as Director/ Board Committee member.</li><li>3. When identifying potential candidates for nomination as a Director, the NRC may consult whatever sources it deems appropriate, including, but not limited to, referrals from existing Directors, recommendations from a third-party search firm, FIDE FORUM's Directors Register, Institute of Corporate Directors Malaysia's Director Registry or suggestions from major shareholders.</li><li>4. The NRC shall make an initial assessment of each candidate. It shall select from a pool of one (1) or more candidates for an initial interview by at least one (1) member of the NRC.</li><li>5. When the NRC identifies an individual that it believes meet the criteria set forth below and should be elected Director, it will notify the Board and arrange for the individual to be interviewed by the rest of the Board members who are not members of the NRC.</li></ol>

	<p>6. The criteria considered during the selection of new Director include, inter alia, the following:</p> <ul style="list-style-type: none"> <li>a. Technical know-how, diverse skills or professional experience in the financial services industry or to some extent, understanding of the nature of the business that KIBB is involved in, to create a more conducive environment for informed decision making;</li> <li>b. Mix of skills and experiences of current Board members whilst taking into consideration the current and future needs of KIBB, and boardroom diversity (including gender diversity);</li> <li>c. Board size and balance of executive versus non-executive directors, as well as independent versus non-independent directors;</li> <li>d. Current composition of the Board and Board Committees, taking into consideration the independence requirements for Board and Board Committee membership in accordance with the relevant regulatory requirements;</li> <li>e. Probity, personal integrity and reputation, as well as personal qualities such as honesty, integrity, diligence, independence of mind and fairness;</li> <li>f. Demonstration of competence and capability in relation to the necessary skills, experience, ability and commitment to carry out the role as a director;</li> <li>g. Financial integrity – the candidate’s demonstration of prudent management of his/ her debts or financial affairs; and</li> <li>h. In the case of an Independent Non-Executive Director, additionally, the fulfilment of the independence criteria as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Bank Negara Malaysia (“<b>BNM</b>”)’s Policy Document on Corporate Governance.</li> </ul> <p>6. For re-appointments of Directors, besides the results of a performance evaluation of the Director concerned, the outcome on the assessment of his/ her independence (for an Independent Non-Executive Director only), as well as his/ her fitness and propriety would be taken into consideration by the NRC during its deliberation, prior to appropriate recommendations being made to the Board for approval.</p> <p>Upon the Board’s approval, the application for the proposed appointments of Directors would then be submitted to BNM for approval as required under the Financial Services Act 2013 and BNM’s Policy Document on Corporate Governance.</p> <p>7. In addition to the appointment of new Directors, the Terms of Reference of the NRC also requires that the NRC make recommendations to the Board on the re-appointments and re-elections for shareholders’ approval at the Annual General Meeting of the Company of any Directors who are retiring by</p>
--	---

rotation provisions as stipulated in the respective entity's Articles of Association, having due regard to their performance and ability to contribute to the Board in the light of the knowledge, skills and experience required.

The Directors who are due for re-election/ re-appointment at the forthcoming Annual General Meeting have been duly assessed by the NRC and recommended for re-election based on their constructive contributions and valuable insights in fulfilling their roles and responsibilities.

In the event a Director position should suddenly become vacant by reason of death or other unanticipated occurrence, and if such vacancy results in the entity concerned breaching any of the regulatory requirements pertaining to the Board or Board Committee composition, the NRC shall convene a special meeting soonest possible to implement the process described herein.

8. In cognisance of the recommendation embedded in the Malaysian Code on Corporate Governance to pursue gender diversity, the Company has intensified its search for a woman Director and found a suitable match with the appointment of Puan Norazian Ahmad Tajuddin ("**Puan Norazian**") on 15 December 2017. Puan Norazian was sourced from the FIDE FORUM's Directors Register which is a joint initiative by FIDE FORUM, BNM and Perbadanan Insurans Deposit Malaysia. Although the gender diversity only made up to 11% as at 31 December 2019, the Board will endeavour to source for suitable female candidate for future appointment to its Board.
9. With regard to skills and experience, processes had been put in place whereby the NRC would undertake a rigorous assessment of potential candidates, prior to any recommendations to the Board for appointment of a new Director.
10. In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which Board members from their different ages, cultural backgrounds, perspectives, views and abilities bring to the Company, as well as their abilities to respond to business opportunities more rapidly and creatively, the Company has endeavoured and will continue to endeavour to achieve a fair mix of members.

The current Board diversities in terms of age, cultural background and gender is shown in the tables below.

Age Group	50 – 59	60 – 69	70 – 79
No. of Directors	4	4	1

Cultural Background	Malay	Chinese	Indian	Italian	British
No. of Directors	5	1	1	1	1

Gender	Male	Female
No. of Directors	8	1

11. With regard to Senior Management personnel, the appointment is implemented in a formal and transparent process which is generally based on the minimum fit and proper criteria such as probity, personal integrity

	and reputation, competency and capability, as well as financial integrity as stipulated in KIBB Group Fit and Proper Criteria for Management Key Responsible Persons and Company Secretary.	
<b>Explanation for departure</b>		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>		
<b>Timeframe</b>		

### Intended Outcome

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

### Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Pursuant to Clause 3.6 of the Board Charter of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>"), the Board of Directors ("<b>Board</b>"), through the Group Nomination &amp; Remuneration Committee shall take steps to ensure that woman candidates are sought as part of its recruitment exercise.</p> <p>In that regard, the Board shall take appropriate measures to ensure that boardroom diversity, including gender diversity, forms part of the criteria to be considered in the selection and recruitment of new.</p> <p>Towards this end, the Board had on 15 December 2017 appointed a woman Director, Puan Norazian Ahmad Tajuddin ("<b>Puan Norazian</b>") as an Independent Non-Executive Director of KIBB.</p> <p>With Puan Norazian's appointment, the Board comprises eight (8) male Directors and one (1) female Director (11%). Moving forward, the Board will strive to increase the percentage by considering more woman candidates when appointing new Directors in the future.</p> <p>A point to note and in line with the aspiration to have woman representative on the Board, YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail ("<b>YM Tengku Noor Zakiah</b>"), the former Chairman and NINED of KIBB served the Company since her appointment in 1973 until she retired on 28 January 2017. Following thereto, YM Tengku Noor Zakiah was appointed as KIBB Group's Adviser, and still plays a significant role in the Company.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
------------------	---	--	--

### Intended Outcome

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

### Practice 4.6

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

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

**Intended Outcome**

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

**Practice 4.7**

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Nomination &amp; Remuneration Committee (“<b>NRC</b>”) of Kenanga Investment Bank Berhad (“<b>KIBB</b>”) comprises five (5) members, three (3) of whom are Independent Non-Executive Directors (“<b>INED</b>”) and two (2) Non-Independent Non-Executive Directors.</p> <p>The NRC is currently chaired by an INED, Puan Norazian Binti Ahmad Tajuddin who took over the chairmanship from Mr. Luk Wai Hong, William on 31 October 2019.</p> <p>Puan Norazian Binti Ahmad Tajuddin’s profile can be found in the Profiles of Directors in KIBB’s 2019 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

### Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<ol style="list-style-type: none"><li>1. Based on the Board Evaluation Framework approved by the Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>"), 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.</li><li>2. The criteria on which assessment of the Board's effectiveness is carried out included, inter alia, the Board's structure, operations and interaction, roles and responsibilities, strategy and planning, financial overview, performance management, human capital management, risk management and internal control, shareholders communication and investor relations; and understanding of the Board Committees' roles.</li><li>3. Board Committees are assessed based on the fulfilment of the Board Committee's functions and roles and responsibilities, as well as composition, processes and procedures, and interaction with Management as stipulated in their respective Terms of References.</li><li>4. As for individual Directors, the assessment was based on pre-determined criteria relating to personal integrity and competency; contribution and performance; as well as calibre and personality.</li><li>5. The outcomes of the assessment were then collated and compiled by the Company Secretary for tabling at the Group Nomination &amp; Remuneration Committee ("<b>NRC</b>") meeting for deliberation. These outcomes were reviewed and discussed by the NRC by recognising the strengths and addressing the weaknesses of the Board as a whole, Board Committees and individual Directors and, where appropriate, the NRC would</li></ol>

	<p>recommend to the Board appropriate action plans to be implemented to address any weaknesses identified.</p> <p>6. The results obtained from the individual Directors' evaluation also served as one of the criteria to be considered by the NRC and the Board when recommending and approving the re-appointments of Directors upon expiry of their respective terms of office as stipulated by Bank Negara Malaysia, as well as the re-elections of Directors under the retirement by rotation provisions in accordance with the respective Articles of Association of the companies within KIBB Group.</p> <p>7. Based on the findings of the assessment conducted in 2019, the Board formed the view that the Board as a whole, Board Committees and the individual Directors were effective in the performance of their roles and the discharge of their responsibilities.</p> <p>Nevertheless, arising from the feedback received from the Board members for the Board to be more involved in the formulation of the Group's strategic and business plans, an offsite strategic session with key Senior Management personnel was organised in November 2019 to facilitate detailed discussion of the Group's achievements of its 2019 Strategic and Business Plans, as well as the direction for 2020, prior to tabling of the Group's 2020 Strategic and Business Plans and 2020 Budget to the Board in December 2019.</p> <p>In relation to the development plans for the Board and Board Committees, based on the feedback received from the Board members, amongst the areas in which the Board members felt enhancement would be required was Fintech developments, digital business, technology risk, cybersecurity, and knowledge in Islamic banking products. In this respect, training programmes related to the areas aforementioned shall be identified for the Board members accordingly.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



### Intended Outcome

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

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

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

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

4. The NRC also reviews annually the performance of the GMD and Chief Executive Officers of the subsidiaries of the Company and submits recommendations to the Board for approval accordingly.
5. For the Financial Year Ended 31 December 2019, the Directors and Shariah Committee Members are paid the following annual fees and meeting allowance for each meeting of the Board, Board Committee or Shariah Committee that they have attended respectively:

Fees		Financial Year Ended 31 December 2019	
Chairman of the Board		RM440,000.00	
Deputy Chairman of the Board		RM390,000.00	
Director		RM270,000.00	
Chairman of Shariah Committee		RM54,000.00	
Chairman of Audit Committee ("AC")/ NRC/ Group Board Risk Committee ("GBRC")/ Group Board Digital Innovation & Technology Committee ("GBDITC")		RM40,000.00	
Member of AC/ NRC/ GBRC/ GBDITC		RM30,000.00	
Member of Shariah Committee*		RM49,000.00	
		RM43,000.00	
		RM45,000.00	
		RM6,000.00	
Type of Meeting Allowance		Chairman	Member
		Per Meeting	
Board Meeting		RM2,000.00	RM2,000.00
General Meeting of the Company		RM2,000.00	RM2,000.00
AC/ NRC/ GBRC/ GBDITC/ Employees' Share Scheme Committee Meeting		RM2,000.00	RM2,000.00
Shariah Committee Meeting		RM500.00	RM500.00

\* The annual fee for the Financial Year Ended 31 December 2019 are based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

6. A summary of the total remuneration of the Directors, in aggregate with categorisation into appropriate components for the Financial Year Ended 31 December 2019 is tabulated under Practice 7.1.
7. With regard to Senior Management's compensation, it is reviewed regularly and benchmarked against the market. All matters relating to Senior Management's compensations are presented and deliberated at the NRC upon which relevant recommendations shall be made to the Board of KIBB for approval.

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

### Intended Outcome

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

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

### Practice 6.2

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

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>1. The Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") has established the Group Nomination &amp; Remuneration Committee ("<b>NRC</b>") comprising a majority of Independent Directors with specific Terms of Reference outlining its roles and responsibilities. The NRC is chaired by an Independent Director who is not the Chairman of the Board.</p> <p>As at 31 December 2019, the composition of the NRC was as follows:</p> <ul style="list-style-type: none"> <li><b>Norazian Ahmad Tajuddin</b> <i>Chairman, Independent Non-Executive Director</i></li> </ul>

- **Luk Wai Hong, William**  
*Member, Independent Non-Executive Director*
- **Jeremy Nasrulhaq**  
*Member, Independent Non-Executive Director*
- **Datuk Syed Ahmad Alwee Alsree**  
*Member, Non-Independent Non-Executive Director*
- **Luigi Fortunato Ghirardello**  
*Member, Non-Independent Non-Executive Director*

## 2. **NRC's Roles and Responsibilities**

With regard to the nominations and appointments of Directors of KIBB and its subsidiaries, Board Committee members, the Group Managing Director ("**GMD**") and Senior Management of KIBB Group, the NRC's responsibilities as stipulated in its Terms of Reference include the establishment of minimum requirements for the Boards, the GMD and Senior Management, such as the required mix of skills, experience, qualifications and other core competencies required of them. The requirements and criteria shall be approved by the Board.

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

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

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

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

### 3. Summary of NRC's Activities in 2019

In discharging its responsibilities as encapsulated in its Terms of Reference which is available on the Company's website at <https://kenanga.com.my/investor-relations>, during the Financial Year Ended 31 December 2019, the NRC had reviewed, deliberated and made appropriate recommendations to the Board for approval, on matters pertaining to, amongst others, the following:

- Appointments and Re-Appointments of Directors within KIBB Group;
- List of Management Key Responsible Persons ("KRPs") of the Group as at 1 January 2019;
- New Appointment and Renewal of Contract of Appointment of Senior Management Personnel;
- Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail as Adviser of KIBB;
- Review of Compositions of the Board and the Board Committees;
- Appointment of New Group Executive Committee Member and Management KRP;
- Annual Performance Review and Assessment on the Fitness and Propriety of Senior Management;
- Annual Performance Evaluation for the Board, Board Committees and Individual Director for the Financial Year Ended 31 December 2018, together with the Annual Assessment on Independence and Fitness and Propriety of Directors;
- Proposed Identification of Material Risk Takers and Other Material Risk Takers within KIBB Group;
- Board Succession Planning Framework;
- Directors' Remuneration and Benefits of the Group;
- 2018 Annual Performance Bonus and 2019 Annual Salary Increment for the Group;
- Revised Succession Plan for KRPs;
- 2019 Annual Balanced Scorecards for Senior Management of



	KIBB; <ul style="list-style-type: none"> <li>• Training Requirements for the Directors;</li> <li>• Results of the Assessment on the Fitness and Propriety and the Re-Appointment of Members of Shariah Committee of KIBB and their Remuneration; and</li> <li>• Kenanga Competency Framework – Core, Leadership, Foundational &amp; Functional Competencies of the Group.</li> </ul>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

## Intended Outcome

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

## Practice 7.1

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

<b>Application</b> :	Applied																																																																													
<b>Explanation on application of the practice</b> :	<p>The breakdown of the remuneration of individual Directors of Kenanga Investment Bank Berhad which includes fees, other emoluments and benefits-in-kind for the Financial Year Ended 31 December 2019 is set out below.</p> <table><tr><th>Group Level</th><th>Fees <sup>(1)</sup> RM</th><th>Salaries RM</th><th>Other Emoluments RM</th><th>Bonus RM</th><th>Benefits- in-Kind RM</th><th>Total RM</th></tr><tr><td>Izlan Izhah</td><td>510,000.00</td><td>-</td><td>56,000.00</td><td>-</td><td>84,161.97<sup>(2)</sup></td><td>650,161.97</td></tr><tr><td>Datuk Syed Ahmad Alwee Alsree</td><td>510,000.00</td><td>-</td><td>68,000.00</td><td>-</td><td>19,442.96<sup>(3)</sup></td><td>597,442.96</td></tr><tr><td>Dato' Richard Alexander John Curtis</td><td>310,273.97</td><td>-</td><td>48,000.00</td><td>-</td><td>-</td><td>358,273.97</td></tr><tr><td>Luigi Fortunato Ghirardello</td><td>390,273.97</td><td>-</td><td>78,000.00</td><td>-</td><td>-</td><td>468,273.97</td></tr><tr><td>Ismail Harith Merican</td><td>300,000.00</td><td>-</td><td>40,000.00</td><td>-</td><td>-</td><td>340,000.00</td></tr><tr><td>Luk Wai Hong, William</td><td>388,575.34</td><td>-</td><td>86,000.00</td><td>-</td><td>-</td><td>474,575.34</td></tr><tr><td>Jeremy Nasrulhaq</td><td>350,273.97</td><td>-</td><td>70,000.00</td><td>-</td><td>-</td><td>420,273.97</td></tr><tr><td>Norazian Ahmad Tajuddin</td><td>375,506.85</td><td>-</td><td>84,000.00</td><td>-</td><td>-</td><td>459,506.85</td></tr><tr><td>Kanagaraj Lorenz</td><td>343,698.63</td><td>-</td><td>66,000.00</td><td>-</td><td>-</td><td>409,698.63</td></tr><tr><td><b>TOTAL</b></td><td><b>3,478,602.73</b></td><td><b>-</b></td><td><b>596,000.00</b></td><td><b>-</b></td><td><b>103,604.93</b></td><td><b>4,178,207.66</b></td></tr></table> <p><i>Notes</i></p> <p>(1) Subject to shareholders' approval at the forthcoming Annual General Meeting</p> <p>(2) Benefits-in-kind for the Chairman include golf club membership, leave passage, driver, car and other claimable benefits</p> <p>(3) Benefits-in-kind for the Deputy Chairman include golf club membership, car and other claimable benefits</p>	Group Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM	Izlan Izhah	510,000.00	-	56,000.00	-	84,161.97 <sup>(2)</sup>	650,161.97	Datuk Syed Ahmad Alwee Alsree	510,000.00	-	68,000.00	-	19,442.96 <sup>(3)</sup>	597,442.96	Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97	Luigi Fortunato Ghirardello	390,273.97	-	78,000.00	-	-	468,273.97	Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00	Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34	Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97	Norazian Ahmad Tajuddin	375,506.85	-	84,000.00	-	-	459,506.85	Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63	<b>TOTAL</b>	<b>3,478,602.73</b>	<b>-</b>	<b>596,000.00</b>	<b>-</b>	<b>103,604.93</b>	<b>4,178,207.66</b>
Group Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM																																																																								
Izlan Izhah	510,000.00	-	56,000.00	-	84,161.97 <sup>(2)</sup>	650,161.97																																																																								
Datuk Syed Ahmad Alwee Alsree	510,000.00	-	68,000.00	-	19,442.96 <sup>(3)</sup>	597,442.96																																																																								
Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97																																																																								
Luigi Fortunato Ghirardello	390,273.97	-	78,000.00	-	-	468,273.97																																																																								
Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00																																																																								
Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34																																																																								
Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97																																																																								
Norazian Ahmad Tajuddin	375,506.85	-	84,000.00	-	-	459,506.85																																																																								
Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63																																																																								
<b>TOTAL</b>	<b>3,478,602.73</b>	<b>-</b>	<b>596,000.00</b>	<b>-</b>	<b>103,604.93</b>	<b>4,178,207.66</b>																																																																								

		<table><tr><th>Company Level</th><th>Fees <sup>(1)</sup> RM</th><th>Salaries RM</th><th>Other Emoluments RM</th><th>Bonus RM</th><th>Benefits-in-Kind RM</th><th>Total RM</th></tr><tr><td>Izlan Izzah</td><td>470,000.00</td><td>-</td><td>46,000.00</td><td>-</td><td>84,161.97<sup>(2)</sup></td><td>600,161.97</td></tr><tr><td>Datuk Syed Ahmad Alwee Alsree</td><td>420,000.00</td><td>-</td><td>50,000.00</td><td>-</td><td>19,442.96<sup>(3)</sup></td><td>489,442.96</td></tr><tr><td>Dato' Richard Alexander John Curtis</td><td>310,273.97</td><td>-</td><td>48,000.00</td><td>-</td><td>-</td><td>358,273.97</td></tr><tr><td>Luigi Fortunato Ghirardello</td><td>340,273.97</td><td>-</td><td>68,000.00</td><td>-</td><td>-</td><td>408,273.97</td></tr><tr><td>Ismail Harith Merican</td><td>300,000.00</td><td>-</td><td>40,000.00</td><td>-</td><td>-</td><td>340,000.00</td></tr><tr><td>Luk Wai Hong, William</td><td>388,575.34</td><td>-</td><td>86,000.00</td><td>-</td><td>-</td><td>474,575.34</td></tr><tr><td>Jeremy Nasrulhaq</td><td>350,273.97</td><td>-</td><td>70,000.00</td><td>-</td><td>-</td><td>420,273.97</td></tr><tr><td>Norazian Ahmad Tajuddin</td><td>341,972.60</td><td>-</td><td>74,000.00</td><td>-</td><td>-</td><td>415,972.60</td></tr><tr><td>Kanagaraj Lorenz</td><td>343,698.63</td><td>-</td><td>66,000.00</td><td>-</td><td>-</td><td>409,698.63</td></tr><tr><td>TOTAL</td><td>3,265,068.48</td><td>-</td><td>548,000.00</td><td>-</td><td>103,604.93</td><td>3,916,673.41</td></tr></table>	Company Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in-Kind RM	Total RM	Izlan Izzah	470,000.00	-	46,000.00	-	84,161.97 <sup>(2)</sup>	600,161.97	Datuk Syed Ahmad Alwee Alsree	420,000.00	-	50,000.00	-	19,442.96 <sup>(3)</sup>	489,442.96	Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97	Luigi Fortunato Ghirardello	340,273.97	-	68,000.00	-	-	408,273.97	Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00	Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34	Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97	Norazian Ahmad Tajuddin	341,972.60	-	74,000.00	-	-	415,972.60	Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63	TOTAL	3,265,068.48	-	548,000.00	-	103,604.93	3,916,673.41
	Company Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in-Kind RM	Total RM																																																																								
	Izlan Izzah	470,000.00	-	46,000.00	-	84,161.97 <sup>(2)</sup>	600,161.97																																																																								
	Datuk Syed Ahmad Alwee Alsree	420,000.00	-	50,000.00	-	19,442.96 <sup>(3)</sup>	489,442.96																																																																								
	Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97																																																																								
	Luigi Fortunato Ghirardello	340,273.97	-	68,000.00	-	-	408,273.97																																																																								
	Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00																																																																								
	Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34																																																																								
	Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97																																																																								
	Norazian Ahmad Tajuddin	341,972.60	-	74,000.00	-	-	415,972.60																																																																								
	Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63																																																																								
	TOTAL	3,265,068.48	-	548,000.00	-	103,604.93	3,916,673.41																																																																								
<p>Notes</p> <p>(1) Subject to shareholders' approval at the forthcoming Annual General Meeting</p> <p>(2) Benefits-in-kind for the Chairman include golf club membership, leave passage, driver, car and other claimable benefits</p> <p>(3) Benefits-in-kind for the Deputy Chairman include golf club membership, car and other claimable benefits</p>																																																																															
Explanation for departure :																																																																															
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																																																																															
Measure :																																																																															
Timeframe :																																																																															

## Intended Outcome

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

## Practice 7.2

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

Application	:	Departure																									
Explanation on application of the practice	:																										
Explanation for departure	:	<p>In view of the confidentiality and security concerns, the Board had at its meeting on 28 February 2019, agreed for disclosure to be made on remuneration of the Group Executive Committee (“GEXCO”) members in bands of RM50,000 on a no-named basis.</p> <table><tr><th>Remuneration of GEXCO in Bands of RM50,000</th><th>Number of GEXCO Members</th></tr><tr><td>From RM600,000 to RM650,000</td><td>3</td></tr><tr><td>From RM700,000 to RM750,000</td><td>1</td></tr><tr><td>From RM750,000 to RM800,000</td><td>1</td></tr><tr><td>From RM800,000 to RM850,000</td><td>1</td></tr><tr><td>From RM1,100,000 to RM1,150,000</td><td>1</td></tr><tr><td>From RM1,150,000 to RM1,200,000</td><td>1</td></tr><tr><td>From RM1,800,000 to RM1,850,000</td><td>1</td></tr><tr><td>From RM1,950,000 to RM2,000,000</td><td>1</td></tr><tr><td>From RM2,500,000 to RM2,550,000</td><td>1</td></tr><tr><td>From RM3,450,000 to RM3,500,000</td><td>1</td></tr><tr><td>Total</td><td>12</td></tr></table> <p>Compensation of key management personnel (Group Managing Director and his direct reports) are disclosed in Note 38 of the Audited Financial Statements for the Financial Year Ended 31 December 2019 in the following format:</p> <ul style="list-style-type: none"><li>• Short term employee benefits; and</li><li>• Post-employment benefits: Employees Provident Fund.</li></ul>		Remuneration of GEXCO in Bands of RM50,000	Number of GEXCO Members	From RM600,000 to RM650,000	3	From RM700,000 to RM750,000	1	From RM750,000 to RM800,000	1	From RM800,000 to RM850,000	1	From RM1,100,000 to RM1,150,000	1	From RM1,150,000 to RM1,200,000	1	From RM1,800,000 to RM1,850,000	1	From RM1,950,000 to RM2,000,000	1	From RM2,500,000 to RM2,550,000	1	From RM3,450,000 to RM3,500,000	1	Total	12
Remuneration of GEXCO in Bands of RM50,000	Number of GEXCO Members																										
From RM600,000 to RM650,000	3																										
From RM700,000 to RM750,000	1																										
From RM750,000 to RM800,000	1																										
From RM800,000 to RM850,000	1																										
From RM1,100,000 to RM1,150,000	1																										
From RM1,150,000 to RM1,200,000	1																										
From RM1,800,000 to RM1,850,000	1																										
From RM1,950,000 to RM2,000,000	1																										
From RM2,500,000 to RM2,550,000	1																										
From RM3,450,000 to RM3,500,000	1																										
Total	12																										
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																											
Measure	:																										
Timeframe	:																										

**Intended Outcome**

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

**Practice 7.3 - Step Up**

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

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Chairman of the Audit Committee ("<b>AC</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>") is Encik Jeremy Nasrulhaq ("<b>Encik Jeremy</b>"), an Independent Non-Executive Director of KIBB, who is not the Chairman of the Board of KIBB.</p> <p>Encik Jeremy, aged 67, is a member of the Malaysian Institute of Accountants. He was appointed to the Board of KIBB as an Independent Non-Executive Director on 1 June 2017. He was initially appointed as a member of the AC on 1 June 2017 and subsequently re-designated as the Chairman of the AC on 8 September 2017.</p> <p>The AC comprises a majority of Independent Directors. The composition of the AC and the profiles of each member and details of meeting attendance can be found in Section B of this CG Report.</p> <p>The functions and responsibilities of the AC are set out in the Terms of Reference of the AC which is available on KIBB's website at <a href="https://kenanga.com.my/investor-relations">https://kenanga.com.my/investor-relations</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	Being a financial institution, Kenanga Investment Bank Berhad adheres to the requirement of Standard 10.5 of Bank Negara Malaysia's Policy Document on Corporate Governance which stipulates that where a firm has been appointed as the external auditor of a financial institution, any of its officers directly involved in the engagement and any partner of the firm must not serve or be appointed as a director of the financial institution until at least two (2) years after - <ul style="list-style-type: none"><li>• he ceases to be an officer or partner of that firm; or</li><li>• the firm last served as an auditor of the financial institution.</li></ul>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

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

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>It is a policy of the Audit Committee ("<b>AC</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") to meet with the External Auditors of KIBB, at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. In addition, the AC also holds separate meetings with the External Auditors without the presence of Management to ensure full disclosure and transparent report on relevant issues affecting the Company.</p> <p>In relation to the re-appointment of Messrs. Ernst &amp; Young PLT ("<b>EY</b>") as KIBB's External Auditors for the Financial Year Ending 31 December 2020, the Board had at its meeting on 31 January 2020, concurred with the AC's recommendation for EY to be re-appointed as the Company's External Auditors after having been satisfied with the outcome of the assessment conducted on EY's performance and independence, in accordance with Section 67(1) of the Financial Services Act 2013.</p> <p>Based on the assessment, the Board had concluded that EY had fulfilled all the qualification criteria set out in Bank Negara Malaysia ("<b>BNM</b>")'s Policy on External Auditors in terms of its performance and independence.</p> <p>For 2019, Ms. Ng Sue Ean has been proposed as the new Engagement Partner of EY replacing Mr. Chan Hooi Lam who has been with KIBB Group for the past five (5) years.</p> <p>BNM had on 11 March 2020 granted its approval for EY's re-appointment as KIBB Group's External Auditors for the Financial Year Ending 31 December 2020.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		



<b>Measure</b>	:		
<b>Timeframe</b>	:		

### **Intended Outcome**

There is an effective and independent Audit Committee.

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

### **Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

## Intended Outcome

There is an effective and independent Audit Committee.

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

## Practice 8.5

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

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

<b>Application</b> :	Applied
<b>Explanation on application of the practice</b> :	<p>The Audit Committee ("<b>AC</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") presently comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia ("<b>BNM</b>")'s Policy Document on Corporate Governance.</p> <p>As at 31 December 2019, the composition of the AC was as follows:</p> <ol style="list-style-type: none"><li>1. <b>Jeremy Nasrulhaq</b> <i>Chairman, Independent Non-Executive Director</i></li><li>2. <b>Izlan Izhab</b> <i>Member, Independent Non-Executive Director</i></li><li>3. <b>Luk Wai Hong, William</b> <i>Member, Independent Non-Executive Director</i></li><li>4. <b>Kanagaraj Lorenz</b> <i>Member, Independent Non-Executive Director</i></li><li>5. <b>Ismail Harith Merican</b> <i>Member, Non-Independent Non-Executive Director</i></li></ol> <p>Two (2) of the AC members, namely Encik Jeremy Nasrulhaq and Mr. Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants ("<b>MIA</b>") and the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) respectively, in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This would strengthen the effectiveness of the AC and facilitate the AC's succession plan in terms of its membership to ensure full compliance with the relevant regulatory requirements.</p>

	<p>In terms of continuous development of the Board and Board Committees members, the Company, via the Company Secretary's Office facilitates the registration and attendance of Directors at appropriate external and in-house training programmes to ensure that the Directors are kept abreast with new developments pertaining to the laws and regulations and changing commercial risks, which may affect the Board and/or the Company, as well as to ensure that they are fully equipped with the necessary knowledge to assist them in fulfilling their responsibilities as Directors of the Company.</p> <p>In addition to external training programmes, the AC members also attended several training programmes organised in-house. The relevant training programmes attended by the AC members during 2019 are as listed below.</p>																																		
	<table><tr><th colspan="2">Title of Trainings</th></tr><tr><td>1.</td><td>A Boardroom Colloquium on Innovation Governance by MeLearn Global</td></tr><tr><td>2.</td><td>Blockchain for Accountants - Awareness Workshop by Malaysian Institute of Certified Public Accountants</td></tr><tr><td>3.</td><td>"Let's Get Real" on Anti-Bribery by The Iclif Leadership and Governance Centre ("ICLIF")</td></tr><tr><td>4.</td><td>ASLI - Inaugural Malaysia Forum 2019 - Shaping Policy in an Interconnected World by Federation of Public Listed Companies ("FPLC")</td></tr><tr><td>5.</td><td>Dinner Talk - Digital Assets: Global Trends Legal Requirements and Opportunities for Financial Institutions by FIDE FORUM</td></tr><tr><td>6.</td><td>BNM Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session by BNM</td></tr><tr><td>7.</td><td>BNM Governor's Address on the Malaysian Economy &amp; Panel Discussion by Persatuan Ekonomi Malaysia through FPLC</td></tr><tr><td>8.</td><td>Dialogue with BNM's Deputy Governor on the Draft Risk Management in Technology Policy by FIDE FORUM</td></tr><tr><td>9.</td><td>AGOS 2019 Finance Summit Malaysia by FPLC</td></tr><tr><td>10.</td><td>The Role of Audit Committees - Ensuring Organisational Integrity, Risk &amp; Governance by Institute of Corporate Directors Malaysia ("ICDM")</td></tr><tr><td>11.</td><td>Understanding Liquidity Risk Management in Banking Programme by ICLIF</td></tr><tr><td>12.</td><td>Rethinking Strategy by FIDE FORUM</td></tr><tr><td>13.</td><td>Future Business Ideas 2019 - Business Innovation Re-Imagined by Securities Industry Development Corporation ("SIDC")</td></tr><tr><td>14.</td><td>Launch of the Securities Commission Malaysia ("SC")'s "Corporate Governance Monitor 2019"</td></tr><tr><td>15.</td><td>Fundamentals of Corporate Directorship: Module A - The Role of the Board in Strategy &amp; Risk Management Oversight by ICDM</td></tr><tr><td>16.</td><td>Engagement Session with Audit Committee Members by Malaysia Institute of Accountants</td></tr></table>	Title of Trainings		1.	A Boardroom Colloquium on Innovation Governance by MeLearn Global	2.	Blockchain for Accountants - Awareness Workshop by Malaysian Institute of Certified Public Accountants	3.	"Let's Get Real" on Anti-Bribery by The Iclif Leadership and Governance Centre ("ICLIF")	4.	ASLI - Inaugural Malaysia Forum 2019 - Shaping Policy in an Interconnected World by Federation of Public Listed Companies ("FPLC")	5.	Dinner Talk - Digital Assets: Global Trends Legal Requirements and Opportunities for Financial Institutions by FIDE FORUM	6.	BNM Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session by BNM	7.	BNM Governor's Address on the Malaysian Economy & Panel Discussion by Persatuan Ekonomi Malaysia through FPLC	8.	Dialogue with BNM's Deputy Governor on the Draft Risk Management in Technology Policy by FIDE FORUM	9.	AGOS 2019 Finance Summit Malaysia by FPLC	10.	The Role of Audit Committees - Ensuring Organisational Integrity, Risk & Governance by Institute of Corporate Directors Malaysia ("ICDM")	11.	Understanding Liquidity Risk Management in Banking Programme by ICLIF	12.	Rethinking Strategy by FIDE FORUM	13.	Future Business Ideas 2019 - Business Innovation Re-Imagined by Securities Industry Development Corporation ("SIDC")	14.	Launch of the Securities Commission Malaysia ("SC")'s "Corporate Governance Monitor 2019"	15.	Fundamentals of Corporate Directorship: Module A - The Role of the Board in Strategy & Risk Management Oversight by ICDM	16.	Engagement Session with Audit Committee Members by Malaysia Institute of Accountants
Title of Trainings																																			
1.	A Boardroom Colloquium on Innovation Governance by MeLearn Global																																		
2.	Blockchain for Accountants - Awareness Workshop by Malaysian Institute of Certified Public Accountants																																		
3.	"Let's Get Real" on Anti-Bribery by The Iclif Leadership and Governance Centre ("ICLIF")																																		
4.	ASLI - Inaugural Malaysia Forum 2019 - Shaping Policy in an Interconnected World by Federation of Public Listed Companies ("FPLC")																																		
5.	Dinner Talk - Digital Assets: Global Trends Legal Requirements and Opportunities for Financial Institutions by FIDE FORUM																																		
6.	BNM Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session by BNM																																		
7.	BNM Governor's Address on the Malaysian Economy & Panel Discussion by Persatuan Ekonomi Malaysia through FPLC																																		
8.	Dialogue with BNM's Deputy Governor on the Draft Risk Management in Technology Policy by FIDE FORUM																																		
9.	AGOS 2019 Finance Summit Malaysia by FPLC																																		
10.	The Role of Audit Committees - Ensuring Organisational Integrity, Risk & Governance by Institute of Corporate Directors Malaysia ("ICDM")																																		
11.	Understanding Liquidity Risk Management in Banking Programme by ICLIF																																		
12.	Rethinking Strategy by FIDE FORUM																																		
13.	Future Business Ideas 2019 - Business Innovation Re-Imagined by Securities Industry Development Corporation ("SIDC")																																		
14.	Launch of the Securities Commission Malaysia ("SC")'s "Corporate Governance Monitor 2019"																																		
15.	Fundamentals of Corporate Directorship: Module A - The Role of the Board in Strategy & Risk Management Oversight by ICDM																																		
16.	Engagement Session with Audit Committee Members by Malaysia Institute of Accountants																																		

	17. Corporate Governance Watch: How Does Malaysia Rank by ICLIF
	18. BNM: My Fintech Week 2019 - Shifting Tide, Future of Finance
	19. Directorship Journey - An Exclusive Fireside Chat for FIDE FORUM Directors Register Talent
	20. Demystifying the Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia and ICDM
	21. Artificial Intelligent and Its Role in FIs by FIDE FORUM
	22. SC's Financing Opportunities for Tech Companies Through the Malaysian Capital Markets
	23. Digital Upskilling for Board by ICDM
	24. 2019 Cyber Security Workshop: Shifting Towards Cyber Hygiene by Bursa Malaysia
	25. Thought Leadership Series: The Convergence of Digitalisation and Sustainability by ICDM
	26. Raising Defences: Section 17A, Malaysian Anti-Corruption Commission Act 2009 by ICLIF
	27. Malaysia Anti-Corruption Forum 2019 by International Strategy Institute
	28. Practical Integrated Reporting Forum & Workshop by Malaysian Alliance of Corporate Director
	29. Key Aspects of Fintech and Regulation by BNM-FIDE FORUM
	30. Asian Institute of Chartered Bankers: Module CB1 Masterclass
	31. The Cooler Earth Sustainability Summit by CIMB
	32. Digital To The Core by FIDE FORUM
	33. Khazanah Megatrends Forum 2019
	34. ICDM International Directors Summit 2019
	35. Leadership in a Disruptive World by FIDE FORUM
	36. SCXSC Fintech Conference 2019
	37. MICG 2019 Forum: Corporate Governance in the Capital Market
	38. Audit Oversight Board: Conversation with Audit Committees by SC
	39. Singapore Fintech Festival 2019: SFF x Switch
	40. Cyber Security 2020: Cyber Threats Against Enterprises for Board Members of Kenanga Group of Companies by LE Global Services Sdn Bhd
<b>Explanation for departure</b>	

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

## Intended Outcome

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

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

## Practice 9.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors ("<b>Board</b>") of Kenanga Investment Bank Berhad ("<b>KIBB</b>") is fully committed to maintaining a sound system of internal controls and has instituted a risk management and internal control framework, as well as good corporate governance measures to monitor KIBB Group's effectiveness in safeguarding shareholders' investments and KIBB Group's assets.</p> <p>The risk management and internal control systems are designed to identify, assess and manage risks that may impede the achievement of KIBB Group's business objectives and strategies rather than to eliminate these risks.</p> <p>The risk management and internal control systems can only provide reasonable and not absolute assurance against material misstatement, fraud or loss, and this is achieved through a combination of preventive, detective and corrective measures.</p> <p>Relevant information on KIBB's risk management and internal control framework is disclosed in the Statement on Risk Management and Internal Control in KIBB's 2019 Annual Report.</p> <p>The Board is also supported by the Group Board Risk Committee ("<b>GBRC</b>") which comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia's Policy Document on Corporate Governance.</p> <p>In addition, the GBRC also assists the Board in ensuring that a sound control environment exists within KIBB and its subsidiaries with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions and the internal audit function.</p> <p>In compliance with the requirements of Bank Negara Malaysia ("<b>BNM</b>")'s Policy Document on Risk Management in Technology ("<b>RMIT</b>") on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of</p>

	<p>KIBB had, at its meeting on 29 August 2019, approved the establishment of the Group Board Digital Innovation &amp; Technology Committee (“<b>GBDITC</b>”) comprising the following members:</p> <table border="1" data-bbox="547 336 1307 770"> <thead> <tr> <th data-bbox="547 336 908 383">Name of Member</th><th data-bbox="908 336 1307 383">Designation</th></tr> </thead> <tbody> <tr> <td data-bbox="547 383 908 461">i. Kanagaraj Lorenz</td><td data-bbox="908 383 1307 461">Chairman, Independent Non-Executive Director (“<b>INED</b>”)</td></tr> <tr> <td data-bbox="547 461 908 501">ii. Luk Wai Hong, William</td><td data-bbox="908 461 1307 501">Member, INED</td></tr> <tr> <td data-bbox="547 501 908 542">iii. Jeremy Bin Nasrulhaq</td><td data-bbox="908 501 1307 542">Member, INED</td></tr> <tr> <td data-bbox="547 542 908 620">iv. Norazian Binti Ahmad Tajuddin</td><td data-bbox="908 542 1307 620">Member, INED</td></tr> <tr> <td data-bbox="547 620 908 692">v. Dato’ Richard Alexander John Curtis</td><td data-bbox="908 620 1307 692">Member, Non-Independent Non-Executive Director (“<b>NINED</b>”)</td></tr> <tr> <td data-bbox="547 692 908 770">vi. Luigi Fortunato Ghirardello</td><td data-bbox="908 692 1307 770">Member, NINED</td></tr> </tbody> </table> <p>To facilitate effective discussions at the GBDITC meetings, the following personnel had been included as permanent invitees to all GBDITC meetings:</p> <ol style="list-style-type: none"> <li>GMD;</li> <li>Chief Technology Officer; and</li> <li>Head, Technology Risk &amp; Business Continuity Management.</li> </ol> <p>The main function of the GBDITC was to provide focused and in-depth deliberation on digital innovations and technology-related matters.</p> <p>In addition to providing oversight on technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital innovations as proposed by Management, in line with KIBB Group’s medium and long term business strategy which includes the digitalisation strategy for the Group and aligned with the relevant regulatory requirements.</p>	Name of Member	Designation	i. Kanagaraj Lorenz	Chairman, Independent Non-Executive Director (“ <b>INED</b> ”)	ii. Luk Wai Hong, William	Member, INED	iii. Jeremy Bin Nasrulhaq	Member, INED	iv. Norazian Binti Ahmad Tajuddin	Member, INED	v. Dato’ Richard Alexander John Curtis	Member, Non-Independent Non-Executive Director (“ <b>NINED</b> ”)	vi. Luigi Fortunato Ghirardello	Member, NINED
Name of Member	Designation														
i. Kanagaraj Lorenz	Chairman, Independent Non-Executive Director (“ <b>INED</b> ”)														
ii. Luk Wai Hong, William	Member, INED														
iii. Jeremy Bin Nasrulhaq	Member, INED														
iv. Norazian Binti Ahmad Tajuddin	Member, INED														
v. Dato’ Richard Alexander John Curtis	Member, Non-Independent Non-Executive Director (“ <b>NINED</b> ”)														
vi. Luigi Fortunato Ghirardello	Member, NINED														
<b>Explanation for departure</b> :															
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
<b>Measure</b> :															

<b>Timeframe</b>	:		
------------------	---	--	--



### Intended Outcome

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

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

### Practice 9.2

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board of Directors. Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>")'s inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Company's corporate objectives and to safeguard the shareholders' investments and the Company's assets.</p> <p>Details of KIBB's internal control system and framework are set out in the Statement on Risk Management and Internal Control in the Company's 2019 Annual Report.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 9.3 - Step Up

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

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>Kenanga Investment Bank Berhad ("KIBB") has established the Group Board Risk Committee ("GBRC") to oversee its risk management framework and policies.</p> <p>The GBRC comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia's Policy Document on Corporate Governance.</p> <p>As at 31 December 2019, the composition of the GBRC was as follows:</p> <ol style="list-style-type: none"><li>1. <b>Luk Wai Hong, William</b> <i>Chairman, Independent Non-Executive Director</i></li><li>2. <b>Norazian Ahmad Tajuddin</b> <i>Member, Independent Non-Executive Director</i></li><li>3. <b>Kanagaraj Lorenz</b> <i>Member, Independent Non-Executive Director</i></li><li>4. <b>Dato' Richard Alexander John Curtis</b> <i>Member, Non-Independent Non-Executive Director</i></li><li>5. <b>Luigi Fortunato Ghirardello</b> <i>Member, Non-Independent Non-Executive Director</i></li></ol> <p>Under its Terms of Reference which is available on KIBB's website at <a href="https://kenanga.com.my/investor-relations">https://kenanga.com.my/investor-relations</a>, the GBRC's responsibilities cover, inter alia, the areas of risk strategies and risk profile, risk policies and framework, risk appetite and limits setting, as well as risk methodologies and infrastructure.</p> <p>In addition, the GBRC also assists the Board in ensuring that a sound control environment exists within KIBB and its subsidiaries with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions and the internal audit function.</p> <p>In compliance with the requirements of Bank Negara Malaysia</p>

(“**BNM**”)’s Policy Document on Risk Management in Technology (“**RMIT**”) on designating a Board-level committee to support the Board in providing oversight over technology-related matters, including oversight on digital innovation initiatives of the Group, the Board of KIBB had, at its meeting on 29 August 2019, approved the establishment of the Group Board Digital Innovation & Technology Committee (“**GBDITC**”) comprising the following members:

Name of Member	Designation
i. Kanagaraj Lorenz	Chairman, Independent Non-Executive Director (“ <b>INED</b> ”)
ii. Luk Wai Hong, William	Member, INED
iii. Jeremy Bin Nasrulhaq	Member, INED
iv. Norazian Binti Ahmad Tajuddin	Member, INED
v. Dato’ Richard Alexander John Curtis	Member, Non-Independent Non-Executive Director (“ <b>NINED</b> ”)
vi. Luigi Fortunato Ghirardello	Member, NINED

To facilitate effective discussions at the GBDITC meetings, the following personnel had been included as permanent invitees to all GBDITC meetings:

- a. GMD;
- b. Chief Technology Officer; and
- c. Head, Technology Risk & Business Continuity Management.

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

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

## Intended Outcome

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

### Practice 10.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Group Internal Audit Division (“<b>GIA</b>”) of Kenanga Investment Bank Berhad (“<b>KIBB</b>”) is established by the Board of Directors (“<b>Board</b>”) 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 (“<b>GCIA</b>”), Mr. Terence Tan Kian Meng, reports independently to the Audit Committee (“<b>AC</b>”) and has no responsibilities or authority over any of the activities it reviews.</p> <p>An Annual Audit Plan based on the appropriate risk based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of Management’s action plans.</p> <p>The GCIA is invited to attend the AC meetings to facilitate the deliberation of audit reports.</p> <p>The AC, pursuant to its Terms of Reference, oversees the effectiveness of the internal audit function of KIBB including:</p> <ul style="list-style-type: none"><li>• reviewing, approving and reporting to the Board the audit scope, procedures and frequency;</li><li>• reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by GIA;</li><li>• noting 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 the disagreements may have on the audit process or findings;</li><li>• establishing a mechanism to assess the performance and effectiveness of the internal audit function;</li></ul>

	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>	
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

## Intended Outcome

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

## Practice 10.2

The board should disclose—

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Group Internal Audit (“<b>GIA</b>”) reports functionally to the Audit Committee (“<b>AC</b>”) and administratively to the Group Managing Director. It provides independent and objective assurance to the Board and Management that the policies, procedures and operations that Management has put in place for risk management, control and governance are adequate, operating effectively and efficiently, and in compliance with prescribed laws and regulations.</p> <p>In order to discharge its duties and responsibilities independently and objectively, GIA is independent of the activities and operations of the business and other support units which it reviews.</p> <p>GIA is led by the Group Chief Internal Auditor (“<b>GCIA</b>”), Mr. Terence Tan Kian Meng, who is a Certified Internal Auditor under the Institute of Internal Auditors, USA. He holds a Bachelor of Commerce (Accounting) from the University of New South Wales, Australia and is a Chartered Accountant under the Malaysian Institute of Accountants, as well as a Certified Practising Accountant (“<b>CPA</b>”) under the CPA Australia. He has extensive experience in various capacities in both local and multi-national corporations and financial institutions which includes external and internal auditing and compliance.</p> <p>The internal audit function is guided by its Internal Audit Charter which is approved by the AC. The Internal Audit Charter outlines amongst others, the GIA’s objectives, mission, scope, responsibility, accountability, authority, independence and objectivity, as well as standards and ethics.</p> <p>An Annual Audit Plan based on the appropriate risk based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of Management’s action plans.</p>

	<p>As at 31 December 2019, GIA had a total of twenty (20) personnel from diverse backgrounds.</p> <p>Further information on KIBB's internal audit function, are available in the Corporate Governance Overview, Audit Committee Report and Statement on Risk Management and Internal Control disclosed in KIBB's 2019 Annual Report.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.1

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

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



	<p>e. Online Platforms which offer clients and investors access to a range of investment platforms from online trading portals to portfolio management tools, as well as, mobile applications to make trading easier and provide unique trading experience is accessible at <a href="https://kenanga.com.my/online-platforms/">https://kenanga.com.my/online-platforms/</a>.</p> <p>f. Online News which can be accessed by shareholders and the general public via the Company's website at <a href="https://kenanga.com.my/news/">https://kenanga.com.my/news/</a>;</p> <p>g. Briefing for investors by organising live webinars, workshops, seminars and conferences;</p> <p>h. KIBB's website, at <a href="http://www.kenanga.com.my">www.kenanga.com.my</a>, which contains up-to-date information on the operations of KIBB Group, its Board, Management and corporate governance structure, announcements to Bursa Malaysia Securities Berhad, KIBB Group's products, E-Services provided, media releases and other information;</p> <p>i. Keeping abreast with KIBB Group's latest events via the social media platforms such as Facebook and YouTube; and</p> <p>j. Platform for receiving queries/feedback from general public, shareholders and investors via the queries/feedback page located at the 'Contact Us' tab at KIBB's website at <a href="http://www.kenanga.com.my/contact-us/queries-feedback">www.kenanga.com.my/contact-us/queries-feedback</a>.</p>	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

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

### Practice 11.2

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

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>As a Non-Large company, at this juncture, Kenanga Investment Bank Berhad ("KIBB") does not adopt the integrated reporting as encouraged in the above practice.</p> <p>However, KIBB is cognisant of the efficacies of Integrated Reporting and has continued to adopt elements of the Integrated Reporting framework into its Annual Report 2019.</p> <p>The Company is guided by Bursa Malaysia Securities Berhad's Sustainability Guide 2<sup>nd</sup> Edition, and initiated a materiality assessment last year to determine its key material issues. Additionally, KIBB has mapped those issues against an Economic, Environment and Social platform and tracked its progress in terms of KIBB's commitments to sustainability.</p> <p>Further, KIBB's governance of sustainability, its subsequent engagement with stakeholders and determination and appetite for risks are all embedded in KIBB's Annual Report 2019's narrative.</p> <p>The Company continues to lay the foundations to deliver a report following the Integrated Reporting framework and will look to furthering this with each year that passes.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

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

### Practice 12.1

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

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>Prior to amending the provision of twenty-one (21) days' notice in its Constitution in 2019, Kenanga Investment Bank Berhad ("<b>KIBB</b>" or "<b>the Company</b>") has adopted Practice 12.1 on giving of twenty-eight (28) days' notice to shareholders in respect of Annual General Meeting ("<b>AGM</b>") whereby the Notice of its Forty-Fifth (45<sup>th</sup>) AGM held on 30 May 2019 was issued on 30 April 2019, i.e. twenty-eight (28) days prior to the appointed date for the AGM.</p> <p>In addition to being dispatched individually to shareholders, the Notice of AGM is also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Malaysia Securities Berhad. This allows shareholders to have immediate access of the notice of AGM and make the necessary preparations for the AGM.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

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

**Practice 12.2**

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

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The Board of Directors attends all General Meetings of the Company which are scheduled and approved in advance by the Board at the beginning of the year.</p> <p>The Chair of the Audit Committee, the Group Nomination &amp; Remuneration Committee and the Group Board Risk Committee will be available to respond to any questions posed by the shareholders with regard to their respective areas accordingly.</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

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

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>Based on the previous year's Annual General Meeting ("AGM") attendance record, the number of shareholders who attended the general meetings of Kenanga Investment Bank Berhad ("KIBB" or "<b>the Company</b>") was around one thousand five hundred (1,500) and thus far, there has been no requirement for the AGM to be facilitated using technology.</p> <p>Further, shareholders who are unable to attend general meetings may, in accordance with the relevant provisions of KIBB's Constitution, appoint their respective proxies to attend and vote on their behalf at all general meetings of KIBB.</p> <p>Nevertheless, the Company will make the necessary arrangements to facilitate voting in absentia and remote shareholders' participation at general meetings based on demand. The relevant clauses in the Constitution of KIBB have been updated to allow for remote shareholders' participation at general meetings as recommended by the Malaysian Code on Corporate Governance.</p> <p>The shareholders are entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a general meeting.</p> <p>The Company will ensure that the venue and time for General Meetings of the Company remain convenient to shareholders.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	



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

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

### BOARD OF DIRECTORS

#### Profiles Of Directors

##### **IZLAN IZHAB**

*Age: 74*

*Gender: Male*

*Nationality: Malaysian*

*Position:*

*Chairman of the Board*

*Independent Non-Executive Director*

*Member of Audit Committee*

Izlan Izhah (“**Izlan**”)’s relationship with Kenanga Investment Bank Berhad (“**KIBB**”) and Its Group of Companies (“**Kenanga Group**”) started with his appointment as an Independent Non-Executive Director of K & N Kenanga Holdings Berhad on 20 October 2008.

As part of the internal reorganisation of Kenanga Group in 2016, Izlan was appointed as an Independent Non-Executive Director of KIBB on 8 September 2016. He was subsequently appointed as the Chairman of the Board of Directors of KIBB on 7 February 2017.

Izlan holds a Bachelor of Laws degree from the University of London, United Kingdom and attended the Advanced Management Program at the University of Hawaii, United States of America.

During his career, he served as the Assistant Legal Officer for Majlis Amanah Rakyat from 1973 to 1975, Company Secretary for Komplek Kewangan Malaysia Berhad from 1975 to 1978, Company Secretary for Permodalan Nasional Berhad from 1978 to 1984 and Executive Vice President, Corporate and Legal Affairs at the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) from 1985 until his retirement in 2000.

Izlan is a Director of Reach Energy Berhad and Federation of Public Listed Companies Bhd and was formerly an Independent Non-Executive Director of Sun Life Malaysia Takaful Berhad. He is also an Independent Non-Executive Director of Kenanga Futures Sdn Bhd, a wholly-owned subsidiary of KIBB..

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

**DATUK SYED AHMAD ALWEE ALSREE**

*Age: 54*

*Gender: Male*

*Nationality: Singaporean, Permanent Resident of Malaysia*

*Position:*

*Deputy Chairman of the Board*

*Non-Independent Non-Executive Director*

*Member of Group Nomination & Remuneration Committee*

*Member of Employees' Share Scheme Committee*

Datuk Syed Ahmad Alwee Alsree ("**Datuk Syed Ahmad**") was appointed to the Board of Directors ("**Board**") of Kenanga Investment Bank Berhad ("**KIBB**") as a Non-Independent Non-Executive Director on 21 April 2010. He was subsequently re-designated as the Deputy Chairman of the Board on 25 October 2011.

Datuk Syed Ahmad graduated with a Bachelor of Laws (LL.B.) degree from the National University of Singapore. In 2012, Datuk Syed Ahmad attended and completed the Advanced Management Program at Harvard Business School. He practised law in Singapore for over ten (10) years prior to joining Cahya Mata Sarawak Berhad ("**CMS**"), a conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad with cement, construction materials, infrastructure and property development as its core businesses. In February 2004, Datuk Syed Ahmad was appointed as Group General Manager – Human Resources of CMS and was subsequently appointed as its Deputy Group Managing Director in September 2006. He was re-designated as Group Executive Director of CMS in August 2008, a post he held until his retirement on 18 October 2019.

At present, Datuk Syed Ahmad is also the Chairman/ Director of Kenanga Investors Berhad and a Director of Kenanga Islamic Investors Berhad, SIG Gases Berhad and several private limited companies.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

**DATO' RICHARD ALEXANDER JOHN CURTIS**

*Age: 68*

*Gender: Male*

*Nationality: British, Permanent Resident of Malaysia*

*Position:*

*Non-Independent Non-Executive Director*

*Member of Group Board Risk Committee*

*Member of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

Dato' Richard Alexander John Curtis ("**Dato' Richard Curtis**") was appointed to the Board of



Directors of Kenanga Investment Bank Berhad (“KIBB”) as a Non-Independent Non-Executive Director on 26 September 2007.

He holds a Bachelor of Laws (LL.B.) (Honours) from the University of Bristol, UK and was admitted as a solicitor in England, Wales and Hong Kong. He is also a Sloan Fellow of London Business School, UK and was admitted as a Fellow of the Chartered Institute of Arbitrators, U.K. in December 2019.

He commenced his career in legal practice as a solicitor in Norton Rose (1974-1979) in London and progressively advanced his career by joining Jardine Matheson & Co. (1979-1983) in Hong Kong after which he joined the Jardine Offshore Group (1983-1986) with postings to Singapore and Indonesia. Dato’ Richard Curtis, subsequently, pursued his own businesses (1988-1997) in retail, consultancy and construction before helming The Melium Group (1997-2000), a leading Malaysian retail company and F&B chain operator as its Chief Executive Officer.

Dato’ Richard Curtis was formerly the Group Managing Director of Cahya Mata Sarawak Berhad (“CMS”), a conglomerate listed on the Main Market of Bursa Malaysia Securities Berhad with cement, construction materials, infrastructure and property development as its core businesses until his retirement on 31 December 2017. He was then appointed as a Non-Independent Non-Executive Director of CMS until his resignation on 31 December 2018. He was subsequently appointed as an Adviser to CMS whilst remaining a Director of several CMS’ subsidiaries.

He is also a Director of several private limited companies, as well as a Trustee of Yayasan Raja Muda Selangor.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

Dato’ Richard Curtis is currently holding 1,100,000 shares in KIBB.

#### **LUIGI FORTUNATO GHIRARDELLO**

*Age: 56*

*Gender: Male*

*Nationality: Australian*

*Position:*

*Non-Independent Non-Executive Director*

*Member of Group Nomination & Remuneration Committee*

*Member of Group Board Risk Committee*

*Member of Employees’ Share Scheme Committee*

*Member of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

Luigi Fortunato Ghirardello (“Luigi”) was appointed to the Board of Directors of Kenanga Investment Bank Berhad (“KIBB”) as a Non-Independent Non-Executive Director on 29 July 2008. He was subsequently re-designated as an Independent Non-Executive Director on 26 April 2011. On 29 July 2017, he was re-designated as a Non-Independent Non-Executive Director.

He holds a Bachelor of Arts and a Bachelor of Laws from the University of Sydney, Australia and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

Luigi was the Managing Director, Head of Global Finance – Asia Pacific for Deutsche Bank AG – Singapore Branch from May 2004 to March 2008. His role encompassed the management of Short-Term Interest Rate Trading in Asia, an integrated short-term trading unit combining foreign exchange and money market products. In addition, he was responsible for interest rate trading in money markets/ Repurchase Agreements and cash products, as well as liquidity management in Japan and Australia. He was also responsible for the regional Global Exchange Services platform in the Asia Pacific.

Prior to that, he was the Deputy Chairman of the Global Market Risk Committee, a member of the Banking Asset/ Liability Committee, as well as the Global Head of Money Markets Securities and Trading in London.

Before joining Deutsche Bank in 1995, he was an Associate Director and Trading Manager with Schroders Australia Ltd and held various senior positions at the National Australia Bank.

Luigi is also the Chairman of Kenanga Futures Sdn Bhd, a wholly-owned subsidiary of KIBB.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

Luigi is currently holding 631,700 shares in KIBB.

#### **ISMAIL HARITH MERICAN**

*Age: 69*

*Gender: Male*

*Nationality: Malaysian*

*Position:*

*Non-Independent Non-Executive Director*

*Member of Audit Committee*

Ismail Harith Merican ("**Ismail Harith**") was appointed to the Board of Directors of Kenanga Investment Bank Berhad ("**KIBB**") as a Non-Independent Non-Executive Director on 26 August 2010.

Upon obtaining his Bachelor of Arts in History in 1973, he proceeded to complete the Institute of Chartered Accountants in England and Wales articleship from 1973 to 1978 at Peat, Marwick, Mitchell & Co. in London, UK. Subsequently, from 1978 to 1980, Ismail Harith joined The Economist Newspaper Ltd as an assistant accountant and in 1980, he commenced his involvement in the investment industry when he trained and worked with Strauss Turnbull & Co., a firm of stockbrokers in London which he was attached to until 1983.

Ismail Harith was employed by KIBB from 1983 to 1990 and the last position he held was as a Dealer's Representative (Institutions & International). He subsequently joined Straits Securities Sdn Bhd in 1990 as a shareholder, Managing Director and a Dealer's Representative. He also represented Rashid Hussain Berhad, the holding company of Straits Securities Sdn Bhd, as a corporate representative until he left the company in 1997. From 1998 to date, he has been an investor in quoted securities and properties.

He is currently the Managing Director of Zubaimas Realty Sdn Bhd, a property holding company and the Chairman of Matrix Capital Sdn Bhd, a company involved in the energy efficiency industry.

He is the son of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail, a major shareholder of KIBB and has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

**LUK WAI HONG, WILLIAM**

*Age: 56*

*Gender: Male*

*Nationality: Hong Kong*

*Position:*

*Independent Non-Executive Director*

*Chairman of Group Board Risk Committee*

*Member of Audit Committee*

*Member of Group Nomination & Remuneration Committee (Redesignated as Member on 31 October 2019)*

*Member of Employees' Share Scheme Committee (Redesignated as Member on 31 October 2019)*

*Member of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

Luk Wai Hong, William ("**Luk**") was appointed to the Board of Directors of Kenanga Investment Bank Berhad ("**KIBB**") as an Independent Non-Executive Director on 1 November 2013.

He holds a Bachelor of Arts (Honours) from Concordia University, Montreal, Canada, a Masters of Urban Planning from the University of Michigan, USA and an Executive Fellowship awarded by the State of Washington.

Luk is currently the Director of Investment of Cotton Tree Capital Ltd, of which he is the co-owner, with offices in Hong Kong and Singapore. He has more than twenty (20) years of experience in various capacities in the financial services industry, out of which eleven (11) years were spent in Deutsche Bank AG, Hong Kong and Singapore.

He began his career in 1989 as an Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington. He later joined Lehman Brothers, Hong Kong as a Fixed Income and Credit Trader in 1993. After three (3) years, he joined HSBC Markets, Hong Kong for a year, before joining Deutsche Bank AG in 1997 as a Senior Associate

Director and Senior Credit and Derivatives Trader. He then became Deutsche Bank AG's Director and Head of Structured Credit Trading and Principal Finance Asia, a post he held until 2004.

In 2004 and 2008, Luk was appointed as Deutsche Bank AG's Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia, as well as Managing Director and Co-Head of Saba Proprietary Trading Group Asia, respectively. In 2008, he joined Pacific Advantage Capital, Hong Kong and Singapore, as its Principal and Portfolio Manager focusing on credits and special situations, before taking up the position of Director of Investment of Cotton Tree Capital Ltd in 2011.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

**JEREMY NASRULHAQ**

*Age: 67*

*Gender: Male*

*Nationality: Malaysian*

*Position:*

*Independent Non-Executive Director*

*Chairman of Audit Committee*

*Member of Group Nomination & Remuneration Committee*

*Member of Employees' Share Scheme Committee*

*Member of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

Jeremy Nasrulhaq ("**Jeremy**") was appointed to the Board of Directors of Kenanga Investment Bank Berhad ("**KIBB**") as an Independent Non-Executive Director on 1 June 2017.

He is a Fellow Member of the Chartered Institute of Management Accountants ("**CIMA**"), United Kingdom and a registered Chartered Accountant of the Malaysian Institute of Accountants ("**MIA**"), as well as a Chartered Audit Committee Director of the Institute of Internal Auditors Malaysia. He also holds a Bachelor of Science Degree (with Distinction) in Agribusiness Science from Universiti Putra Malaysia.

Over the span of nearly three (3) decades, Jeremy had held several senior financial and supply chain positions in Unilever (M) Holdings Sdn Bhd, P.T. Unilever Indonesia and Unilever Asia (S) Pte Ltd. He was the Regional Finance Manager for Unilever Asia Retail Foods, then Commercial Director for Unilever (M) Holdings Sdn Bhd. Subsequently, he was the Supply Chain Director for Unilever Malaysia and Singapore.

Besides Unilever, he had served as Committee Member on a few national organisations such as the Malaysian International Chamber of Commerce and Industry and the Federation of Malaysian Manufacturers.

Jeremy also served as an Independent Non-Executive Director of Malaysia Airports Holdings Berhad ("**MAHB**") from 15 August 2007 to 1 November 2016. During his tenure in MAHB, he was

appointed as the Senior Independent Non-Executive Director, Chairman of the Board Nomination & Remuneration Committee, as well as a member of the Board Audit Committee and the Board Finance & Investment Committee. He was also the Chairman of Malaysia Airports (Niaga) Sdn Bhd, Urusan Teknologi Wawasan Sdn Bhd and the Whistleblowing Independent Committee.

He is currently a Director of Sweetet Development Sdn Bhd, a company with its head office in Hong Kong, representing the company and its brands in the modern and general retail industry in Malaysia.

Jeremy was the Deputy President of CIMA, Malaysia Division for several years. On 1 July 2018, he was re-appointed to serve on the council of the MIA for another term of two (2) years. Currently, he is the Chairman of the MIA-Malaysian Qualifications Agency Joint Technical Committee and Disciplinary Committee of MIA. In addition, he also serves as a member of the Digital Technology Implementation Committee, as well as its Nomination Committee.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

#### **NORAZIAN AHMAD TAJUDDIN**

*Age: 59*

*Gender: Female*

*Nationality: Malaysian*

*Position:*

*Independent Non-Executive Director*

*Chairman of Group Nomination & Remuneration Committee (Redesignated as Chairman on 31 October 2019)*

*Chairman of Employees' Share Scheme Committee (Redesignated as Chairman on 31 October 2019)*

*Member of Group Board Risk Committee*

*Member of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

Norazian Ahmad Tajuddin ("**Norazian**") was appointed to the Board of Directors of Kenanga Investment Bank Berhad ("**KIBB**") as an Independent Non-Executive Director on 15 December 2017. On 1 March 2019, she was appointed as an Independent Non-Executive Director and a member of the Audit and Risk Committee and Investment Committee of Kenanga Investors Berhad, a subsidiary of KIBB.

She holds a Bachelor of Science (Honours) in Mathematics from the University of Leeds, United Kingdom and a Master of Business Administration (Finance) from the Edith Cowan University, Australia.

Norazian has more than twenty-five (25) years of experience in banking, the last fifteen (15) years being in senior management, encompassing areas in treasury operations, business and banking operations, risk management and support services. She has strong and varied

experience in dealing with foreign exchange, international banking, investments, sales, customer and corporate relations, information technology, as well as asset and liability management.

She joined Bank Simpanan Nasional Berhad (“**BSN**”) in 2005 as Director in the Chief Executive Officer (“**CEO**”)’s Office and was promoted to Deputy Chief Executive Officer (“**DCEO**”) during its re-organisation and continued to serve as its DCEO until she retired in 2010. During her tenure in BSN, she played a leading role in the transformation of BSN into a sustainable and profitable development bank.

From June 2008 to March 2010, she served as a Non-Independent Non-Executive Director of Prudential BSN Takaful Bhd and was appointed as a member of its Risk Management Committee and Nomination & Remuneration Committee.

On 1 August 2018, Norazian was appointed as the Chairman of Pacific & Orient Insurance Co. Berhad (“**POI**”), which is a subsidiary of Pacific & Orient Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad. She has been an Independent Non-Executive Director of POI since 1 April 2015. At POI, she currently serves as a member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee.

She has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

Norazian is currently holding 10,000 shares in KIBB.

#### **KANAGARAJ LORENZ**

*Age: 62*

*Gender: Male*

*Nationality: Malaysian*

**Position:**

*Independent Non-Executive Director*

*Chairman of Group Board Digital Innovation & Technology Committee (Appointed on 29 August 2019)*

*Member of Audit Committee*

*Member of Group Board Risk Committee*

Kanagaraj Lorenz (“**Raj**”) was appointed to the Board of Directors of Kenanga Investment Bank Berhad (“**KIBB**”) as an Independent Non-Executive Director on 26 December 2017.

He is a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

Raj has over thirty (30) years’ experience in the banking and electronic payments industries. He held the position of Group Chief Executive Officer of GHJ Systems Berhad (“**GHJ**”) since his appointment in September 2011 till the end of 2016. He retired from GHJ as an Executive Director in May 2017. Currently, he is actively involved with the Fintech Association of Malaysia

and various Fintech companies.

Prior to GHL, Raj worked for Citibank for fourteen (14) years in Malaysia and Australia in various positions in Investment and Corporate Banking covering treasury risk management, Chief Financial Officer, and finally, as Head of Marketing of a Corporate Bank unit.

Raj left Citibank in 2000 to create an internet payment start-up for DBS Bank Ltd. in Singapore. It was the first real-time Direct Debit gateway of its kind in ASEAN. This company was eventually purchased two (2) years later by NETS Pte Ltd ("**NETS**"), a large payments company in Singapore, that is jointly owned by the Singapore banks and rebranded as "eNETS". He built "eNETS", the internet payment arm of NETS from inception into the leading online payment gateway in Singapore.

He also spearheaded NETS' investment into China with a joint venture partner and interconnected China UnionPay ("**CUP**") with NETS such that CUP cards could be accepted in Singapore for the very first time outside of China, Hong Kong and Macau.

He has no family relationship with any Director and/ or major shareholder of KIBB and also has no conflict of interest with KIBB. He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2019.

#### **ROLES AND RESPONSIBILITIES OF THE BOARD**

1. The Board is charged with leading and guiding the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholder(s) and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholder(s) and stakeholders are understood and met.
2. The Board understands that the responsibility for good corporate governance rests with them and therefore strives to follow the principles and best practices of corporate governance.
3. The Board's responsibilities are outlined in the Board Charter, to be read together with section 56 of the Financial Services Act 2013 and section 65 of the Islamic Financial Services Act 2013, as well as other applicable rules, regulations and guidelines issued by the relevant regulators and authorities, as well as relevant laws.
4. The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party. This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public.

5. In fulfilling its role, the Board must –

- a. approve the risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Company's risk profile<sup>1</sup>;
- b. promote, together with Senior Management, a sound corporate culture within the Company which reinforces ethical, prudent and professional behaviour;
- c. oversee the selection, performance, remuneration and succession plans of the Chief Executive Officer, control function heads and other members of Senior Management, such that the Board is satisfied with the collective competence of Senior Management to effectively lead the operations of the Company;
- d. in relation to KIBB's activities carried out under its Islamic Banking Window, promote Shariah compliance in accordance with BNM's expectations set out in the policy document on *Shariah Governance Framework for Islamic Financial Institutions* and ensure its integration with KIBB's business and risk strategies;
- e. oversee the implementation of the Company's governance framework and internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
- f. promote timely and effective communication between the Company and relevant regulators on matters affecting or that may affect the safety and soundness of the Company;
- g. oversee and approve the recovery and resolution, as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
- h. ensure that the internal auditors have full access to all records and are given an appropriate standing in the Company's hierarchy to enhance the independence of the internal auditors in achieving their audit objectives;
- i. establish policies and procedures governing related party transactions and conflicts of interest situations that prohibit activities and relationships that diminish the quality of corporate governance, such as conflicts of interest situations, corruption and bribery, and providing preferential treatment to related parties and other favoured entities;
- j. approve a set of code of conduct, stressing on the importance of accountability, professionalism and integrity that are communicated throughout the Company;
- k. promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- l. establish specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration and ensure the effective functioning of these various Board Committees.

---

<sup>1</sup> This will include initiatives which affect the financial soundness, reputation or key operational controls of the Company.



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

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

## **BOARD COMMITTEES**

### **Audit Committee**

The Audit Committee ("**AC**") of Kenanga Investment Bank Berhad ("**KIBB**" or "**the Company**") presently comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, in line with the requirements of Bank Negara Malaysia ("**BNM**")'s Policy Document on Corporate Governance.

As at 31 December 2019, the composition of the AC was as follows:

1. **Jeremy Nasrulhaq**  
*Chairman, Independent Non-Executive Director*
2. **Izlan Izhab**  
*Member, Independent Non-Executive Director*
3. **Luk Wai Hong, William**  
*Member, Independent Non-Executive Director*
4. **Kanagaraj Lorenz**  
*Member, Independent Non-Executive Director*
5. **Ismail Harith Merican**  
*Member, Non-Independent Non-Executive Director*

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

The AC supports the Board in ensuring that there is a reliable and transparent financial reporting process within KIBB and its subsidiaries.

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

#### **Group Nomination & Remuneration Committee**

The Group Nomination & Remuneration Committee ("NRC") comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, in line with the requirements of BNM's Policy Document on Corporate Governance.

As at 31 December 2019, the composition of the NRC was as follows:

1. **Norazian Ahmad Tajuddin**  
*Chairman, Independent Non-Executive Director*
2. **Luk Wai Hong, William**  
*Member, Independent Non-Executive Director*
3. **Jeremy Nasrulhaq**  
*Member, Independent Non-Executive Director*
4. **Datuk Syed Ahmad Alwee Alsree**  
*Member, Non-Independent Non-Executive Director*
5. **Luigi Fortunato Ghirardello**  
*Member, Non-Independent Non-Executive Director*

The NRC was established to support the Board in carrying out its functions in matters concerning the Board, GMD and Senior Management, in line with the relevant regulatory and internal requirements including appointments and removals, composition, performance evaluation and development, as well as assessment of fitness and propriety. The NRC also supports the Board in actively overseeing the design and operation of KIBB's remuneration system as set out in BNM's Policy Document on Corporate Governance.

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

#### **Group Board Risk Committee**

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

As at 31 December 2019, the composition of the GBRC was as follows:

1. **Luk Wai Hong, William**  
*Chairman, Independent Non-Executive Director*
2. **Norazian Ahmad Tajuddin**  
*Member, Independent Non-Executive Director*
3. **Kanagaraj Lorenz**  
*Member, Independent Non-Executive Director*
4. **Dato' Richard Alexander John Curtis**  
*Member, Non-Independent Non-Executive Director*
5. **Luigi Fortunato Ghirardello**  
*Member, Non-Independent Non-Executive Director*

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

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

#### **Employees' Share Scheme Committee**

The Board has established the Employees' Share Scheme Committee ("ESS Committee") comprising a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board, with specific Terms of Reference outlining its roles and responsibilities, as well as its authority.

As at 31 December 2019, the composition of the ESS Committee was as follows:

1. **Norazian Ahmad Tajuddin**  
*Chairman, Independent Non-Executive Director*
2. **Luk Wai Hong, William**  
*Member, Independent Non-Executive Director*
3. **Jeremy Nasrulhaq**  
*Member, Independent Non-Executive Director*
4. **Datuk Syed Ahmad Alwee Alsree**  
*Member, Non-Independent Non-Executive Director*

5. **Luigi Fortunato Ghirardello**

*Member, Non-Independent Non-Executive Director*

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

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

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

**Group Board Digital Innovation & Technology Committee**

The Group Board Digital Innovation & Technology Committee ("**GBDITC**") comprises a majority of Independent Directors and is chaired by an Independent Director who is not the Chairman of the Board.

As at 31 December 2019, the composition of the GBDITC was as follows:

1. **Kanagaraj Lorenz**

*Chairman, Independent Non-Executive Director*

2. **Luk Wai Hong, William**

*Member, Independent Non-Executive Director*

3. **Jeremy Nasrulhaq**

*Member, Independent Non-Executive Director*

4. **Norazian Ahmad Tajuddin**

*Member, Independent Non-Executive Director*

5. **Dato' Richard Alexander John Curtis**

*Member, Non-Independent Non-Executive Director*

6. **Luigi Fortunato Ghirardello**

*Member, Non-Independent Non-Executive Director*

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

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

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

### **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) are in compliance with Shariah rules and regulations as reflected in the fatwas, rulings and guidelines issued by Shariah Advisory Council of Bank Negara Malaysia ("**BNM**") and Securities Commission Malaysia.

The Shariah Committee comprises the following members:

- a. **Dr. Kamaruzaman Noordin**  
*Chairman, Shariah Committee*
- b. **Dr. Muhammad Arzim Naim**  
*Member, Shariah Committee*
- c. **Dr. Mohd Fuad Md Sawari**  
*Member, Shariah Committee*
- d. **Dr. Ahmad Sufian Che Abdullah** (Until 31 October 2019)  
*Member, Shariah Committee*
- e. **Dr. Mohammad Firdaus Mohammad Hatta** (Appointed on 1 November 2019)  
*Member, Shariah Committee*

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 of at least three (3) members.

All Shariah Committee members have the Shariah background except for Dr. Muhammad Arzim Naim who is from Islamic finance/ Islamic accounting practitioner's background and whose appointment has been approved by BNM.

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

# **BOARD AND BOARD COMMITTEE MEETINGS AND DIRECTORS' ATTENDANCE**

BOARD	10 January 2019 *	31 January 2019	28 February 2019	3 April 2019	25 April 2019	9 May 2019 *	29 May 2019	26 June 2019	31 July 2019	29 August 2019	3 October 2019	31 October 2019	27 November 2019 *	5 December 2019	Number of Meetings Attended	%
Izlan Izzah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14 out of 14	100
Datuk Syed Ahmad Alwee Alsree	√	√	√	√	√	√	√	X	√	√	√	√	√	√	13 out of 14	93
Dato' Richard Alexander John Curtis	√	√	√	√	√	√	√	√	√	√	√	X	√	√	13 out of 14	93
Luigi Fortunato Ghirardello	√	√	√	X	√	√	√	√	√	√	√	√	√	√	13 out of 14	93
Ismail Harith Merican	√	√	√	√	√	X	√	√	√	√	X	√	√	√	12 out of 14	86
Luk Wai Hong, William	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14 out of 14	100
Jeremy Nasrullah	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14 out of 14	100
Norazlan Ahmad Tajuddin	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14 out of 14	100
Kanagaraj Lorenz	√	√	√	√	√	√	√	√	√	√	√	√	√	√	14 out of 14	100

Note

\* Special Meeting

<b>Audit Committee ("AC")</b>	<b>30 January 2019</b>	<b>25 February 2019</b>	<b>22 April 2019</b>	<b>25 July 2019</b>	<b>26 August 2019 *</b>	<b>24 October 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Jeremy Nasrulhaq	√	√	√	√	√	√	6 out of 6	100
Izlan Izhab	√	√	√	√	√	√	6 out of 6	100
Luk Wai Hong, William	√	√	√	√	√	√	6 out of 6	100
Ismail Harith Merican	√	√	√	√	√	X	5 out of 6	83
Kanagaraj Lorenz	√	√	√	√	√	√	6 out of 6	100

Notes

\* Special Meeting

<b>Group Nomination &amp; Remuneration Committee ("NRC")</b>	<b>31 January 2019</b>	<b>28 February 2019</b>	<b>3 April 2019</b>	<b>25 April 2019</b>	<b>29 May 2019 *</b>	<b>31 July 2019</b>	<b>31 October 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Luk Wai Hong, William	√	√	√	√	√	√	√	7 out of 7	100
Datuk Syed Ahmad Alwee Alsree	√	√	√	√	√	√	√	7 out of 7	100
Luigi Fortunato Ghirardello	√	√	X	√	√	√	√	6 out of 7	86
Jeremy Nasrulhaq	√	√	√	√	√	√	√	7 out of 7	100
Norazian Ahmad Tajuddin	√	√	√	√	√	√	√	7 out of 7	100

Notes

\* Special Meeting

<b>Group Board Risk Committee ("GBRC")</b>	<b>30 January 2019</b>	<b>21 March 2019</b>	<b>25 April 2019 *</b>	<b>9 May 2019</b>	<b>25 July 2019</b>	<b>26 September 2019</b>	<b>31 October 2019 *</b>	<b>28 November 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Luk Wai Hong, William	√	√	√	√	√	√	√	√	8 out of 8	100
Luigi Fortunato Ghirardello	√	√	√	√	√	√	√	√	8 out of 8	100
Dato' Richard Alexander John Curtis	√	√	√	√	X	√	X	√	6 out of 8	75
Norazian Ahmad Tajuddin	√	√	√	√	√	√	√	√	8 out of 8	100
Kanagaraj Lorenz	√	√	√	√	√	√	√	√	8 out of 8	100

*Notes*

\* *Special Meeting*

<b>Employees' Share Scheme Committee ("ESS Committee")</b>	<b>31 January 2019</b>	<b>28 February 2019</b>	<b>3 April 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Luk Wai Hong, William	√	√	√	3 out of 3	100
Datuk Syed Ahmad Alwee Alsree	√	√	√	3 out of 3	100
Luigi Fortunato Ghirardello	√	√	√	3 out of 3	100
Jeremy Nasrulhaq	√	√	√	3 out of 3	100
Norazian Ahmad Tajuddin	√	√	√	3 out of 3	100



<b>Group Board Digital Innovation &amp; Technology Committee ("GBDITC")</b>	<b>30 October 2019</b>	<b>28 November 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Kanagaraj Lorenz	√	√	2 out of 2	100
Luk Wai Hong, William	√	√	2 out of 2	100
Luigi Fortunato Ghirardello	√	√	2 out of 2	100
Dato' Richard Alexander John Curtis	√	√	2 out of 2	100
Norazian Ahmad Tajuddin	√	√	2 out of 2	100
Jeremy Nasrulhaq	√	√	2 out of 2	100

Notes:

(1) The GBDITC was established on 29 August 2019.

<b>Shariah Committee</b>	<b>24 January 2019</b>	<b>26 February 2019</b>	<b>18 March 2019</b>	<b>12 April 2019</b>	<b>15 May 2019</b>	<b>14 June 2019</b>	<b>16 July 2019</b>	<b>19 August 2019</b>	<b>20 September 2019</b>	<b>10 October 2019</b>	<b>24 October 2019 *</b>	<b>26 November 2019</b>	<b>17 December 2019</b>	<b>Number of Meetings Attended</b>	<b>%</b>
Dr. Kamaruzaman Noordin	√	√	√	√	√	√	√	√	√	√	√	√	√	13 out of 13	100
Dr. Muhammad Arzim Naim	√	√	√	√	√	√	√	√	√	√	√	√	√	13 out of 13	100
Dr. Mohd Fuad Md Sawari	√	√	√	√	√	√	√	√	√	√	√	√	√	13 out of 13	100
Dr. Ahmad Sufian Che Abdullah <sup>(1)</sup>	√	√	√	√	√	√	√	√	√	√	√	-	-	11 out of 11	100
Dr. Mohammad Firdaus Mohammad Hatta <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	√	√	2 out of 2	100

Notes:

\* Special Meeting

(1) Ceased as a member of Shariah Committee on 31 October 2019

(2) Appointed as a member of Shariah Committee on 1 November 2019

**TRAINING PROGRAMMES ATTENDED BY THE BOARD DURING THE FINANCIAL YEAR**

Title of Trainings		Attended By	
1.	A Boardroom Colloquium on Innovation Governance by MeLearn Global	Jeremy ("JN")	Nasrulhaq
2.	Blockchain for Accountants - Awareness Workshop by Malaysian Institute of Certified Public Accountants	Kanagaraj ("RL")	Lorenz
3.	"Let's Get Real" on Anti-Bribery by The Iclif Leadership and Governance Centre ("ICLIF")	JN	
4.	ASLI - Inaugural Malaysia Forum 2019 - Shaping Policy in an Interconnected World by Federation of Public Listed Companies ("FPLC")	Izlan Izhah ("II")	
5.	Powertalk: Revisiting The Misconception of Board Remuneration by Institute of Corporate Directors Malaysia ("ICDM")	Dato' Alexander John Curtis ("DRC") & Ahmad Tajuddin ("NT")	Richard Norazian
6.	Reading The Signs: The Next Financial Crisis and Potential Impact on Asia by FIDE FORUM	Luigi Ghirardello ("LFG") & NT	Fortunato
7.	Dinner Talk - Digital Assets: Global Trends Legal Requirements and Opportunities for Financial Institutions by FIDE FORUM	NT and RL	
8.	BNM Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session by BNM	II	
9.	BNM Governor's Address on the Malaysian Economy & Panel Discussion by Persatuan Ekonomi Malaysia through FPLC	II	
10.	Dialogue with BNM's Deputy Governor on the Draft Risk Management in Technology Policy by FIDE FORUM	NT and RL	
11.	AGOS 2019 Finance Summit Malaysia by FPLC	II	
12.	The Role of Audit Committees - Ensuring Organisational Integrity, Risk & Governance by ICDM	JN	
13.	Understanding Liquidity Risk Management in Banking Programme by ICLIF	JN and NT	
14.	Rethinking Strategy by FIDE FORUM	RL	
15.	Future Business Ideas 2019 - Business Innovation Re-Imagined by Securities Industry Development Corporation ("SIDC")	II and JN	
16.	Launch of the Securities Commission Malaysia ("SC")'s Corporate Governance Monitor 2019	RL	
17.	Fundamentals of Corporate Directorship: Module A - The Role of the Board in Strategy & Risk Management Oversight by ICDM	RL	
18.	Engagement Session with Audit Committee Members by Malaysia Institute of Accountants	II	
19.	Corporate Governance Watch: How Does Malaysia Rank by ICLIF	II and RL	
20.	BNM: My Fintech Week 2019 - Shifting Tide, Future of Finance	II, DRC, LFG, JN, NT, RL and Luk Wai Hong, William ("LWH")	
21.	Directorship Journey - An Exclusive Fireside Chat for FIDE FORUM Directors Register Talent	RL	

22.	Demystifying the Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia and ICDM	RL
23.	Future of Work Conference curated by Alumni Alliance	DRC
24.	International Digital Economy Conference Sarawak	Datuk Syed Ahmad Alsree ("DSA")
25.	2 <sup>nd</sup> Perbadanan Insuran Deposit Malaysia ("PIDM") - FIDE FORUM Annual Dialogue with the CEO of PIDM - FIDE FORUM	NT
26.	CMDP Module 2B: Funds Management: Business Challenges and Regulatory Expectations by SIDC	NT
27.	Artificial Intelligent and Its Role in FIs by FIDE FORUM	JN
28.	FIDE Elective: Understanding Fintech and Its Implications for Banks by ICLIF	DRC
29.	SC's Financing Opportunities for Tech Companies Through the Malaysian Capital Markets	RL
30.	Digital Upskilling for Board by ICDM	Ismail Harith Merican ("IHM") and NT
31.	2019 Cyber Security Workshop: Shifting Towards Cyber Hygiene by Bursa Malaysia	II
32.	Adding Confidence to Captives: Managing Volatility via Self Insurance by Swiss Re Corporate Solutions	DRC
33.	Thought Leadership Series: The Convergence of Digitalisation and Sustainability by ICDM	II and RL
34.	Raising Defences: Section 17A, Malaysian Anti-Corruption Commission Act ("MACC") 2009 by ICLIF	II
35.	Briefing on Bay Al-Dayn in Islamic Finance by Shariah Adviser of Kenanga Islamic Investors Berhad ("KIIB")	DSA
36.	Malaysia Anti-Corruption Forum 2019 by International Strategy Institute	II
37.	Practical Integrated Reporting Forum & Workshop by Malaysian Alliance of Corporate Director	II
38.	Key Aspects of Fintech and Regulation by BNM-FIDE FORUM	JN and NT
39.	Asian Institute of Chartered Bankers: Module CB1 Masterclass	JN
40.	The Cooler Earth Sustainability Summit by CIMB	II
41.	Digital to the Core by FIDE FORUM	JN, NT and RL
42.	Khazanah Megatrends Forum 2019	II and DRC
43.	Budget Briefing with YB Lim Guan Eng organised by CIMB	DRC
44.	ICDM International Directors Summit 2019	JN
45.	Leadership in a Disruptive World by FIDE FORUM	II, JN, NT and RL
46.	SCXSC Fintech Conference 2019	II, DRC, LFG, LWH, JN and RL
47.	MICG 2019 Forum: Corporate Governance in the Capital Market	II and JN

48. Audit Oversight Board: Conversation with Audit Committees by SC	JN
49. Singapore Fintech Festival 2019: SFF x Switch	II, JN, NT and RL
50. Fraud Awareness Week - Anti-Fraud Talk Series by SIDC: Emerging Fraud Activities in Digital Space	NT
51. Preparing For Corporate Liability on Corruption Under MACC Act 2009 by Malaysian Institute of Corporate Governance	NT
52. Prohibition of Riba in Islamic Finance by Shariah Adviser of KIIB	DSA
53. Cyber Security 2020: Cyber Threats Against Enterprises for Board Members of Kenanga Group of Companies by LE Global Services Sdn Bhd	II, DSA, LFG, IHM, LWH, JN and RL

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

Title of Trainings	Attended By
1. Muzakarah Penasihat Syariah Kewangan Islam Malaysia 2019	Dr. Kamaruzaman Noordin ("DKN")
2. Muzakarah Ahli Majlis Penasihat Syariah Institusi Kewangan di Malaysia Kali ke-15	DKN
3. Muzakarah Zakat KWSP 2019	DKN
4. Townhall Session with Shariah Advisory Council of BNM	DKN
5. Makmal Manual Taksiran Zakat Institusi Kewangan dan Perbankan Islam, Takaful dan Unit Amanah 2019	DKN
6. Islamic Finance Research Talk 2019 : Shariah Framework in Islamic Banking : The Malaysian Experience	DKN
7. Ministry of Higher Education University of Malaya International Centre for Education in Islamic Finance Islamic Finance Research Conference 2019	DKN
8. Muzakarah Cendekiawan Syariah Nusantara (13 <sup>th</sup> Regional Shari'ah Scholar Dialogue), "Synergy Between Financial Institutions: Islam & Social Obligation" organised by International Shari'ah Research Academy for Islamic Finance, Brunei	Dr. Mohd Fuad Md Sawari
9. Kuala Lumpur Islamic Finance Forum (KLIFF 2019) & KLIFF Muzakarah 2019	Dr. Muhammad Arzim Naim ("DMA")
10. Islamic Markets Programme 2019 - Islamic Capital Market 4.0	DMA
11. Islamic Banking & Finance Institute Malaysia: Financial and Risk Management	Dr. Mohammad Firdaus Mohammad Hatta ("DMF")
12. Association of Shariah Advisors in Islamic Finance: Blockchain: Enabling Change for a Better Society	DMF
13. ASAS: Principles of Accounting and Finance	DMF
14. Centre for Research and Training: Islamic Corporate Banking Products & Instruments	DMF
15. BNM & Dewan Bahasa dan Pustaka: Bengkel Penggubalan Istilah Kewangan	DMF
16. Muzakarah Kuala Lumpur Islamic Finance Forum 2019	Dr. Ahmad Sufian Che Abdullah ("DAS")

17.	Muzakarah Ahli Majlis Penasihat Syariah Institusi Kewangan Di Malaysia Kali Ke-15	DAS
18.	Muzakarah for Shariah Advisors of Takaful Operators 2019	DAS
19.	Colloquium on Endowment, Crowdfunding and Blockchain	DAS
20.	Konvensyen Fiqh dan Teknologi Peringkat Kebangsaan 2019	DAS
21.	Seminar Penjualan Barang Kemas Secara Patuh Syariah untuk Koperasi-Koperasi Malaysia	DAS

## INTERNAL CONTROL FRAMEWORK

The Internal Control Framework of KIBB is set out in the Statement of Risk Management and Internal Control in KIBB's 2019 Annual Report.

## REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

1. The Company aims to set remuneration levels which are sufficient to attract and retain the Directors needed to operate the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without excessively over-paying to achieve its goal. The level of remuneration of the GMD and Senior Management personnel is determined by the NRC after giving due consideration to compensation levels of comparable positions among other similar companies in Malaysia.
2. The NRC carries out the annual review of the overall remuneration policy for Directors, the GMD and Senior Management whereupon recommendations are submitted to the Board for approval.
3. The NRC also reviews annually the performance of the GMD and Chief Executive Officers of the subsidiaries of the Company and submits recommendations to the Board for approval accordingly.
4. For the Financial Year Ended 31 December 2019, the Directors and Shariah Committee Members are paid the following the annual fee and meeting allowance for each meeting of the Board, Board Committee or Shariah Committee that they have attended respectively:

Fees	Financial Year Ended 31 December 2019
Chairman of the Board	RM440,000.00
Deputy Chairman of the Board	RM390,000.00
Director	RM270,000.00
Chairman of Shariah Committee	RM54,000.00
Chairman of AC/ NRC/ GBRC/ GBDITC	RM40,000.00
Member of AC/ NRC/ GBRC/ GBDITC	RM30,000.00
Member of Shariah Committee*	RM49,000.00
	RM43,000.00
	RM45,000.00
	RM6,000.00

Type of Meeting Allowance	Chairman	Member
	Per Meeting	
Board Meeting	RM2,000.00	RM2,000.00
General Meeting of the Company	RM2,000.00	RM2,000.00
AC/ NRC/ GBRC/ GBDITC/ Employees' Share Scheme Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee Meeting	RM500.00	RM500.00

\* The annual fee for the Financial Year Ended 31 December 2019 are based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

The Directors' fee is approved by the shareholders at the AGM.

5. The remuneration breakdown of individual Directors which includes fees, other emoluments and benefits-in-kind for Financial Year 2019 is set out below.

The breakdown of the remuneration of individual Directors of Kenanga Investment Bank Berhad which includes fees, other emoluments and benefits-in-kind for the Financial Year Ended 31 December 2019 is set out below.

Group Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM
Izlan Izhah	510,000.00	-	56,000.00	-	84,161.97 <sup>(2)</sup>	650,161.97
Datuk Syed Ahmad Alwee Alsree	510,000.00	-	68,000.00	-	19,442.96 <sup>(3)</sup>	597,442.96
Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97
Luigi Fortunato Ghirardello	390,273.97	-	78,000.00	-	-	468,273.97
Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34
Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97
Norazian Ahmad Tajuddin	375,506.85	-	84,000.00	-	-	459,506.85
Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63
<b>TOTAL</b>	<b>3,478,602.73</b>	<b>-</b>	<b>596,000.00</b>	<b>-</b>	<b>103,604.93</b>	<b>4,178,207.66</b>

*Notes*

(1) Subject to shareholders' approval at the forthcoming Annual General Meeting

(2) Benefits-in-kind for the Chairman include golf club membership, leave passage, driver, car and other claimable benefits

(3) Benefits-in-kind for the Deputy Chairman include golf club membership, car and other claimable benefits

Company Level	Fees <sup>(1)</sup> RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM
Izlan Izzah	470,000.00	-	46,000.00	-	84,161.97 <sup>(2)</sup>	600,161.97
Datuk Syed Ahmad Alwee Alsree	420,000.00	-	50,000.00	-	19,442.96 <sup>(3)</sup>	489,442.96
Dato' Richard Alexander John Curtis	310,273.97	-	48,000.00	-	-	358,273.97
Luigi Fortunato Ghirardello	340,273.97	-	68,000.00	-	-	408,273.97
Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Luk Wai Hong, William	388,575.34	-	86,000.00	-	-	474,575.34
Jeremy Nasrulhaq	350,273.97	-	70,000.00	-	-	420,273.97
Norazian Ahmad Tajuddin	341,972.60	-	74,000.00	-	-	415,972.60
Kanagaraj Lorenz	343,698.63	-	66,000.00	-	-	409,698.63
<b>TOTAL</b>	<b>3,265,068.48</b>	<b>-</b>	<b>548,000.00</b>	<b>-</b>	<b>103,604.93</b>	<b>3,916,673.41</b>

*Notes*

(1) Subject to shareholders' approval at the forthcoming Annual General Meeting

(2) Benefits-in-kind for the Chairman include golf club membership, leave passage, driver, car and other claimable benefits

(3) Benefits-in-kind for the Deputy Chairman include golf club membership, car and other claimable benefits

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