

CORPORATE GOVERNANCE REPORT

STOCK CODE : 6483
COMPANY NAME : KENANGA INVESTMENT BANK BERHAD
FINANCIAL YEAR : December 31, 2020

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

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

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

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

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

Intended Outcome

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

Practice 1.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>1. The Board of Directors ("Board") is charged with leading and guiding Kenanga Investment Bank Berhad ("KIBB" or "the Company") 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 https://kenanga.com.my/investor-relations.</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 & Remuneration Committee (“NRC”), the Audit Committee (“AC”), the Group Board Risk Committee (“GBRC”), the Group Board Digital Innovation & Technology Committee (“GBDITC”), 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"> • Group Executive Committee; • Group Risk Committee; • Group Operational Risk Committee; • Group Credit Committee; • Group Products Committee; • Group Outsourcing & Procurement Committee; • Group Information Technology Steering Committee; • Group Disciplinary Committee; • Group Talent Committee; • Building Committee; • Business Continuity Management Committee; • Staff Outreach Committee; and • Corporate Finance Senior Officer Committee * <p><i>(*) The establishment of the Corporate Finance Senior Officer Committee was approved the Board of KIBB on 3 December 2020.</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 2021, the Board had first, on 30 November 2020, discussed in great detail the strategies, business plan and initiatives put forth by Management for the Financial Year Ending 31 December 2021.</p>
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	<p>Based on the approved strategies and business plans, Key Performance Indicators (“KPIs”) were then set to define, measure and monitor Management’s performance and progress towards achieving KIBB’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 (“GMD”), acting as a channel between the Board and Management, is assigned with the responsibility of updating the Board at each Board meeting on the status of the business operations, the challenges faced and the mitigating or remedial actions taken or to be taken in relation thereof.</p> <p>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 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>
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Name of Member	Designation
v. Dato' Richard Alexander John Curtis	Member, NINED
vi. Luigi Fortunato Ghirardello	Member, Non-Independent Non-Executive Director (" NINED ")

To facilitate effective discussions at the GBDITC meetings, the following personnel had been included as permanent invitees to the 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 deliberations on digital innovations and technology-related matters.

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

13. The Board had established the Employees' Share Scheme Committee to support the Board in administering the Employees' Share Scheme ("**ESS**" or "**Scheme**") in accordance with the By-Laws governing the Scheme as approved by the shareholders of KIBB at the Extraordinary General Meeting held on 25 May 2017.

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, responsibilities and authority.

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.

	<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 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. However, he has ceased to be a member of Shariah Committee since 31 October 2020.</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 consideration the interests of other stakeholders, including employees, customers, regulators, vendors, suppliers, investors and the community at large.</p> <p>Towards this end, the Board has taken steps to ensure that KIBB Group's strategies continue to promote sustainability, with a focus on environmental, social and governance aspects of KIBB Group's business as defined in the Sustainability Statement which forms part of the Company's 2020 Annual Report.</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

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

Practice 1.2

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. The Chairman of the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") is an Independent Non-Executive Director ("INED"). In anticipation of the retirement of Encik Izlan Izhah as Chairman of the Board upon expiry of his term on 31 December 2020, YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail ("YAM Tan Sri Dato' Seri Syed Anwar Jamalullail") was appointed as the Chairman/ INED of KIBB on 1 July 2020. To ensure smooth transition, upon relinquishing his position as the Chairman of the Board on 1 July 2020, Encik Izlan Izhah, the outgoing Chairman, had remained on the Board of KIBB as an INED until 31 December 2020.2. 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 Management 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.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.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.5. The Chairman ensures that every Board resolution is put to a vote to ensure that the will of the majority prevails and that Management look beyond their executive functions and accept their full share of responsibility on governance.6. The profile of the new Chairman, YAM Tan Sri Dato' Seri Syed Anwar Jamalullail can be found in the Profiles of Directors in the Company's 2020 Annual Report.
Explanation for departure	:	

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

Intended Outcome

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

Practice 1.3

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. Kenanga Investment Bank Berhad ("KIBB" or "the Company") aims to ensure an appropriate balance of power and authority between the Chairman and the Group Managing Director ("GMD") with a clear division of responsibility between the running of the Board and the Company's business respectively. For this purpose, the roles of the Chairman and the GMD are clearly separated and defined in the Board Charter of KIBB.2. Datuk Chay Wai Leong ("Datuk Chay") was appointed as the GMD since 17 May 2011. 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.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 by the Board and ensuring that the Company's strategies and corporate policies as approved by the Board are effectively implemented.4. The GMD is the conduit between the Board and 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.5. Datuk Chay's profile can be found in the Company's 2020 Annual Report.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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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">1. The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") is supported by a fully qualified and competent Company Secretary, Puan Norliza Abd Samad ("Puan Norliza"), who is a Chartered Secretary, Chartered Governance Professional and an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators and The Governance Institute of UK, with more than twenty-seven (27) years of experience in company secretarial practice.2. The Company Secretary is accountable to the Board, through the Chairman, on all matters relating to the proper functioning of the Board. In discharging this role, the Company Secretary works closely with the Chairman to provide counsel to the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and Senior Management across KIBB Group.3. The Company Secretary attends all Board and Board Committee meetings and ensures that such meetings are appropriately convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained at the registered office of the Company. After each meeting, all issues that require follow-up are communicated to the relevant Senior Management personnel for their actions and these issues would be recorded as matters arising for tabling at the next meeting whereby the status of actions taken would be updated to the Board and Board Committees until full resolution of those issues.4. The Directors have ready and unrestricted access to the advice and services of the Company Secretary who acts as a primary point of contact and source of advice and information for Non-Executive Directors with regard to the Company and its activities in order to assist them in their decision making process and enable them to discharge their duties effectively. The Board is also regularly updated on new statutes and directives issued by the regulatory authorities.5. Puan Norliza's qualifications and experience are set out in the Senior Management Team's Profiles in the Company's 2020 Annual Report.

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

Intended Outcome

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

Practice 1.5

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.

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. In 2020, the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") met eleven (11) times. Out of these eleven (11) meetings, two (2) were special meetings which were convened to consider urgent proposals that required the Board's expeditious review and consideration. In order to facilitate the Directors' planning and time commitment, the annual meeting calendar is disseminated to the Directors well in advance before the beginning of each new year.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.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.4. The Directors have a duty to declare immediately to the Board should they have an interest, whether directly or indirectly, in any transaction to be entered into by the Company. They are required to abstain from getting involved in the Board's deliberations and decision making on the transaction in question, and to ensure that they do not exercise any influence over the Board in respect of that transaction.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>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 via emails, telephone calls, social media platforms, website, or at corporate functions.</p> <p>7. Given the circumstances surrounding the COVID-19 pandemic in 2020, most of the Board and Board Committee meetings were held virtually via video conferencing. Directors have always practised the fullest commitment in attending meetings unless the circumstances are really unavoidable.</p> <p>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.</p> <p>In the event of a conflict of interest situation, the minutes would indicate as to whether the Director concerned left the meeting or excused himself from deliberating on the matter and abstained from decision-making in relation thereof.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 2.1

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

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

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

	<ul style="list-style-type: none"> • Employees' Share Scheme Committee; and • Shariah Committee. <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 https://kenanga.com.my/investor-relations.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.1

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

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

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

	<ul style="list-style-type: none"> c. Keeping material non-public and price sensitive information confidential and secure; d. Avoiding misuse of material non-public and price sensitive information relating to securities or other financial instruments; e. Ensuring completeness and accuracy of the relevant records of KIBB Group; f. Properly caring for and protecting the properties and assets of KIBB Group; and g. Prompting reporting of any knowledge or information about unethical business conduct and suspected commission of crimes. <p>5. In furtherance to the requirements of the newly introduced Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on offences by a commercial organisation which came into effect in June 2020, the Board of KIBB had on 31 January 2020, established the Group Code of Conduct for Vendors ("Vendor Conduct of Code").</p> <p>6. The Vendor Conduct of Code was established with the aim of helping KIBB Group and its vendors to build trusting and open relationship with the goal of developing a professional and efficient working rapport that would lead to mutually beneficial outcomes for all parties concerned. It stipulated the general business conduct and ethical practices expected of all vendors who engaged with or undertook work for KIBB Group, as a reflection of KIBB Group's standards and principles on honest, fair and transparent business practices.</p> <p>7. The Vendor Conduct of Code covered amongst others, the following areas:</p> <ul style="list-style-type: none"> a. Responsibility to comply with the relevant internal policies and applicable regulatory requirements; b. Avoidance of conflict of interests; c. Prevention of corporate crimes; d. Interaction with and providing gifts to persons from KIBB Group; e. Providing sponsorships; and f. Making misrepresentations and participating in surveys.
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	<p>8. All the Directors and employees of KIBB Group 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. Group Human Resource of KIBB 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 https://kenanga.com.my/investor-relations.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 3.2

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

Application	:	Applied
Explanation on application of the practice	:	<ol style="list-style-type: none">1. Kenanga Investment Bank Berhad ("KIBB") Group is committed to conduct its business and operations premised on the concepts of transparency, integrity and accountability, in compliance with applicable laws and regulations while adopting the highest standards of professionalism, honesty, integrity and ethics. 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.2. The Whistleblowing Framework which is guided by the Group Whistleblowing Policy & Guidance Notes ("Whistleblowing Policy") was duly approved by the Board in 2015. Under the Whistleblowing Policy, the Group Chief Regulatory and Compliance Officer has been appointed as the Designated Officer together with the Group Managing Director to manage whistleblowing cases confidentially, while the Chairman of the Audit Committee of KIBB has been appointed as the Designated Director for Whistleblowing.3. The salient contents of the Whistleblowing Policy, include, amongst others, the following:<ol style="list-style-type: none">a. Emphasis that KIBB Group's Whistleblowing Framework is an internal reporting system in existence alongside the external whistleblowing avenue provided under the Whistleblower Protection Act 2010;b. The channels and procedures for the reporting of any malpractice;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

	<p>d. The protection accorded to KIBB Group's employees having 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 https://www.kenanga.com.my/contact-us/whistleblowing/.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

Practice 4.1

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

Application :	Applied														
Explanation on application of the practice :	<p>As at 31 December 2020, the Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB") comprises a majority of Independent Directors with six (6) Independent Non-Executive Directors ("INEDs") and four (4) Non-Independent Non-Executive Directors ("NINEDs") as listed below.</p> <table><tr><th>INED</th><th>NINED</th></tr><tr><td>1. YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail – Chairman</td><td>1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman</td></tr><tr><td>2. Izlan Izhab</td><td>2. Luigi Fortunato Ghirardello</td></tr><tr><td>3. Luk Wai Hong, William</td><td>3. Dato' Richard Alexander John Curtis</td></tr><tr><td>4. Jeremy Nasrulhaq</td><td>4. Ismail Harith Merican</td></tr><tr><td>5. Norazian Ahmad Tajuddin</td><td></td></tr><tr><td>6. Kanagaraj Lorenz</td><td></td></tr></table> <p>YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail was appointed as Chairman of KIBB, with effect from 1 July 2020 to succeed Encik Izlan Izhab who had served as Chairman over the last three (3) years since 2017.</p> <p>After relinquishing his position as the Chairman of KIBB effective from 1 July 2020, Encik Izlan Izhab had continued to serve as an INED of KIBB and Kenanga Futures Sdn Bhd, a wholly-owned subsidiary of KIBB, until 31 December 2020. Encik Izlan Izhab retired from both Boards on 1 January 2021.</p> <p>Based on the Board meetings held during the Financial Year Ended 31 December 2020, the Board members displayed very good chemistry with healthy and robust discussions during meetings. The Board members were able to express their divergent views freely and were able to gain insightful understanding and deliberations of the transactions or proposals being tabled for approval by engaging the Senior Management with challenging questions. Due to the Board's diverse background and skills set, they were able to exercise high level review with diverse perspective drawn from their experiences and knowledge.</p>	INED	NINED	1. YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail – Chairman	1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman	2. Izlan Izhab	2. Luigi Fortunato Ghirardello	3. Luk Wai Hong, William	3. Dato' Richard Alexander John Curtis	4. Jeremy Nasrulhaq	4. Ismail Harith Merican	5. Norazian Ahmad Tajuddin		6. Kanagaraj Lorenz	
INED	NINED														
1. YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail – Chairman	1. Datuk Syed Ahmad Alwee Alsree - Deputy Chairman														
2. Izlan Izhab	2. Luigi Fortunato Ghirardello														
3. Luk Wai Hong, William	3. Dato' Richard Alexander John Curtis														
4. Jeremy Nasrulhaq	4. Ismail Harith Merican														
5. Norazian Ahmad Tajuddin															
6. Kanagaraj Lorenz															
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

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.

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

Intended Outcome

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

Practice 4.3 - Step Up

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

Application	:	Adopted
Explanation on adoption of the practice	:	As embedded in Clause 3.3.1 of its Board Charter, Kenanga Investment Bank Berhad 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.

Application :	Applied
Explanation on application of the practice :	<ol style="list-style-type: none">1. The Board of Directors ("Board") of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), via the Group Nomination & Remuneration Committee ("NRC"), 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.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.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 (3rd)-party search firm, FIDE FORUM's Directors Register, Institute of Corporate Directors Malaysia's Director Registry or suggestions from major shareholders of KIBB.4. The 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.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.6. The criteria considered during the selection of new Director include, inter alia, the following:<ol style="list-style-type: none">a. Technical know-how, diverse skills or professional experience in the financial services industry or to some extent, understanding of the nature

	<p>of the business that KIBB is involved in, to create a more conducive environment for informed decision making;</p> <ul style="list-style-type: none"> b. Mix of skills and experiences of current Board members whilst taking into consideration the current and future needs of KIBB, and boardroom diversity (including gender diversity); c. Board size and balance of executive versus non-executive directors, as well as independent versus non-independent directors; d. Current composition of the Board and Board Committees, taking into consideration the independence requirements for Board and Board Committee membership in accordance with the relevant regulatory requirements; e. Probity, personal integrity and reputation, as well as personal qualities such as honesty, integrity, diligence, independence of mind and fairness; f. Demonstration of competence and capability in relation to the necessary skills, experience, ability and commitment to carry out the role as a director; g. Financial integrity – the candidate’s demonstration of prudent management of his/ her debts or financial affairs; and h. In the case of an Independent Non-Executive Director, additionally, the fulfilment of the independence criteria as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance. <p>7. For re-appointments of Directors, besides the results of the performance evaluation of the Director concerned, the outcome on the assessment of his/ her independence (for an Independent Non-Executive Director only), as well as his/ her fitness and propriety would be taken into consideration by the 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>8. 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 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.</p>
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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 initiate the process described herein.

9. In cognisant 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 10% as at 31 December 2020, the Board will endeavour to source for suitable female candidate for future appointment to its Board.
10. 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 making appropriate recommendations to the Board for appointment of a new Director.
11. In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which Board members from their different ages, cultural backgrounds, perspectives, views and abilities bring to the Company, as well as their abilities to respond to business opportunities more rapidly and creatively, the Company has endeavoured and will continue to endeavour to achieve a fair mix of members.

As at 31 December 2020, the 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	3	5	2

Cultural Background	Malay	Chinese	Indian	Italian	British
No. of Directors	6	1	1	1	1

Gender	Male	Female
No. of Directors	9	1

12. 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.

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

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>Pursuant to Clause 3.6 of the Board Charter of Kenanga Investment Bank Berhad ("KIBB" or "the Company"), the Board of Directors ("Board"), through the Group Nomination & 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 ("Puan Norazian") as an Independent Non-Executive Director of KIBB.</p> <p>With Puan Norazian's appointment, the Board comprises nine (9) male Directors and one (1) female Director (10%). 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 ("YM Tengku Noor Zakiah"), 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. On 27 January 2021, she was conferred the title of Founder Emeritus & Adviser in recognition of her remarkable and exceptional contribution and achievements in the field of stockbroking and entrepreneurship.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

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

Intended Outcome

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

Practice 4.7

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

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group Nomination & Remuneration Committee (“NRC”) of Kenanga Investment Bank Berhad (“KIBB”) comprises five (5) members, three (3) of whom are Independent Non-Executive Directors (“INED”) and two (2) Non-Independent Non-Executive Directors.</p> <p>The NRC is currently chaired by an INED, Puan Norazian Ahmad Tajuddin who took over the chairmanship from Mr. Luk Wai Hong, William on 31 October 2019.</p> <p>Puan Norazian Ahmad Tajuddin’s profile can be found in the Profiles of Directors in KIBB’s 2020 Annual Report.</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 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.

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

	<p>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 2020, 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>Arising from the assessment, feedback from the Board members were obtained in the areas of Board oversight practices and processes, Board composition and structure, Board succession planning, as well as Board development plan and training needs to further enhance its overall effectiveness.</p> <p>The effectiveness of each of the Board Committee was also discussed in detail and areas of enhancements identified accordingly.</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> <p>The Board also deliberated on the possibility of engaging an external facilitator to lend greater objectivity to the assessment by providing an unbiased perspective on a Director's performance and his ability to contribute effectively to the board.</p>
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	

Measure	:		
Timeframe	:		

Intended Outcome

The 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.

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

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 2020, 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 2020	
Chairman of the Board ⁽¹⁾	RM520,000.00	
Deputy Chairman of the Board	RM390,000.00	
Director	RM270,000.00	
Chairman of Audit Committee ("AC")/ NRC/ Group Board Risk Committee ("GBRC")/ Group Board Digital Innovation & Technology Committee ("GBDITC")	RM40,000.00	
Chairman of Shariah Committee ⁽²⁾	RM71,900.00	
Member of AC/ NRC/ GBRC/ GBDITC	RM30,000.00	
Member of Shariah Committee ⁽³⁾	RM45,000.00	
	RM50,500.00	
	RM42,500.00	
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	RM600.00	RM500.00

Notes

- (1) The increase in the Chairman's Annual Director Fee from RM440,000 to RM520,000 was due to the exclusion of Club Membership Fee.
- (2) The total fees of RM71,900.00 comprised the following:
- RM15,500.00 when Dr. Kamaruzaman Noordin was serving as the Chairman of the Shariah Committee from 1 January 2020 to 31 March 2020; and
 - RM56,400.00 when Dr. Ghazali Jaapar was serving as the Chairman of the Shariah Committee from 1 April 2020 to 31 December 2020.
- (3) The annual fee for the Financial Year Ended 31 December 2020 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 2020 is provided 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.
Explanation for departure	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	
Timeframe	

Intended Outcome

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

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

Practice 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.

Application	: Applied
Explanation on application of the practice	1. The Board of Directors (" Board ") of Kenanga Investment Bank Berhad (" KIBB " or " the Company ") has established the Group Nomination & Remuneration Committee (" NRC ") 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>As at 31 December 2020, the composition of the NRC was as follows:</p> <ul style="list-style-type: none"> • Norazian Ahmad Tajuddin <i>Chairman, Independent Non-Executive Director (“INED”)</i> • Luk Wai Hong, William <i>Member, INED</i> • Jeremy Nasrulhaq <i>Member, INED</i> • Datuk Syed Ahmad Alwee Alsree <i>Member, Non-Independent Non-Executive Director (“NINED”)</i> • Luigi Fortunato Ghirardello <i>Member, NINED</i> <p>2. NRC’s Roles and Responsibilities</p> <p>With regard to the nominations and appointments of Directors of KIBB and its subsidiaries, Board Committee members, the Group Managing Director (“GMD”) and Senior Management of KIBB 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.</p> <p>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.</p> <p>Individual Directors do not participate in decisions regarding their own remuneration packages.</p> <p>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.</p>
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	<p>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.</p> <p>3. Summary of NRC's Activities in 2020</p> <p>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 2020, the NRC had reviewed, deliberated and made appropriate recommendations to the Board for approval, on matters pertaining to, amongst others, the following:</p> <ul style="list-style-type: none"> • Appointments and Re-Appointments of Directors within KIBB Group • Appointment of New Chairman of KIBB • List of Management Key Responsible Persons ("KRP") of the Group as at 1 January 2020 • New Appointment, Revision and Renewal of Contract of Appointment of Management KRPs • Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail as Adviser of KIBB • Appointment of KIBB's Representatives to the Board of Investee Companies • Review of Compositions of the Board and Board Committees • Appointment of New Group Executive Committee Member and Management KRP • Annual Performance Review and Assessment on the Fitness and Propriety of Management KRPs • Annual Performance Evaluation for the Board, Board Committees and Individual Director for the Financial Year Ended 31 December 2019, together with the Annual Assessment on Independence and Fitness and Propriety of Directors • Identification and Updating of Material Risk Takers and Other Material Risk Takers within KIBB Group • Directors' Remuneration and Benefits of the Group • 2019 Annual Performance Bonus and 2020 Annual Salary Increment for the Group • Revised Succession Plan for Management KRPs • 2020 Annual Balanced Scorecards for GMD, Management KRPs and Board and Board Committee Direct Reports • Training Requirements for the Directors • Results of the Assessment on the Fitness and Propriety and the Re-Appointment of Members of Shariah Committee of KIBB and Their Remuneration • Proposed Revision of KIBB's Shariah Committee's Terms of Reference
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	Proposed Expansion of the Roles and Responsibilities and Renaming of the Group Nomination & Remuneration Committee to 'Group Governance, Nomination & Compensation Committee'	
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.

Application :	Applied						
Explanation on application of the practice :	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 2020 is set out below.						
	Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM
	YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail ⁽⁵⁾	261,420.77	-	10,000.00	-	15,575.00 ⁽²⁾	286,995.77
	Izlan Izzahab ⁽⁶⁾	424,535.51	-	48,000.00	-	21,987.80 ⁽³⁾	494,523.31
	Datuk Syed Ahmad Alwee Alsree	510,000.00	-	64,000.00	-	19,633.40 ⁽⁴⁾	593,633.40
	Dato' Richard Alexander John Curtis	330,000.00	-	52,000.00	-	-	382,000.00
	Luigi Fortunato Ghirardello	410,000.00	-	78,000.00	-	-	488,000.00
	Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
	Luk Wai Hong, William	400,000.00	-	82,000.00	-	-	482,000.00
	Jeremy Nasrulhaq	370,000.00	-	68,000.00	-	-	438,000.00
	Norazian Ahmad Tajuddin	410,000.00	-	102,000.00	-	-	512,000.00
	Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
	TOTAL	3,785,956.28	-	610,000.00	-	57,196.20	4,453,152.48
	<i>Notes</i> <i>(1) Subject to the shareholders' approval at the forthcoming Annual General Meeting</i>						

	<div><div>(2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits</div><div>(3) Benefits-in-kind for the previous Chairman included golf club membership, leave passage, driver, car and other claimable benefits</div><div>(4) Benefits-in-kind for the Deputy Chairman included golf club membership, car and other claimable benefits</div><div>(5) Appointed as Chairman of KIBB on 1 July 2020. Hence his remuneration has been prorated for the six (6) months period from July 2020 to December 2020.</div><div>(6) Re-designated from Chairman to a Board Member on 1 July 2020. Hence, his remuneration has been prorated accordingly.</div></div>																																																																																				
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Explanation for departure		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

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	:	<div><p>In view of the confidentiality and security concerns, the Board had at its meeting on 28 February 2019, agreed for disclosure to be made on the remuneration of the Group Executive Committee (“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 RM700,000 to RM750,000</td><td>2</td></tr><tr><td>From RM750,000 to RM800,000</td><td>1</td></tr><tr><td>From RM850,000 to RM900,000</td><td>1</td></tr><tr><td>From RM900,000 to RM950,000</td><td>1</td></tr><tr><td>From RM1,000,000 to RM1,050,000</td><td>1</td></tr><tr><td>From RM1,050,000 to RM1,100,000</td><td>1</td></tr><tr><td>From RM1,150,000 to RM1,200,000</td><td>1</td></tr><tr><td>From RM1,600,000 to RM1,650,000</td><td>1</td></tr><tr><td>From RM1,950,000 to RM2,000,000</td><td>1</td></tr><tr><td>From RM2,000,000 to RM2,050,000</td><td>1</td></tr><tr><td>From RM3,150,000 to RM3,200,000</td><td>1</td></tr><tr><td>Total</td><td>12</td></tr></table></div> <div><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 2020 in the following format:</p><ul style="list-style-type: none">• Short term employee benefits; and• Post-employment benefits: Employees Provident Fund.</div>	Remuneration of GEXCO in Bands of RM50,000	Number of GEXCO Members	From RM700,000 to RM750,000	2	From RM750,000 to RM800,000	1	From RM850,000 to RM900,000	1	From RM900,000 to RM950,000	1	From RM1,000,000 to RM1,050,000	1	From RM1,050,000 to RM1,100,000	1	From RM1,150,000 to RM1,200,000	1	From RM1,600,000 to RM1,650,000	1	From RM1,950,000 to RM2,000,000	1	From RM2,000,000 to RM2,050,000	1	From RM3,150,000 to RM3,200,000	1	Total	12
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.																												
Measure	:																											

Timeframe	:		
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Intended Outcome

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

Practice 7.3 - Step Up

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

Application	:	Not Adopted
Explanation on adoption of the practice	:	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB") is Encik Jeremy Nasrulhaq ("Encik Jeremy"), 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 https://kenanga.com.my/investor-relations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 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.

Application	:	Applied	
Explanation on application of the practice	:	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">• he ceases to be an officer or partner of that firm; or• the firm last served as an auditor of the financial institution.	
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

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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee ("AC") of Kenanga Investment Bank Berhad ("KIBB" or "the Company") meets 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 Ernst & Young PLT ("EY") as KIBB's External Auditors for the Financial Year Ending 31 December 2021, the Board had at its meeting on 27 January 2021, 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, subject to BNM's approval.</p> <p>Based on the assessment, the Board had concurred with the AC's recommendation and concluded that EY had fulfilled all the qualification criteria set out in Bank Negara Malaysia ("BNM")'s Policy on External Auditors in terms of its performance and independence.</p> <p>In terms of its independence, EY had confirmed that it was independent of KIBB Group and KIBB in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).</p> <p>BNM had on 1 April 2021 granted its approval for the re-appointment of EY as KIBB Group's External Auditors and Ms. Ng Sue Ean as the Engagement Partner and the appointment of Mr. Brandon Bruce Sta Maria as the Concurring Partner for the Financial Year Ending 31 December 2021.</p>
Explanation for departure	:	

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

Intended Outcome

There is an effective and independent Audit Committee.

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

Practice 8.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application :	Not Adopted
Explanation on adoption of the practice :	

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.

Application	:	Applied
Explanation on application of the practice	:	<p>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.</p> <p>As at 31 December 2020, the composition of the AC was as follows:</p> <ol style="list-style-type: none">1. Jeremy Nasrulhaq <i>Chairman, Independent Non-Executive Director ("INED")</i>2. Izlan Izhab <i>Member, INED</i>3. Luk Wai Hong, William <i>Member, INED</i>4. Kanagaraj Lorenz <i>Member, INED</i>5. Ismail Harith Merican <i>Member, Non-Independent Non-Executive Director</i> <p>Two (2) of the AC members, namely Encik Jeremy Nasrulhaq and Mr. Kanagaraj Lorenz, are members of the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) respectively, in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This would strengthen the effectiveness of the AC and facilitate the AC's succession plan in terms of its membership to ensure full compliance with the relevant regulatory requirements.</p>

The other members of the AC are also appropriately qualified with the relevant skills set as reflected in their respective profiles provided in the Company's Annual Report 2020 and Section B of this CG Report.

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

In addition to external training programmes, the AC members also attended several training programmes organised in-house. The relevant training programmes attended by the AC members during 2020 are as listed below.

Title of Trainings	
1.	Corporate Board Leadership Symposium 2020 - Malaysian Institute of Accountants ("MIA")
2.	The Board Chair: First Among Equals - Institute of Corporate Directors Malaysia ("ICDM")
3.	Digital Banking: Why Does It Matter? (Online Webinar) - FIDE FORUM
4.	Covid-19 and Current Economic Reality: Implications for Financial Stability - Dr. Andy Xie, FIDE FORUM
5.	Outthink the Competition: Excelling in a Post COVID-19 World - FIDE FORUM
6.	Initial Coin Offerings and the Regulatory Landscape - Securities Industry Development Corporation ("SIDC")
7.	Blockchain Applications and How It Can Safeguard Investors' Interest SIDC
8.	Challenging Times: What Role Must the Board Play? - FIDE FORUM
9.	Audit your Anti-Bribery and Corruption Programme Effectively - Institute of Internal Auditors Malaysia ("IIAM")
10.	AccTech Conference -MIA
11.	Risks: A Fresh Look from the Board's Perspective - FIDE FORUM
12.	Digital Financial Institution Series: Managing Virtual Banking and Insurance Businesses - FIDE FORUM
13.	Banking on Governance, Insuring Sustainability - Asian School of Business ("ASB")
14.	HR in the 2020s: Culture Sculptor, Risk Manager and More - ASB
15.	Digital FI Series: Fidor's Experience - FIDE FORUM
16.	Staying Ahead with Data Analytics - ASB
17.	In-House Briefing Session on Structured Warrants Business for the Board of Directors of KIBB - Equity Derivatives of KIBB
18.	BNM-FIDE Forum Annual Dialogue with Governor of Bank Negara Malaysia - FIDE FORUM
19.	CAE Summit - IIAM

	Title of Trainings	
	20. Board Effectiveness Focus Group Discussion with Directors - FIDE FORUM	
	21. SCxSC Fintech Conference 2020 - Securities Commission ("SC")	
	22. Climate Action: The Board's Leadership in Greening the Financial Sector - FIDE Forum	
	23. Governance Symposium 2020: Driving Governance in the New Normal: The Future Begins Now - MIA in Collaboration with Malaysian Institute of Corporate Governance	
	24. Green Fintech: Ping An's Journey to Becoming a Top ESG Performing Financial Institution - FIDE FORUM	
	25. KIBB's In-House Programme on Cyber Risk Awareness - Firmus Sdn Bhd	
	26. Business Foresight Forum 2020 - SIDC	
	27. Singapore FinTech Festival 2020 (SFF x Switch 2020)	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.1

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

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

	<p>In addition to providing oversight on technology-related matters, the GBDITC would also review, evaluate and recommend to the Board of KIBB for approval, proposals relating to technology/ digital innovations as proposed by Management, in line with KIBB Group's medium and long term business strategies which include the digitalisation strategy for the Group, in line with the relevant regulatory requirements.</p> <p>The AC, the GBRC and the GBDITC comprise a majority of Independent Directors and are chaired by an Independent Non-Executive Director who is not the Chairman of the Board, in line with the requirements of BNM's Policy Document on Corporate Governance.</p> <p>The relevant information on KIBB's risk management and internal control framework is disclosed in the Statement on Risk Management and Internal Control in KIBB's 2020 Annual Report.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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

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

Practice 9.2

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

Application	:	Applied	
Explanation on application of the practice	:	It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board of Directors. Kenanga Investment Bank Berhad ("KIBB" or " the Company ")'s inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Company's corporate objectives and to safeguard the shareholders' investments and the Company's assets. The details of KIBB's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Company's 2020 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

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.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>Kenanga Investment Bank Berhad ("KIBB") has established the Group Board Risk Committee ("GBRC") to oversee its risk management framework and policies.</p> <p>The GBRC comprises a majority of Independent 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 2020, the composition of the GBRC was as follows:</p> <ol style="list-style-type: none">1. Luk Wai Hong, William <i>Chairman, Independent Non-Executive Director ("INED")</i>2. Norazian Ahmad Tajuddin <i>Member, INED</i>3. Kanagaraj Lorenz <i>Member, INED</i>4. Dato' Richard Alexander John Curtis <i>Member, Non-Independent Non-Executive Director ("NINED")</i>5. Luigi Fortunato Ghirardello <i>Member, NINED</i> <p>Under its Terms of Reference which is available on KIBB's website at https://kenanga.com.my/investor-relations, 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 (“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:</p> <ol style="list-style-type: none"> 1. Kanagaraj Lorenz <i>Chairman, INED</i> 2. Luk Wai Hong, William <i>Member, INED</i> 3. Jeremy Nasrulhaq <i>Member, INED</i> 4. Norazian Ahmad Tajuddin <i>Member, INED</i> 5. Dato’ Richard Alexander John Curtis <i>Member, NINED</i> 6. Luigi Fortunato Ghirardello <i>Member, NINED</i> <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"> 1. Group Managing Director; 2. Chief Technology Officer; and 3. Head, Technology Risk & Business Continuity Management. <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>
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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.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group Internal Audit Division (“GIA”) of Kenanga Investment Bank Berhad (“KIBB”) is established by the Board of Directors (“Board”) to provide independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and operating effectively and efficiently. To ensure independence and objectivity, GIA, which is headed by the Group Chief Internal Auditor (“GCIA”), Mr. Terence Tan Kian Meng, reports independently to the Audit Committee (“AC”) and has no responsibilities or authority over any of the activities reviewed by GIA.</p> <p>An Annual Audit Plan based on the appropriate risk based methodology has been developed and approved by the AC. On a quarterly basis, audit reports and status of internal audit activities including the sufficiency of GIA resources are presented to the AC for review. Periodic follow up reviews are conducted to ensure adequate and timely implementation of Management’s action plans.</p> <p>The 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">• reviewing, approving and reporting to the Board the audit scope, procedures and frequency;• reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by GIA;• 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;• establishing a mechanism to assess the performance and effectiveness of the internal audit function;• reviewing and reporting to the Board the adequacy of scope, functions, competency and resources of the internal audit

	function and that it has the necessary authority to carry out its work; and <ul style="list-style-type: none"> • 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. 			
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	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

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—

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

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

	<p>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 2020, 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 Statement, Audit Committee Report and Statement on Risk Management and Internal Control disclosed in KIBB's 2020 Annual Report.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

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.

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

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

Intended Outcome

There is 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.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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.	
		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 2020.	
		The Company is guided by Bursa Malaysia Securities Berhad’s Sustainability Guide 2 nd 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.	
		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 2020’s narrative.	
		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.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.1

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

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to amending the provision of twenty-one (21) days' notice in its Constitution in 2019, Kenanga Investment Bank Berhad ("KIBB" or "the Company") has adopted Practice 12.1 on giving of twenty-eight (28) days' notice to shareholders in respect of Annual General Meeting ("AGM") whereby the Notice of its Forty-Fifth (45th) 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>With regard to 2020 AGM, the notice was issued to shareholders on 13 May 2020, twenty eight (28) days prior to the AGM on 11 June 2020.</p> <p>The additional notice period given to shareholders was to allow them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. It also allows the shareholders to consider the resolutions and make an informed decision when exercising their voting rights at the AGM.</p> <p>The Notice of the AGM contains detailed explanatory notes for each of the Agenda items, e.g. Re-Election of Directors, Directors' Remuneration comprising of the Directors' Fees and Benefits, Re-Appointment of Auditors, Renewal of Shareholders' Mandate for Directors to Issue Shares, Proposed Renewal of Share Buy-Back Authority, to enable the shareholders to make informed decisions when exercising their voting rights.</p> <p>In addition to the Notice of AGM being despatched individually to shareholders, the said Notice of AGM which is available on the Company's corporate website, is also published in a nationally circulated newspaper alongside an announcement on the website of Bursa Malaysia Securities Berhad. This allows the shareholders to have immediate access to the Notice of AGM and make the necessary preparations for the AGM.</p>
Explanation for departure	:	

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

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 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.

Application	:	Applied
Explanation on application of the practice	:	<p>All the Directors are committed to attend all General Meetings of Kenanga Investment Bank Berhad (“KIBB” or “the Company”) which are scheduled and approved in advance by the Board at the beginning of the year. All the Directors attended the Forty-Sixth (46th) Annual General Meeting (“AGM”) of KIBB which was conducted fully virtual on 11 June 2020.</p> <p>The Chairman of the Board, as well as the Chairman of the Audit Committee, the Group Nomination & 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> <p>Besides the Directors, the Group Managing Director (“GMD”) together with the representatives of the Senior Management and external auditors were also in attendance to respond to the shareholders’ queries.</p> <p>During the Forty-Sixth (46th) AGM, Mr. Lee Kok Khee, the Executive Director and Head of Group Equity Broking Business in KIBB was invited to brief the shareholders on the Company’s financial performance and operations for 2019 and Business Prospects for 2020.</p> <p>The GMD and members of the Senior Management were on hand to address questions received “live” from the shareholders, proxies and corporate representatives during the Questions and Answers (“Q&A”) Session regarding KIBB Group’s business and operations, and other queries/clarifications in connection with the AGM before the meeting proceeded to vote on the proposed resolutions.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

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

Practice 12.3

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

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

Application	:	Applied
Explanation on application of the practice	:	<p>Due to the constant evolving situation of the Coronavirus Disease 2019 (“COVID-19”) pandemic and the enforcement of the Movement Control Order (“MCO”) by the Government of Malaysia which restricted movement and mass gathering to curb the spread of COVID-19, Kenanga Investment Bank Berhad (“KIBB” or “the Company”) had decided to conduct its Forty-Sixth (46th) Annual General Meeting (“AGM”) fully virtual via live webcast and online remote voting using the Remote Participation and Electronic Voting Facilities (“RPEV Facilities”), the services of which were rendered by KIBB’s share registrar, Boardroom Share Registrars Sdn Bhd (“Boardroom”).</p> <p>Aside from offering the shareholders with the opportunities to participate in the AGM and vote remotely via the RPVE Facilities, the Company had also offered its first (1st) e-Proxy lodgement via Boardroom Smart Investor Portal, the services of which were also rendered by Boardroom according to the steps detailed in the Administrative Guide.</p> <p>a. Remote Shareholders’ Participation at the Forty-Sixth (46th) AGM</p> <p>The shareholders (i.e. individuals and corporate shareholders, as well as Authorised Nominees and Exempt Authorised Nominees) were given the opportunity to participate and vote remotely via access to Boardroom’s AGM Portal at https://web.lumiagm.com.</p> <p>For the purpose of security, shareholders were required to register online with Boardroom Smart Investor Portal (for first time registration only) according to the steps detailed in the Administrative Guide.</p> <p>Upon successful system verification of the shareholders’ details against the Company’s General Meeting Record of Depositors, shareholders were given remote access with User ID and Password for the Virtual AGM Portal along with an email guide from Boardroom on steps to view live webcast, ask questions and vote.</p>

	<p>The Virtual AGM Portal was opened for login an hour (one (1) hour) before the commencement of the AGM at 10.00 a.m. on 11 June 2020.</p> <p>b. Voting in Absentia</p> <p>Shareholders who logged in to participate the AGM at the Virtual AGM Portal at https://web.lumiagm.com also cast their votes online via the same portal using the same login credentials.</p> <p>The above virtual platform has enabled the Company to reach out to a wider spectrum of shareholders by giving them the opportunity to exercise their rights as shareholders by participating in the AGM and voting from wherever location they might be, even from the comfort of their home.</p>	
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	:	

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

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

BOARD OF DIRECTORS

Profiles of Directors

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

Age	:	68
Gender	:	Male
Nationality	:	Malaysian
Position	:	Chairman/ Independent Non-Executive Director
Date of Appointment	:	1 July 2020
Length of Tenure as Director (As at 31 December 2020)	:	Six (6) Months
Number of Board Meetings Attended	:	Five (5)/ Five (5) (100%)
Academic/ Qualification(s)	Professional	: Bachelor of Arts in Accounting, Macquarie University, Sydney, Australia Chartered Accountant, Malaysian Institute of Accountants Certified Practising Accountant (CPA) Australia Court of Emeritus Fellows, Malaysian Institute of Management
Award	:	Chairman of the Year Award 2012 – 2013 by “The BrandLaureate”, the Grammy Awards for The World’s Best Brands by The World Brands Foundation
Present Appointment(s)	:	Chairman of Nestle (Malaysia) Berhad Chairman of S P Setia Berhad

	<p>Chairman of Lembaga Zakat Selangor</p> <p>Chancellor of SEGi University</p>
<p>Past Experiences</p>	<p>:</p> <p>Chairman, Malaysia Airports Holdings Berhad</p> <p>Chairman, Cahya Mata Sarawak Berhad</p> <p>Chairman, Malakoff Corporation Berhad</p> <p>Chairman, Media Prima Berhad</p> <p>Chairman, MRCB Berhad</p> <p>Chairman, DRB-Hicom Berhad</p> <p>Chairman, EON Bank Berhad</p> <p>Chairman, Uni Asia Life Assurance Berhad</p> <p>Chairman, Uni Asia General Insurance Berhad</p> <p>Chairman, Lembaga Tabung Haji Investment Panel</p> <p>Chairman, Realmild (M) Sdn Bhd</p> <p>Chairman, Radicare (M) Sdn Bhd</p> <p>Chairman, Pulau Indah Ventures Sdn Bhd</p> <p>Independent Director, Maxis Communication Berhad</p> <p>Independent Director, Bangkok Bank Berhad</p> <p>Group Managing Director, Amanah Capital Partners Berhad</p> <p>Corporate Finance Manager, Amanah Merchant Bank Berhad</p> <p>Investment Manager, D&C Nomura Merchant Bank Berhad</p> <p>Senior Auditor, Price Waterhouse Australia (Sydney)</p> <p>Financial Accountant, Malaysian Airlines Systems Berhad</p>
	<p>Declaration</p> <p>YAM Tan Sri Dato' Seri Syed Anwar Jamalullail has no family relationship with any Director and/or major shareholder of Kenanga Investment Bank Berhad ("KIBB"). He also has no conflict of interest with KIBB.</p> <p>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 2020.</p>

IZLAN IZHAB

Age	: 75
Gender	: Male
Nationality	: Malaysian
Position	: Independent Non-Executive Director
Date of Appointment	: 8 September 2016 (Independent Non-Executive Director (“ INED ”) 7 February 2017 (Re-designated as the Chairman of the Board of Directors (“ Board ”) of Kenanga Investment Bank Berhad (“ KIBB ”) 1 July 2020 (Ceased to be the Chairman but remained as a Member of the Board of KIBB)
Membership of Board Committee(s)	: Member of Audit Committee
Length of Tenure as Director (As at 31 December 2020)	: Four (4) Years and Three (3) Months as INED of KIBB Seven (7) years and Ten (10) Months as INED of K & N Kenanga Holdings Berhad following his appointment on 20 October 2008
Number of Board Meetings Attended	: Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	: Bachelor of Laws Degree, University of London, United Kingdom Advanced Management Program, University of Hawaii, United States of America
Present Appointment(s)	: Director of Reach Energy Berhad Member of Executive Committee of the Federation of Public Listed Companies Berhad INED of Kenanga Futures Sdn Bhd, a wholly-owned subsidiary of KIBB
Past Experiences	: Executive Vice President, Corporate & Legal Affairs of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)

Company Secretary of Permodalan Nasional Berhad

Company Secretary of Komplek Kewangan Malaysia Berhad

Administrative Officer of Komplek Kewangan Malaysia Berhad

Assistant Legal Officer of Majlis Amanah Rakyat

Declaration

Izlan Izhab has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.

DATUK SYED AHMAD ALWEE ALSREE

Age	: 54
Gender	: Male
Nationality	: Singaporean, Permanent Resident of Malaysia
Position	: Deputy Chairman/ Non-Independent Non-Executive Director
Date of Appointment	: 21 April 2010 (Non-Independent Non-Executive Director) 25 October 2011 (Deputy Chairman)
Membership of Board Committee(s)	: Member of the Group Nomination & Remuneration Committee Member of the Employees' Share Scheme Committee
Length of Tenure as Director (As at 31 December 2020)	: Ten (10) Years and Eight (8) Months

Number of Board Meetings Attended	: Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	: Bachelor of Laws (LL.B.) Degree, the National University of Singapore Advanced Management Program, Harvard Business School, United States of America
Present Appointment(s)	: Chairman/ Non-Independent Non-Executive Director of Kenanga Investors Berhad Non-Independent Non-Executive Director of Kenanga Islamic Investors Berhad Non-Executive Director of SIG Gases Berhad Chairman/ Director of several private limited companies
Past Experiences	: Non-Independent Non-Executive of KKB Engineering Berhad Group Executive Director of Cahya Mata Sarawak Berhad (" CMS ") Deputy Group Managing Director of CMS Group General Manager – Human Resources of CMS Practised law in Singapore for over ten (10) years prior to joining CMS
Declaration	<p>Datuk Syed Ahmad Alwee Alsree has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.</p> <p>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 2020.</p>
DATO' RICHARD ALEXANDER JOHN CURTIS	
Age	: 69
Gender	: Male
Nationality	: British, Permanent Resident of Malaysia

Position	: Non-Independent Non-Executive Director
Date of Appointment	: 26 September 2007
Membership of Board Committee(s)	: Member of the Group Board Risk Committee Member of the Group Board Digital Innovation & Technology Committee
Length of Tenure as Director (As at 31 December 2020)	: Thirteen (13) Years and Three (3) Months
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: 1,100,000 Shares
Number of Board Meetings Attended	: Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	: Bachelor of Laws (LL.B.) Degree (Honours), University of Bristol, United Kingdom ("UK") Admitted as a solicitor in England, Wales and Hong Kong Sloan Fellow , London Business School, UK Fellow, Chartered Institute of Arbitrators, UK
Present Appointment(s)	: Trustee of Yayasan Raja Muda Selangor Director of several private limited companies
Past Experiences	: Non-Independent Non-Executive Director of Cahya Mata Sarawak Berhad ("CMS") Advisor of CMS after his retirement as Group Managing Director of CMS Chief Executive Officer of The Melium Group Pursued own businesses in retail, consultancy and construction Director/ General Manager and Vice President – Director in Jardine Offshore Group, Singapore and Indonesia Solicitor in Jardine Matheson & Co., Hong Kong Solicitor in Norton Rose, London

Declaration

Dato' Richard Alexander John Curtis has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.

LUIGI FORTUNATO GHIRARDELLO

Age : 57

Gender : Male

Nationality : Australian

Position : Non-Independent Non-Executive Director

Date of Appointment : 29 July 2008 (Non-Independent Non-Executive Director)
26 April 2011 (Re-designated as an Independent Non-Executive Director)
29 July 2017 (Re-designated as a Non-Independent Non-Executive Director)

Membership of Board Committee(s) : Member of the Group Nomination & Remuneration Committee
Member of the Group Board Risk Committee
Member of the Employees' Share Scheme Committee
Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director : Twelve (12) Years and Five (5) Months
(As at 31 December 2020)

Shareholding in Kenanga Investment Bank Berhad ("KIBB") : 631,700 Shares

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

Academic/ Professional Qualification(s)	Bachelor of Arts, University of Sydney, Australia Bachelor of Laws, University of Sydney, Australia Diploma in Applied Finance and Investment, Securities Institute of Australia
Present Appointment(s)	: Chairman/ Non-Independent Non-Executive Director of Kenanga Futures Sdn Bhd, a wholly- owned subsidiary of KIBB
Past Experiences	: Managing Director, Global Head of Proprietary Trading, Global Finance and Foreign Exchange in Deutsche Bank AG (Capital Market and Financial Services), Singapore Managing Director, Head of Global Finance – Asia Pacific in Deutsche Bank AG, Singapore Managing Director, Global Head of Money Markets Trading and Securities for Deutsche Bank AG, United Kingdom Various senior positions at the National Australia Bank Associate Director and Trading Manager with Schroders Australia Ltd
Declaration	
Luigi Fortunato Ghirardello has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.	
He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.	
ISMAIL HARITH MERICAN	
Age	: 70
Gender	: Male
Nationality	: Malaysian

Position	: Non-Independent Non-Executive Director
Date of Appointment	: 26 August 2010
Membership of Board Committee(s)	: Member of the Audit Committee
Length of Tenure as Director (As at 31 December 2020)	: Ten (10) Years and Four (4) Months
Number of Board Meetings Attended	: Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	: Bachelor of Arts in History, University of Malaya, Malaysia
Present Appointment(s)	: Managing Director of Zubaimas Realty Sdn Bhd Chairman of Matrix Capital Sdn Bhd
Past Experiences	: Managing Director in Straits Securities Sdn Bhd Employed by KIBB with the last position held as a Dealer's Representative (Institutions and International) Involved in the investment industry when he trained and worked with Strauss Turnbull & Co., a firm of stockbrokers in London Assistant Accountant in The Economist Newspaper Ltd Articleship at Peat, Marwick, Mitchell & Co. in London, United Kingdom
Declaration	<p>Ismail Harith Merican is the son of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Binti Tengku Ismail, a major shareholder of KIBB. He has no conflict of interest with KIBB.</p> <p>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 2020.</p>
LUK WAI HONG, WILLIAM	
Age	: 56

Gender	:	Male
Nationality	:	Hong Kong
Position	:	Independent Non-Executive Director
Date of Appointment	:	1 November 2013
Membership of Board Committee(s)	:	Chairman of the Group Board Risk Committee Member of the Audit Committee Member of the Group Nomination & Remuneration Committee Member of the Employees' Share Scheme Committee Member of the Group Board Digital Innovation & Technology Committee
Length of Tenure as Director (As at 31 December 2020)	:	Seven (7) Years and Two (2) Months
Number of Board Meetings Attended	:	Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	:	Bachelor of Arts (Honours), Concordia University, Montreal, Canada Masters of Urban Planning, University of Michigan, United States of America ("USA") Executive Fellowship awarded by the State of Washington, USA
Present Appointment(s)	:	Director of Investment of Cotton Tree Capital Ltd
Past Experiences	:	Principal and Portfolio Manager of Pacific Advantage Capital, Hong Kong and Singapore Managing Director and Co-Head of Saba Proprietary Trading Group Asia in Deutsche Bank AG, Hong Kong Managing Director and Co-Head of Global Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore Director and Head of Structured Credit Trading and Principal Finance Asia in Deutsche Bank AG, Singapore

Senior Associate Director and Senior Credit and Derivatives Trader in Deutsche Bank AG, Singapore

Senior Fixed Income Trader in HSBC Markets, Hong Kong

Fixed Income and Credit Trader in Lehman Brothers Asia, Hong Kong and Japan

Executive Fellow and Transportation Finance Specialist in the Office of Financial Management in the State of Washington, USA

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.

JEREMY NASRULHAQ

Age : 67

Gender : Male

Nationality : Malaysian

Position : Independent Non-Executive Director

Date of Appointment : 1 June 2017

Membership of Board Committee(s) : Chairman of the Audit Committee
Member of the Group Nomination & Remuneration Committee
Member of the Employees' Share Scheme Committee
Member of the Group Board Digital Innovation & Technology Committee

Length of Tenure as Director : Three (3) Years and Seven (7) Months

(As at 31 December 2020)

Shareholding in Kenanga Investment Bank Berhad ("KIBB") : 187,900 Shares

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

Academic/ Professional Qualification(s) : Bachelor of Science (Agribusiness) Degree (with Distinction), Universiti Putra Malaysia
Chartered Accountant., Malaysian Institute of Accountants ("**MIA**")
Chartered Audit Committee Director, Institute of Internal Auditors Malaysia
Fellow Member, Chartered Institute of Management Accountants ("**CIMA**"), United Kingdom
Fellow Member, Institute of Corporate Directors Malaysia

Present Appointment(s) : Director of Sweetyet Development Sdn Bhd
Member of the Digital Technology Implementation Committee, as well as its Oversight Committee in MIA
Chairman of the MIA-Malaysian Qualifications Agency Joint Technical Committee in MIA
Deputy President of CIMA, Malaysia Division for several years and was re-appointed to serve on the council of the MIA for another term of two (2) years from 1 July 2020 till 30 June 2022

Past Experiences : Chairman of Urusan Teknologi Wawasan Sdn Bhd
Chairman of Malaysia Airports (Niaga) Sdn Bhd
Independent Non-Executive Director/ Senior Independent Non-Executive Director, Chairman of the Board Nomination & Remuneration Committee, Chairman of the Whistleblowing Independent Committee, Member of the Board Audit Committee and the Board Finance & Investment Committee of Malaysia Airports Holdings Berhad
Committee Member of a few national organisations such as the Malaysian International Chamber of Commerce and Industry and the Federation of Malaysian Manufacturers

	<p>Supply Chain Director for Unilever (M) Holdings Sdn Bhd, Malaysia and Unilever Singapore Pte Ltd, Singapore</p> <p>Commercial Director for Unilever (M) Holdings Sdn Bhd in Malaysia</p> <p>Regional Finance Manager for Unilever Asia Retail Foods</p> <p>Several senior financial and supply chain positions in Unilever (M) Holdings Sdn Bhd, P.T. Unilever Indonesia and Unilever Asia (S) Pte Ltd</p> <p>Declaration</p> <p>Jeremy Nasrulhaq has no family relationship with any Director and/or major shareholder of KIBB. He also has no conflict of interest with KIBB.</p> <p>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 2020.</p>
<p>NORAZIAN AHMAD TAJUDDIN</p>	<p>Age : 60</p> <p>Gender : Female</p> <p>Nationality : Malaysian</p> <p>Position : Independent Non-Executive Director</p> <p>Date of Appointment : 15 December 2017</p> <p>Membership of Board Committee(s) : Chairman of the Group Nomination & Remuneration Committee</p> <p>Member of the Group Board Risk Committee</p> <p>Chairman of the Employees' Share Scheme Committee</p> <p>Member of the Group Board Digital Innovation & Technology Committee</p> <p>Length of Tenure as Director : Three (3) Years (As at 31 December 2020)</p>

Shareholding in Kenanga Investment Bank Berhad ("KIBB")		: 10,000 Shares
Number of Board Meetings Attended		: Eleven (11)/ Eleven (11) (100%)
Academic/ Qualification(s)	Professional	: Bachelor of Science (Honours) in Mathematics, University of Leeds, United Kingdom Master of Business Administration (Finance), Edith Cowan University, Australia
Present Appointment(s)		: Independent Non-Executive Director of Kenanga Investors Berhad (" KIB "), a wholly-owned subsidiary of KIBB Member of the Audit & Risk Committee and Investment Committee of KIB Independent Non-Executive Director of Pacific & Orient Insurance Co. Berhad (" POI "), a subsidiary of Pacific & Orient Berhad Member of the Nomination Committee, Remuneration Committee, as well as the Audit Committee and Risk Management Committee of POI
Past Experiences		: Non-Independent Non-Executive Director and Member of the Risk Management Committee and Nomination & Remuneration Committee of Prudential BSN Takaful Bhd Deputy Chief Executive Officer of Bank Simpanan Nasional Berhad Manager, Treasury of Daimlerchrysler (M) Sdn Bhd Assistant General Manager, Treasury of KAF Discount Bhd Deputy Chief Operating Officer, Group Treasury & International Banking of EON Bank Berhad Group Senior Dealer, Treasury of Bank Bumiputra (M) Bhd
Declaration		
Norazian Ahmad Tajuddin has no family relationship with any Director and/or major shareholder of KIBB. She also has no conflict of interest with KIBB.		

She has never been charged for any offence within the past five (5) years nor has she had any public sanction and/ or penalty imposed on her by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.

KANAGARAJ LORENZ

Age	: 63
Gender	: Male
Nationality	: Malaysian
Position	: Independent Non-Executive Director
Date of Appointment	: 26 December 2017
Membership of Board Committee(s)	: Chairman of the Group Board Digital Innovation & Technology Committee Member of the Audit Committee Member of the Group Board Risk Committee
Length of Tenure as Director (As at 31 December 2020)	: Three (3) Years
Shareholding in Kenanga Investment Bank Berhad ("KIBB")	: 212,300 Shares
Number of Board Meetings Attended	: Eleven (11)/ Eleven (11) (100%)
Academic/ Professional Qualification(s)	: Fellow, Institute of Chartered Accountants in England and Wales, United Kingdom Member, Malaysian Institute of Certified Public Accountants
Present Appointment(s)	: Product Specialist and Advisor to the FinTech Association of Malaysia
Past Experiences	: Executive Director and Group Chief Executive Officer of GHL Systems Berhad Managing Director of eNETS Pte Ltd

General Manager International Business Development of Network for Electronic Transfers (Singapore) Pte Ltd

Chief Executive Officer of The Payment Solutions Company Pte Ltd

Vice President, Marketing Head and Vice President, Financial Controller & Chief of Staff in Citibank Berhad

Risk Manager of Citibank N.A., Australia and Malaysia

Declaration

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

He has never been charged for any offence within the past five (5) years nor has he had any public sanction and/ or penalty imposed on him by any relevant regulatory bodies during the Financial Year Ended 31 December 2020.

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 profile¹;
- 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.

¹ 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 2020, the composition of the AC was as follows:

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

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 2020, the composition of the NRC was as follows:

1. **Norazian Ahmad Tajuddin**
Chairman, INED
2. **Luk Wai Hong, William**
Member, INED
3. **Jeremy Nasrulhaq**
Member, INED
4. **Datuk Syed Ahmad Alwee Alsree**
Member, NINED
5. **Luigi Fortunato Ghirardello**
Member, NINED

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 2020, the composition of the GBRC was as follows:

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

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 2020, the composition of the ESS Committee was as follows:

1. **Norazian Ahmad Tajuddin**
Chairman, INED
2. **Luk Wai Hong, William**
Member, INED
3. **Jeremy Nasrulhaq**

Member, INED

4. **Datuk Syed Ahmad Alwee Alsree**

Member, NINED

5. **Luigi Fortunato Ghirardello**

Member, NINED

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 2020, the composition of the GBDITC was as follows:

1. **Kanagaraj Lorenz**

Chairman, INED

2. **Luk Wai Hong, William**

Member, INED

3. **Jeremy Nasrulhaq**

Member, INED

4. **Norazian Ahmad Tajuddin**

Member, INED

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

Member, NINED

6. **Luigi Fortunato Ghirardello**

Member, NINED

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) comply 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 (1 January 2020 to 31 March 2020)
- b. **Dr. Ghazali Jaapar**
Chairman, Shariah Committee (1 April 2020 to 31 December 2020)
- c. **Dr. Mohd Fuad Md Sawari**
Deputy Chairman, Shariah Committee (1 January 2020 to 31 October 2020)
- d. **Dr. Muhammad Arzim Naim**
Member, Shariah Committee (1 January 2020 to 31 October 2020)
- e. **Dr. Mohammad Firdaus Mohammad Hatta**
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 require the Shariah Committee, at a minimum, to comprise at least three (3) members.

All members of the Shariah Committee possess 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. However, he has ceased to be a member of the Shariah Committee on 31 October 2020.

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>.

DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

Board	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail ⁽¹⁾	11	5	100%
Izlan Izzah ⁽²⁾	11	11	100%
Datuk Syed Ahmad Alwee Alsree	11	11	100%
Dato' Richard Alexander John Curtis	11	11	100%
Luigi Fortunato Ghirardello	11	11	100%
Ismail Harith Merican	11	11	100%
Luk Wai Hong, William	11	11	100%
Jeremy Nasrulhaq	11	11	100%
Norazian Ahmad Tajuddin	11	11	100%
Kanagaraj Lorenz	11	11	100%

Notes:

- (1) Appointed as Chairman/ Independent Non-Executive Director of KIBB on 1 July 2020. During the period from July 2020 to December 2020, five (5) Board meetings were held and YAM Tan Sri Dato' Seri Syed Anwar Jamalullail attended all these five (5) meetings.
- (2) Upon relinquishing his position as the Chairman of the Board on 1 July 2020, Encik Izlan Izzah had continued to serve as an INED of KIBB until 31 December 2020.

Audit Committee ("AC")	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
Jeremy Nasrulhaq (Chairman)	8	8	100%
Izlan Izzah	8	8	100%
Luk Wai Hong, William	8	8	100%
Kanagaraj Lorenz	8	8	100%
Ismail Harith Merican	8	8	100%

Note

- (1) Total number of meetings held is inclusive of one (1) joint meeting between AC and the GBRC.

Group Nomination & Remuneration Committee ("NRC")	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
Norazian Ahmad Tajuddin (Chairman)	7	7	100%
Luk Wai Hong, William	7	7	100%
Jeremy Nasrulhaq	7	7	100%
Luigi Fortunato Ghirardello	7	7	100%
Datuk Syed Ahmad Alwee Alsree	7	7	100%

Group Board Risk Committee ("GBRC")	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
Luk Wai Hong, William (Chairman)	8	7	87.5%
Norazian Ahmad Tajuddin	8	8	100%
Kanagaraj Lorenz	8	8	100%
Dato' Richard Alexander John Curtis	8	8	100%
Luigi Fortunato Ghirardello	8	8	100%

Note

(1) Total number of meetings held was inclusive of one (1) joint meeting between the AC and the GBRC.

Group Board Digital Innovation & Technology Committee ("GBDITC")	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
Kanagaraj Lorenz (Chairman)	6	6	100%
Luk Wai Hong, William	6	6	100%
Jeremy Nasrulhaq	6	6	100%
Norazian Ahmad Tajuddin	6	6	100%
Dato' Richard Alexander John Curtis	6	6	100%
Luigi Fortunato Ghirardello	6	5	83%

Employees' Share Scheme Committee ("ESS Committee")	Number of Meetings		
Name of Director	Held	Attended	Percentage (%)
Norazian Ahmad Tajuddin (Chairman)	2	2	100%
Luk Wai Hong, William	2	2	100%
Jeremy Nasrulhaq	2	2	100%
Datuk Syed Ahmad Alwee Alsree	2	2	100%
Luigi Fortunato Ghirardello	2	2	100%

Shariah Committee	Number of Meetings		
Name of Shariah Committee Member	Held	Attended	Percentage (%)
Dr. Kamaruzaman Noordin ⁽¹⁾	12	3	100%
Dr. Ghazali Jaapar (Chairman) ⁽²⁾	12	9	100%
Dr. Mohd Fuad Md Sawari ⁽³⁾	12	10	100%
Dr. Muhammad Arzim Naim ⁽⁴⁾	12	10	100%
Dr. Mohammad Firdaus Mohammad Hatta	12	12	100%

Notes:

(1) Ceased as the Chairman of the Shariah Committee on 31 March 2020.

(2) Appointed as the Chairman of the Shariah Committee on 1 April 2020.

(3) Ceased as a member of the Shariah Committee on 31 October 2020. As BNM's approval for the appointment(s) of new Shariah Committee member(s) was still pending at that point in time, BNM has allowed KIBB's Skim Perbankan Islam (Islamic Banking Window) to operate with two (2) Shariah Committee members effective from 1 November 2020.

(4) Ceased as a member of the Shariah Committee on 31 October 2020.

TRAINING PROGRAMMES ATTENDED BY THE BOARD DURING THE FINANCIAL YEAR

Title of Training Programme	Attended By
1. The Prohibition of Gharar (Uncertainty) in Islamic Finance - Shariah Adviser of Kenanga Islamic Investors Berhad ("KIIB")	Datuk Syed Ahmad Alwee Alsree ("DSA")
2. Corporate Board Leadership Symposium 2020 - Malaysian Institute of Accountants ("MIA")	Izlan Izhab ("II"), Jeremy Nasrulhaq ("JN"), Kanagaraj Lorenz ("RL")
3. Reinventing Cybersecurity with Artificial Intelligence - MIA	YAM Tan Sri Dato' Seri Syed Anwar Jamalullail ("TSAJ")

Title of Training Programme	Attended By
4. The Board Chair: First Among Equals - Institute of Corporate Directors Malaysia (" ICDM ")	II
5. Digital Banking: Why Does It Matter? (Online Webinar) - FIDE FORUM	JN, Norazian Ahmad Tajuddin (" NT "), RL
6. Digitalisation - Review of Competitive Strategies Using AI: A Board's Perspective - Encik M. Nazri Muhd, ICDM Faculty and President/CEO, MyFinB, Singapore, ICDM	NT
7. Digitalisation: Cybersecurity Considerations Amid a Global Pandemic - Mr. Ho Siew Kei, Executive Director, Risk Advisory - Cyber Risk, Deloitte Malaysia hosted by ICDM	NT
8. COVID-19 and Current Economic Reality: Implications for Financial Stability - Dr. Andy Xie, FIDE FORUM	NT, RL
9. Training on Qawaid Fiqhiyyah (Islamic Legal Maxims): Principle of Intention in Islamic Finance - Shariah Adviser of KIIB	DSA
10. Outthink the Competition: Excelling in a Post COVID-19 World - FIDE FORUM	JN, NT, RL
11. Initial Coin Offerings and the Regulatory Landscape - Securities Industry Development Corporation (" SIDC ")	Ismail Harith Merican (" IHM "), RL
12. Blockchain Applications and How It Can Safeguard Investors' Interest - SIDC	IHM, RL
13. Challenging Times: What Role Must the Board Play? - FIDE FORUM	JN, RL
14. Audit your Anti-Bribery and Corruption Programme Effectively - Institute of Internal Auditors Malaysia (" IIAM ")	JN
15. Force Majure and COVID-19: How are Contractual Relationships Affected and Managed? - Asian School of Business (" ASB ")	NT
16. AccTech Conference - MIA	JN
17. Risks: A Fresh Look from the Board's Perspective - FIDE FORUM	JN, NT, RL
18. Digital Financial Institution Series: Managing Virtual Banking and Insurance Businesses - FIDE FORUM	Dato' Richard Alexander John Curtis (" DRC "), RL
19. Training on Umum al-Balwa in Islamic Finance (Shariah Screening Methodology) of Companies Listed as Shariah Counters on Bursa Malaysia Securities Berhad - Shariah Adviser of KIIB	DSA
20. Banking on Governance, Insuring Sustainability - ASB	DRC, Luigi Fortunato Ghirardello (" LFG "), Luk Wai Hong, William (" LWH "), JN
21. HR in the 2020s: Culture Sculptor, Risk Manager and More - ASB	LWH
22. Digital FI Series: Fidor's Experience - FIDE FORUM	LFG, LWH, NT
23. ICDM PowerTalk #11: Preparing the Board for a Post-COVID World - ICDM	LFG

Title of Training Programme	Attended By
24. Staying Ahead with Data Analytics - ASB	LWH
25. In-House Briefing Session on Structured Warrants Business for the Board of Directors of KIBB - Equity Derivatives of KIBB	TSAJ, II, DSA, DRC, LFG, IHM, LWH, JN, NT, RL
26. BNM-FIDE Forum Annual Dialogue with Governor of Bank Negara Malaysia - FIDE FORUM	LWH, NT, RL
27. CAE Summit - IIAM	JN
28. Board Effectiveness Focus Group Discussion with Directors - FIDE FORUM	NT, RL
29. Conventional Accounting vs Islamic Accounting - Shariah Adviser of KIBB	DSA
30. SCxSC Fintech Conference 2020 - Securities Commission ("SC")	JN
31. Capital Markets Director Programmes ("CMDP") - Module 1 Gatekeepers of Market Participation - SIDC	TSAJ
32. CMDP - Module 2A Challenges and Regulatory Expectation - What Directors Need to Know (Equities & Futures Broking) - SIDC	TSAJ
33. CMDP - Module 3 Risk Oversight and Compliance - Action Plan for Board of Directors - SIDC	TSAJ
34. CMDP - Module 4 Emerging and Current Regulatory Issues in the Capital Market - SIDC	TSAJ
35. Climate Action: The Board's Leadership in Greening the Financial Sector - FIDE Forum	DRC, JN, NT
36. Governance Symposium 2020: Driving Governance in the New Normal: The Future Begins Now - MIA in Collaboration with Malaysian Institute of Corporate Governance	II
37. Anti-Corruption Training - Messrs. Wong & Partners	TSAJ
38. Green Fintech: Ping An's Journey to Becoming a Top ESG Performing Financial Institution - FIDE FORUM	JN, NT
39. KIBB's In-House Programme on Cyber Risk Awareness - Firmus Sdn Bhd	TSAJ, DRC, LFG, IHM, LWH, JN, NT, RL
40. Business Foresight Forum 2020 - SIDC	JN
41. Waqf by Shariah Advisor of KIBB	DSA
42. Stakeholder Capitalism - A Vital Pandemic Agenda - ICDM	NT
43. Compliance with Main Market Listing Requirement - Reporting of Financial Statements - Mr. Chee Kai Mun, Director cum Principal Trainer of CKM Advisory Sdn Bhd for Directors of Kenanga Investors Berhad	DSA, NT
44. Singapore FinTech Festival 2020 (SFF x Switch 2020)	DRC, LWH, JN, RL

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

Title of Training Programme		Attended By
1.	Pricing Policy of Takaful Products - FWD Takaful	Dr. Ghazali Jaapar ("DGJ")
2.	Takaful Products Development - FWD Takaful	DGJ
3.	Cyber Security and Risk Management in Technology	Dr. Mohd Fuad Md Sawari ("DFS")
4.	Takaful Operational Framework Operational Policies	DFS
5.	Certified Shariah Adviser Certification: Legal Regulatory Framework	Dr. Mohammad Firdaus Mohammad Hatta ("DMF")
6.	Certified Shariah Adviser Certification: Introduction to Commercial Law	DMF
7.	Workshop on Registration of Financial Services Industry Terminologies	DMF
8.	Malaysian Postgraduate Workshop Series	DMF

INTERNAL CONTROL FRAMEWORK

The Internal Control Framework of KIBB is set out in the Statement of Risk Management and Internal Control as disclosed in KIBB's 2020 Annual Report.

REMUNERATION FOR DIRECTORS, SENIOR MANAGEMENT AND OTHER MATERIAL RISK TAKERS

1. The Company aims to set remuneration levels which are sufficient to attract and retain the Directors, Senior Management and Other Material Risk Takers needed to operate the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without excessively over-paying to achieve its goal. The level of remuneration of the Directors, GMD and Senior Management personnel is determined by the 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 2020, 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 2020	
Chairman of the Board	RM520,000.00 ⁽¹⁾	
Deputy Chairman of the Board	RM390,000.00	
Director	RM270,000.00	
Chairman of AC/ NRC/ GBRC/ GBDITC	RM40,000.00	
Chairman of Shariah Committee ⁽²⁾	RM71,900.00	
Member of AC/ NRC/ GBRC/ GBDITC	RM30,000.00	
Member of Shariah Committee ⁽³⁾	RM45,000.00	
	RM50,500.00	
	RM42,500.00	
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/ ESS Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee Meeting	RM600.00	RM500.00

Notes

- (1) The increase in the Chairman's Annual Director Fee from RM440,000 to RM520,000 was due to the exclusion of Club Membership Fee.
- (2) The total fees of RM71,900.00 comprised of:
- RM15,500.00 when Dr. Kamaruzaman Noordin was serving as Chairman of Shariah Committee from 1 January 2020 to 31 March 2020; and
 - RM56,400.00 when Dr. Ghazali Jaapar was serving as Chairman of Shariah Committee from 1 April 2020 to 31 December 2020.
- (3) The annual fee for the Financial Year Ended 31 December 2020 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' fees are 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 2020 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 2020 is set out overleaf.

Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail ⁽⁵⁾	261,420.77	-	10,000.00	-	15,575.00 ⁽²⁾	286,995.77
Izlan Izzah ⁽⁶⁾	424,535.51	-	48,000.00	-	21,987.80 ⁽³⁾	494,523.31
Datuk Syed Ahmad Alwee Alsree	510,000.00	-	64,000.00	-	19,633.40 ⁽⁴⁾	593,633.40
Dato' Richard Alexander John Curtis	330,000.00	-	52,000.00	-	-	382,000.00
Luigi Fortunato Ghirardello	410,000.00	-	78,000.00	-	-	488,000.00
Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Luk Wai Hong, William	400,000.00	-	82,000.00	-	-	482,000.00
Jeremy Nasrullah	370,000.00	-	68,000.00	-	-	438,000.00
Norazian Ahmad Tajuddin	410,000.00	-	102,000.00	-	-	512,000.00
Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
TOTAL	3,785,956.28	-	610,000.00	-	57,196.20	4,453,152.48

Notes

- (1) Subject to the shareholders' approval at the forthcoming Annual General Meeting
- (2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits
- (3) Benefits-in-kind for the previous Chairman included golf club membership, leave passage, driver, car and other claimable benefits
- (4) Benefits-in-kind for the Deputy Chairman included golf club membership, car and other claimable benefits
- (5) Appointed as Chairman of KIBB on 1 July 2020. Hence his remuneration has been prorated for the six (6) months period from July 2020 to December 2020.
- (6) Re-designated from Chairman to a Board Member on 1 July 2020. Hence, his remuneration has been prorated accordingly.

Company Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits- in-Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Zainol Anwar Ibni Syed Putra Jamalullail ⁽⁵⁾	261,420.77	-	10,000.00	-	15,575.00 ⁽²⁾	286,995.77
Izlan Izzah ⁽⁶⁾	384,535.51	-	40,000.00	-	21,987.80 ⁽³⁾	446,523.31

Datuk Syed Ahmad Alwee Alsee	420,000.00	-	42,000.00	-	19,633.40 ⁽⁴⁾	481,633.40
Dato' Richard Alexander John Curtis	330,000.00	-	52,000.00	-	-	382,000.00
Luigi Fortunato Ghirardello	360,000.00	-	70,000.00	-	-	430,000.00
Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Luk Wai Hong, William	400,000.00	-	82,000.00	-	-	482,000.00
Jeremy Nasrulhaq	370,000.00	-	68,000.00	-	-	438,000.00
Norazian Ahmad Tajuddin	370,000.00	-	72,000.00	-	-	442,000.00
Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
TOTAL	3,565,956.28	-	542,000.00	-	57,196.20	4,165,152.48

Notes

- (1) Subject to the shareholders' approval at the forthcoming Annual General Meeting
- (2) Benefits-in-kind for the current Chairman included leave passage, driver, car and other claimable benefits
- (3) Benefits-in-kind for the previous Chairman included golf club membership, leave passage, driver, car and other claimable benefits
- (4) Benefits-in-kind for the Deputy Chairman included golf club membership, car and other claimable benefits
- (5) Appointed as Chairman of KIBB on 1 July 2020. Hence his remuneration has been prorated for the six (6) months period from July 2020 to December 2020.
- (6) Re-designated from Chairman to a Board Member on 1 July 2020. Hence, his remuneration has been prorated accordingly.

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