

CORPORATE GOVERNANCE OVERVIEW STATEMENT

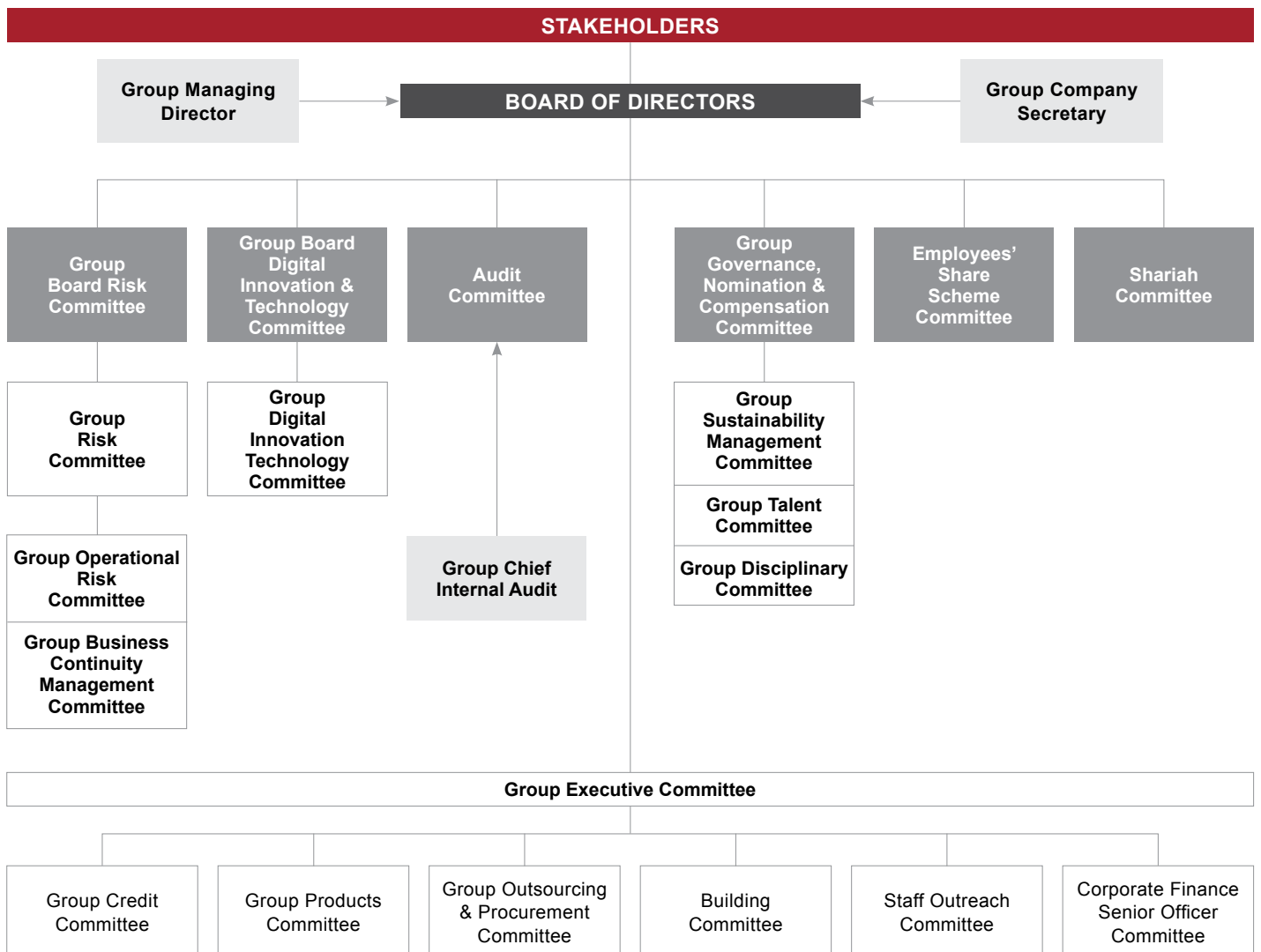
Corporate Governance is regarded by the Board of Directors (“**Board**”) as vital to the success of the business of Kenanga Investment Bank Berhad (“**KIBB**” or “**the Company**”). Therefore, the Board is unreservedly committed to applying the principles necessary to ensure that the principles of good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

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

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

CORPORATE GOVERNANCE FRAMEWORK

■ Board Committees □ Management Committees



CORPORATE GOVERNANCE OVERVIEW STATEMENT

● PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders.

The Board's key responsibilities include -

- governing and setting the strategic direction of the Company while exercising oversight on Management;
- setting the appropriate tone at the top;
- providing thought leadership and championing good governance and ethical practices throughout the Company; and
- ensuring that sustainability considerations are integrated in corporate strategy, governance and decision-making.

The Board sets the Company's values and standards and ensures that its obligations to its Shareholders and other stakeholders which include the regulators, business partners, clients, employees, suppliers and vendors, are clearly understood and adhered to.

Each of the Board members of the Company is aware of his/ her responsibilities to always exercise his/ her powers in accordance with the Companies Act 2016, for a proper purpose and in good faith and in the best interest of the Company. They also understand that each of them is expected to exercise reasonable care, skill and diligence with the knowledge, skill and experience, which may reasonably be expected of a Director having the same responsibilities; and any additional knowledge, skills and experience which the Director in fact has.

Further, the Directors, collectively and individually, are aware of their responsibilities to the Shareholders and stakeholders for the manner in which the affairs of the Company are managed.

In discharging its duties effectively and efficiently, the Board delegates specific responsibilities to the Board Committees with clearly defined areas of authority and reporting arrangement to keep the Board informed on the key deliberations and decisions on delegated matters. To promote objectivity, robust and open deliberations, the Board Committees are chaired by an Independent Director who is not the Chairman of the Board. The roles and responsibilities of the Board Committees are set out in their respective Terms of Reference which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/corporate-governance/>.

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

Notwithstanding any delegation of authority to Management or Committees, the Board reserves full decision-making power on matters relating to, amongst others, strategies, business plans and budget, significant policies, conflict of interest issues relating to Substantial Shareholders and/ or a Director, material acquisitions or disposals of assets not in the ordinary course of business, investment in capital projects, authority levels, risk management policies, as well as key human resource issues. The Board reserved matters are also reflected in the Board Charter.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Reserved Matters

The Board's key activities during the Financial Year Ended 31 December 2023, included amongst others, reviewing, deliberating, recommending and approving where appropriate, key matters as outlined below.

Strategy/ Financials

- Budget and Business Plan for KIBB Group for the Financial Year Ending 31 December 2024
- Group Strategy 2024-2026
- Proposals on New Investments/ Business Collaborations/ New Business Initiatives/ New Joint Venture/ Corporate Exercises and Subsequent Updates
- Monthly Management Accounts
- Quarterly Financial Results
- Waiver of Intercompany Balance for Dormant Companies
- Audited Financial Statements for the Financial Year Ended 31 December 2022 and the Reports for the Directors and Auditors
- Proposed Dividend for the Financial Year Ended 31 December 2022
- Representation Letter to Ernst & Young PLT in Relation to the Audit for the Financial Year Ended 31 December 2022
- Re-Appointment of External Auditors and Audit Fees for the Financial Year Ended 31 December 2023
- Report on Non-Budgeted Expenditure Exceeding RM250,000
- 2023 Equity Derivatives' Business Plan and Proposed Market Risk Limits
- Reports on Associate and Joint Venture Companies
- Renewal of Solvency Statement in Relation to the Share Buyback Exercise
- Provision of Financial Support and Contingency Funding for Subsidiaries
- Update on Utilisation of Treasury Shares for Settlement of Employees' Share Option Scheme
- Annual Impairment Assessment of Goodwill and Intangibles for the Financial Year Ended 31 December 2023
- Participation as Participating Broker in Share2Share Scheme by Bursa Malaysia Berhad Through Yayasan Bursa Malaysia
- Appointment of Ernst & Young PLT to Perform a Review on Liquidity Coverage Ratio as of Financial Year 2022
- Proposal to Implement a New Remisier Portal – iRemisier Platform for KIBB
- Procurement of Managed Security Operations Centre 2023
- Material Outsourcing for the Subscription of the Cloud Infrastructure Services of Host, Network, Storage and Security and the Managed Services of Cloud Services by Datacom of Migrated Non-Critical and Critical Production Applications in Microsoft Azure Cloud
- Application for Settlement Limit for the Purpose of Securities Borrowing and Lending Transactions
- Budget for e-Invoicing Project
- Extension of Time to Perform Server Upgrade for K2 and InReport System, as well as Approval to Purchase Servers for K2 and InReport
- Share Buy-Back Statement in Relation to the Proposed Renewal of Authority for the Company to Purchase Its Own Shares of Up to 10% of the Total Number of Issued Shares of the Company

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk, Compliance and Oversight

- Monthly Regulatory Reports and Compliance Reports
- Regulatory Audit/ Examinations Reports
- Monthly Risk Management Reports
- Annual Work Plan 2023 of Group Regulatory and Corporate Services
- Review of Enterprise Risk Management Framework, Risk Appetite Framework, Business Continuity Management Framework, Group Outsourcing Risk Management Framework, Climate Change Risk Management Framework and Asset & Liability Policy
- Monthly Share Margin Financing Reports by Credit Equity Broking
- Business Continuity Plan and Disaster Recovery Plan Test Matrix for 2024
- MY HORIZON 2022/ Vol 6: BNM's Operational Risk Report for Financial Industry
- Review of Existing and Establishment of New Policies and Frameworks
- Operational Risk Scenario Analysis Assessment Review 2023
- Internal Capital Adequacy Assessment Process for 2022
- Liquidity Coverage Ratio Audit Results as of 31 December 2022 by Ernst & Young PLT
- 2023 Equity Broking Short Term Equity Proprietary Trading Portfolio, Business Plan and Proposed Market Risk Limits
- Credit Proposals Recommended/ Approved by the Group Credit Committee
- Monthly Connected Parties Exposure Reports
- Monthly Reports on Recovery Status for KIBB's Corporate Loans and Impaired Equity Accounts (With Impairment Provisions)
- Recurrent Related Party Transaction Entered into by KIBB and Its Subsidiaries
- Chairman's Statement and GMD's Management Discussion and Analysis for KIBB's Annual Report 2022
- Proposals Relating to the Structured Warrants Business
- Quarterly Cyber Security Updates
- Pillar 3 Disclosure as of 31 December 2022
- Half-Yearly Review on Shariah Committee's Decisions
- Annual Attestation of Products Issued in 2022
- Renewal of Insurance Policies in Respect of Comprehensive Crime Professional Indemnity Insurance, Directors and Officers Liabilities Insurance and Cyber Security Insurance
- 2023 Group Outsourcing Arrangement
- KIBB's Sustainability Report and Sustainability Statement and Sustainability Targets
- Statement on Risk Management and Internal Control for Disclosure in 2022 Annual Report of KIBB
- Group Operations Report
- Proposals Relating to Quant Business
- BNM Semi-Annual Stress Testing Report for Position as of 31 December 2022 and 30 June 2023
- BNM's Recovery Planning Report
- Declaration of Compliance with the SC's Issuer Eligibility Guidelines on Structured Warrants
- Appointment of a Due Diligence Working Group to Conduct a Due Diligence Inquiry for Renewal of Base Prospectus
- BNM's Climate Risk Management and Scenario Analysis Policy - Gap Analysis and Implementation Plan Report
- BNM's Composite Risk Rating Assessment and Supervisory Concerns for 2022 of KIBB
- Final Report on Inspection by Bursa Malaysia on KIBB Dated 14 July 2023
- BNM's Findings on Anti Money Laundering/ Counter Financing Terrorism Thematic Review: Electronic Know-Your-Customer Implementation and Control Effectiveness in Banking Institutions
- BNM's Letter on Enhancing Vigilance in the Implementation of Electronic Know-Your-Customer

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Governance

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Revision to the Board Charter and Terms of References of Audit Committee, Group Board Digital Innovation & Technology Committee, Group Board Risk Committee, Group Governance, Nomination & Compensation Committee, Group Credit Committee and Group Risk Committee
- Review of Non-Executive Directors' Remuneration Framework for Kenanga Investors Berhad and Its Subsidiaries
- Reports by Board Committees on Matters Discussed at the Respective Board Committees' Meetings
- Retirement of Directors of KIBB and Its Subsidiaries at the Forthcoming Annual General Meetings of the Respective Entities Within KIBB Group
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Board Process Enhancement Plan – Consequential to Board Evaluation Conducted in 2022
- Potential Candidates for Directorship within KIBB Group
- Revamped Board Effectiveness Evaluation Framework for Board, Board Committee and Individual Director
- Directors' Training Calendar for 2023 and Status Report on KIBB Group Directors' Training for 2022/2023
- Disclosures for 2022 Annual Report
- Payment of Directors' Fees for the Financial Year Ending ("FYE") 31 December 2023 and Meeting Allowances for FYE 31 December 2024 for KIBB Group
- Remuneration and Benefits for Directors of KIBB Group
- Notification by Directors and Principal Officers in Relation to Dealings in the Securities of KIBB
- Vesting of Employees' Share Option Scheme for Junior Management Staff and Above
- Appointment of KIBB's Representative on the Board of Directors of Its Associate Company
- Updates of the Code of Ethics and Conduct for Directors of Kenanga Group
- Key Human Resource Matters
 - Review of the List of Management Key Responsible Persons ("KRPs") of KIBB Group as of 1 January 2023
 - Review of the List of KIBB Group's Management KRPs' Employment Contracts Expiring in 2023
 - New Appointment, Re-Appointment, Review and Renewal of Contract of Appointment of Management KRPs
 - 2022 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
 - Renewal of Group Staff Insurance Policies for 2024
 - Review of Total Rewards Framework
 - 2023 Balanced Scorecards for Management KRPs
 - Proposals in Relation to Employees' Share Option Scheme
 - 2022 Performance Bonus and 2023 Annual Salary Increment
 - Review of Management KRPs' Succession Plan
 - Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
 - Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers within KIBB Group
 - Review of Material Risk Takers and Other Material Risk Takers Compensation

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Separation of the Roles of Chairman and GMD

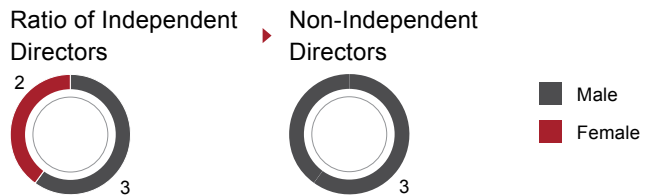
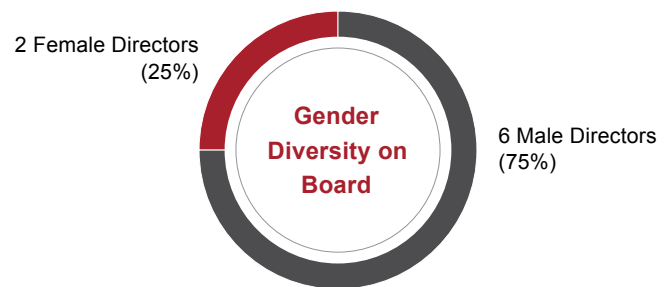
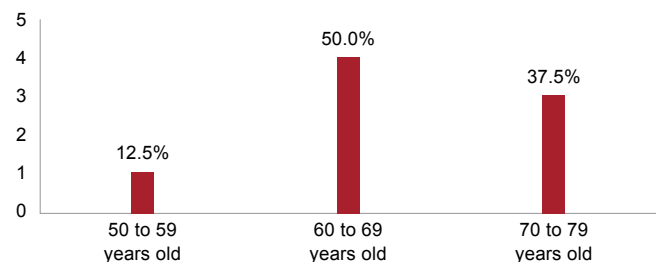
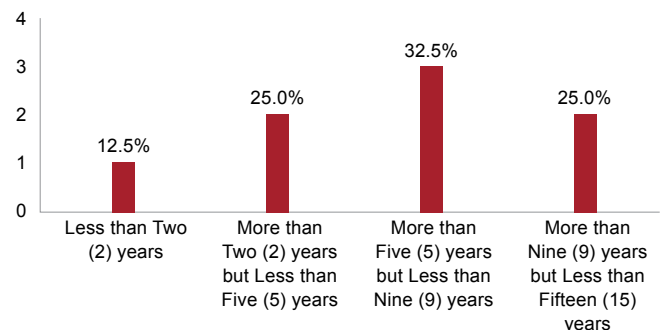
The Company aims to ensure a balance of power and authority between the Chairman and the GMD with a clear division of responsibility between the running of the Board and the Company's business respectively. The positions of the Chairman and the GMD are separated and their roles and responsibilities are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

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

Board Composition

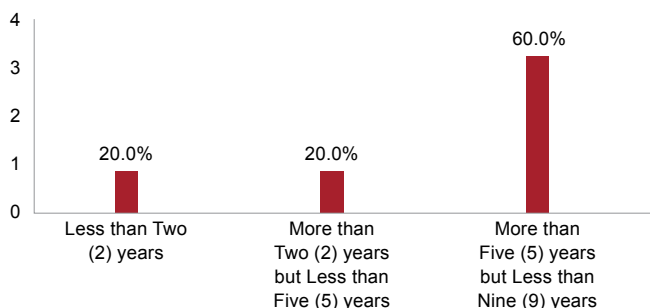
The Board of KIBB currently comprises the following eight (8) members, five (5) of whom are Independent Non-Executive Directors ("INEDs") and the remaining three (3) are Non-Independent Non-Executive Directors ("NINEDs"):

- **YAM TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**
Chairman, INED
- **ENCIK ISMAIL HARITH MERICAN**
NINED
- **MR. LUK WAI HONG, WILLIAM**
NINED
- **ENCIK JEREMY NASRULHAQ**
Senior INED
- **PUAN NORAZIAN AHMAD TAJUDDIN**
INED
- **MR. KANAGARAJ LORENZ**
INED
- **MR. CHOY KHAI CHOON**
NINED
- **MADAM CHIN SIEW SIEW**
INED

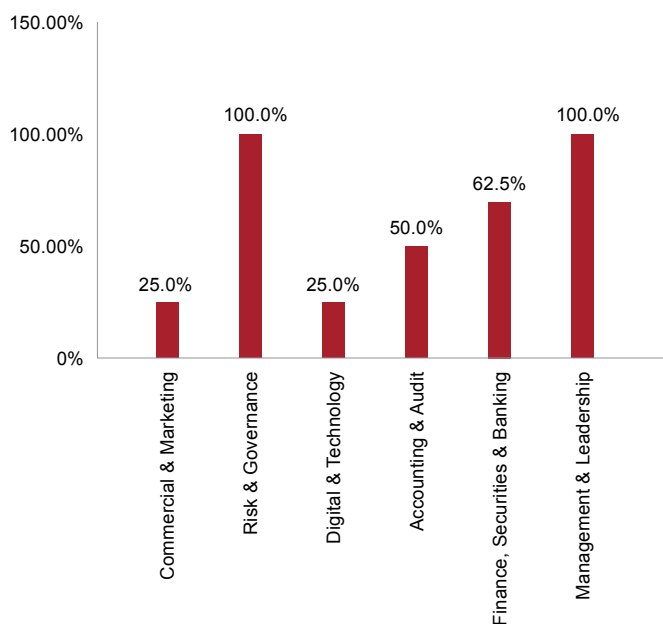
SNAPSHOT OF THE BOARD'S PROFILE**Board Balance and Composition****Directors' Nationality****Number of Directors under Different Age Group**
(as at 31 March 2024)**Number of Directors under Different Tenure**
(as at 31 March 2024)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Number of Independent Directors under Different Tenure
(as at 31 March 2024)



Skills and Experience



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

Whilst always ensuring a balance of skills set for the Board, in terms of gender diversity, the Board had been actively pursuing this objective by always prioritising the achievement of its target for the Board to comprise at least 30% women Directors.

At the moment, the Board is represented by two (2) or 25% women Directors namely Puan Norazian Ahmad Tajuddin and Madam Chin Siew Siew.

Tenure of Independent Directors

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

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

Notwithstanding the aforementioned, as deliberated by the Board of KIBB at its meeting on 29 July 2021 on the application and adoption of Practices and Step Up Practices of the revised MCCG, moving forward and in the spirit of the MCCG, Clause 3.3 of KIBB's Board Charter which allows for extension of an INED's tenure beyond the nine (9) years, had been revised to incorporate a formal policy which limits the tenure of an INED to nine (9) years without further extension in line with the MCCG's Step Up Practice 5.4.

In this regard, the GNC and the Board have always been cognisant of the need for the compositions of the Board and Board Committees of entities within KIBB Group to be periodically reviewed for purposes of succession planning.

The profile of each Director is available on pages 50 to 57 of this Annual Report.

Board and Board Committee Meetings

In 2023, ten (10) Board meetings were held, one (1) of which was the Board Offsite meeting which was convened to discuss the Group Strategy 2024-2026.

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

During the Financial Year Ended 31 December 2023, all the Directors of the Company attended 100% of the Board meetings convened, demonstrating a strong commitment and dedication of the Board members in fulfilling and discharging their respective roles and responsibilities as Directors of the Company.

Following Malaysia's reopening of its international borders on 1 April 2022 as it began the transition to COVID-19 endemic phase, KIBB had likewise, slowly transitioned all of its Board and Board Committees meetings to hybrid and/ or physical mode.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors' attendance at Board and Board Committee meetings held during the Financial Year Ended 31 December 2023 are provided below.

Board	Number of Meetings			
	Name of Director	Held ⁽¹⁾	Attended	Percentage (%)
	YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	10	10	100.0%
	Encik Ismail Harith Merican	10	10	100.0%
	Mr. Luk Wai Hong, William	10	10	100.0%
	Encik Jeremy Nasrulhaq	10	10	100.0%
	Puan Norazian Ahmad Tajuddin	10	10	100.0%
	Mr. Kanagaraj Lorenz	10	10	100.0%
	Mr. Choy Khai Choon	10	10	100.0%
	Madam Chin Siew Siew	10	10	100.0%

Note

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

Audit Committee ("AC")	Number of Meetings			
	Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)
	Encik Jeremy Nasrulhaq (Chairman)	8	8	100.0%
	Mr. Kanagaraj Lorenz	8	8	100.0%
	Puan Norazian Ahmad Tajuddin	8	8	100.0%

Notes

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

(2) Total number of meetings held was inclusive of two (2) joint meetings between the AC and the GBRC which was held on 22 June 2023 and 29 August 2023.

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

Notes

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

(2) Total number of meetings held was inclusive of one (1) joint meeting between the GNC and the GBRC which was held on 26 June 2023.

Group Board Risk Committee ("GBRC")	Number of Meetings			
	Name of Director	Held ^{(1) (2)}	Attended	Percentage (%)
	Puan Norazian Ahmad Tajuddin (Chairman)	9	9	100.0%
	Mr. Luk Wai Hong, William	9	9	100.0%
	Mr. Kanagaraj Lorenz	9	9	100.0%
	Mr. Choy Khai Choon	9	9	100.0%
	Madam Chin Siew Siew	9	9	100.0%

Notes

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

(2) Total number of meetings held was inclusive of two (2) joint meetings between the AC and the GBRC as well as one (1) joint meeting between the GNC and the GBRC which were held on 22 June 2023, 29 August 2023 and 26 June 2023, respectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Note

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

Employees' Share Scheme Committee ("ESS Committee")	Number of Meetings		
	Name of Director	Held ⁽¹⁾	Attended
Madam Chin Siew Siew (Chairman)	1	1	100.0%
Encik Jeremy Nasrulhaq	1	1	100.0%
Puan Norazian Ahmad Tajuddin	1	1	100.0%

Note

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

Shariah Committee	Number of Meetings		
	Name of Shariah Committee Member	Held ⁽¹⁾	Attended
Dr. Ghazali Jaapar (Chairman)	11	11	100.0%
Dr. Mohammad Firdaus Mohammad Hatta	11	11	100.0%
Dr. Fadillah Mansor	11	11	100.0%

Note

(1) Reflects the number of meetings held during the time the Shariah Committee member held office.

Group Governance, Nomination & Compensation Committee

The GNC of KIBB comprises a majority of INEDs and is chaired by an INED who is not the Chairman of the Board.

Details on the GNC's composition, as well as its members' attendance at the GNC meetings during the Financial Year Ended 31 December 2023 are provided on page 74 of this Annual Report and in Section B of the Corporate Governance Report ("CG Report") which is available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2024>.

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

During the Financial Year Ended 31 December 2023, the GNC had deliberated, reviewed and made appropriate recommendations to the Board for approval, pertaining to key matters stated below.

- Appointment and Re-Appointments of Directors within KIBB Group
- Holistic Review of the Compositions of the Boards and Board Committees of KIBB Group
- Revision to the Board Charter and Terms of References of AC, GBDITC, GBRC, GNC, Group Credit Committee and Group Risk Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Review of Non-Executive Directors' Remuneration Framework for Kenanga Investors Berhad and Its Subsidiaries
- Reports by Board Committees on Matters Discussed at the Respective Board Committees' Meetings
- Retirement of Directors of KIBB and Its Subsidiaries at the Forthcoming Annual General Meetings of the Respective Entities
- Assessment on the Fitness and Propriety and Nomination of Members of Shariah Committee of KIBB and Review of Their Remuneration
- Board Process Enhancement Plan – Consequential to Board Evaluation Conducted in 2022
- Potential Candidates for Directorship within KIBB Group
- Revamped Board Effectiveness Evaluation Framework for Board, Board Committee and Individual Director
- Directors' Training Calendar for 2023 and Status Report on KIBB Group Directors' Training for 2022/2023
- Disclosures for 2022 Annual Report
- Payment of Directors' Fees for the Financial Year Ending ("FYE") 31 December 2023 and Meeting Allowances for FYE 31 December 2024 for KIBB Group
- Remuneration and Benefits for Directors of KIBB Group
- Notification by Directors and Principal Officers in Relation to Dealings in the Securities of KIBB
- Vesting of Employees' Share Option Scheme for Junior Management Staff and Above
- Appointment of KIBB's Representative on the Board of Directors of Its Associate Company
- Updates of the Code of Ethics and Conduct for Directors of Kenanga Group
- Review of the List of Management KRPs of KIBB Group as of 1 January 2023
- Review of the List of KIBB Group's Management KRPs' Employment Contracts Expiring in 2023
- New Appointment, Re-Appointment, Review and Renewal of Contract of Appointment of Management KRPs
- 2022 Performance Appraisal and Annual Assessment on Fit and Proper for GMD, Group Chief Regulatory and Compliance Officer, Management KRPs, Head of Group Compliance and Group Company Secretary
- Renewal of Group Staff Insurance Policies for 2024
- Review of Total Rewards Framework
- 2023 Balanced Scorecards for Management KRPs
- Proposals in Relation to Employees' Share Option Scheme
- 2022 Performance Bonus and 2023 Annual Salary Increment
- Review of Management KRPs' Succession Plan
- Re-Appointment of YM Tan Sri Dato' Paduka Tengku Noor Zakiah Tengku Ismail as Adviser of KIBB
- Identification and Updating of the List of Material Risk Takers and List of Other Material Risk Takers within KIBB Group
- Review of Material Risk Takers and Other Material Risk Takers Compensation

Board Appointment Framework

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

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

During the Financial Year Ended 31 December 2023, the Board composition remained unchanged.

The composition of the Board still complies with the requirements for the Board to comprise a majority of Independent Directors, with the ratio of women Directors on the Board at 25%, which is closer to the target of 30%.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Employees' Share Scheme Committee

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

The main objective of the ESS as approved by the Shareholders of KIBB on 25 May 2017, is to align the employees' interests with the long-term objectives of KIBB Group to create sustainable value enhancement for its Shareholders through a high performance culture.

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

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

Shariah Committee

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

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

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

Board Diversity and Gender

In recognition of the benefits of a diverse Board in terms of the ability to tap into the many talents which the Board members from their different ages, cultural backgrounds, industry exposure, expertise, competency, experience, knowledge and gender bring to the Company, as well as their abilities to respond to business opportunities more rapidly and creatively, the Company has endeavoured and will continue to endeavour to achieve an appropriate mix of members to achieve diversification.

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

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

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

One (1) of the action plans identified was to adopt Practice 5.9 of the MCCG which recommended for the Board to comprise at least 30% women Directors. Being a Capital Markets Services Licence ("**CMSL**") Holder under the SC, KIBB is also required to comply with the requirements of Paragraph 5.06 of the SC's Guidelines on Corporate Governance for Capital Market Intermediaries ("**SC's CG Guidelines**"), for the Board of a CMSL Holder to comprise at least 30% women Directors.

Consequential to the appointment of Madam Chin Siew Siew as an INED on 1 June 2022, the Board composition had moved closer to the requirement of 30% women Directors. Even though KIBB had not fully adopted Practice 5.9 under the MCCG, it had, however, deemed as having fulfilled the requirement of Paragraph 5.06 of the SC's CG Guidelines, as the SC allowed the rounding up of the percentage up to a maximum 5%.

To fully adopt Practice 5.9 of the MCCG, the Board has continuously endeavoured to source for suitable women candidates for future appointment as and when changes to the Board composition are required or reviewed, in line with the Company's business direction and strategy. This action plan is expected to be completed within 2024. Any appointment of a woman Director would be based on merit and potential contributions that she could bring to KIBB, as well as the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Education and Development**● Induction Programme for Newly Appointed Director**

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

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

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

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

● Directors' Continuous Education and Development

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

In addition to completing the Mandatory Accredited Programmes I and II ("**MAP I and II**")¹ as required by Bursa Malaysia under Paragraph 15.08 of the MMLR, the Financial Institutions Directors' Education ("**FIDE**") Core Programme and the Islamic Finance for Board Programme ("**IF4BOD**") as required by BNM, and the Capital Market Director Programme ("**CMDP**") as required by the SC for newly appointed Directors, the Board members are also encouraged to attend training programmes, conducted by recognised professionals/ providers, which are relevant to the Company's operations and business.

During 2023, the Board members of KIBB had completed the mandatory training programmes required by the respective regulators as stated below.

Training Programme	Attendees	Date
FIDE Core Programme	<ul style="list-style-type: none"> Ms. Chin Siew Siew 	13 – 16 February 2023 (Module A) 16 – 19 October 2023 (Module B)
IF4BOD	<ul style="list-style-type: none"> YAM Tan Sri Dato' Seri Syed Anwar Jamalullail Ms. Chin Siew Siew 	6 – 7 June 2023 1 - 2 November 2023
CMDP Module 2B: Business Challenges and Regulatory Expectations – What Directors Need to Know (Fund Management)	<ul style="list-style-type: none"> Mr. Choy Khai Choon 	21 August 2023

¹ For a person who is appointed for the first time of a listed company, MAP I and II are required to be completed within four (4) and eighteen (18) months, from the date of appointment, respectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Training Programme	Attendees	Date
MAP II	• Mr. Luk Wai Hong, William	19 – 20 September 2023
	• Mr. Choy Khai Choon	19 – 20 September 2023
	• Encik Jeremy Nasrulhaq	16 – 17 October 2023
	• Puan Norazian Ahmad Tajuddin	16 – 17 October 2023
	• Mr. Kanagaraj Lorenz	16 – 17 October 2023
	• Ms. Chin Siew Siew	25 – 26 October 2023
	• YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	8 – 9 November 2023

In facilitating the Directors' education and development, the Group Company Secretary's Office, in addition to monitoring the status of all mandatory training programmes to be completed by the Directors, also establishes an Annual Directors' Training Calendar encompassing external training programmes available in the market and/ or recommended by the Board members and in-house training programmes, which shall be tabled at the GNC and the Board for endorsement in the first (1st) quarter of each year to create awareness amongst the Directors of training programmes which are available for the year. Thereafter, the GNC and the Board will be updated on the status of Directors' participation in these training programmes on a quarterly basis.

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

Based on the feedback received from the Directors during the Board Effectiveness Evaluation conducted in 2023, the following areas were identified to be included in the Directors' training needs:

- Sustainability, Environmental, Social and Governance (“ESG”) Risks and Climate Change Risks.
- Fintech, Technology Innovations, Artificial Intelligence, including Information Sharing on Market Developments in Digital Products and Competitors.
- Risks Management in Islamic Finance.
- Cyber Security.
- Refresher in-house programmes on product knowledge such as Equity Derivatives, Treasury, Digital Business, and Money Market, as well as Anti-Money Laundering and Counter Financing of Terrorism, Section 17A of the Malaysian Anti-Corruption Commission Act 2009, and Consequence Management Process in respect of Management KRPs, the GMD and the Board.

• Training Programmes Attended by Directors During the Financial Year 2023

The training programmes attended by the Directors during the Financial Year Ended 31 December 2023 are listed below.

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
1. Can America Stop China's Rise? Will ASEAN Be Damaged (FIDE FORUM)	JN, NAT, RL, CKC & CSS
2. Suite Talk: Governing into the Future (Securities Industry Development Corporation (“ SIDC ”))	JN & NAT
3. A 60-Minute Crisis Management - A Guide for Board Members (Institute of Corporate Directors Malaysia (“ ICDM ”))	NAT
4. Transformational Governance: Driving Responsible Business Conduct (UN Glocal Compact (“ UNGC ”) Academy)	NAT
5. BNM-FIDE FORUM Roundtable on Licensing and Regulatory Framework for Digital Insurers and Takaful Operators Exposure Draft	CSS

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme	Attended By
Property, Insurance, Strategy, Accounting & Finance, Governance, Economy, Leadership, Business, Risk, Tax	
6. Foreign Accounting Tax Compliance Act 2010 (“ FATCA ”) Professional Services Briefing (Ernst & Young PLT)	TSAJ, IHM, LWH, JN, NAT, RL, CKC & CSS
7. A Leadership Agenda: Driving Trust from The Top (PricewaterhouseCoopers Malaysia (“ PWC ”))	TSAJ
8. Malaysian Institute of Accountants (“ MIA ”) Conference 2023	JN
9. 2023 International Financial Reporting Standard (“ IFRS ”): New International Insurance Reporting Standard conducted by PWC (AIG Insurance)	CSS
10. External Game-Changing Capabilities for Uncertainties Management (Tricor AxcelAsia)	TSAJ
11. ‘Leaders, Take Charge!’ (Lembaga Zakat Selangor)	TSAJ
12. Operationalising Resolution Planning - A Perspective from the Trenches (FIDE FORUM)	JN
13. Distinguished Board Leadership Series 2023 - Empowering Change Through Diversity, Equity and Inclusion (DEI) (FIDE Forum)	CKC
14. PNB Knowledge Forum II 2023 - Education Reimagined (SP Setia Berhad)	TSAJ
15. Chairperson Masterclass Series 2023: Session 5 - The New Era of Board Duties by Philippe Jourbert (CEO, Earth on Board) (Secretariat Climate Governance Malaysia)	TSAJ
16. Singapore Fintech Festival 2023	IHM, LWH, JN, RL & CKC
17. Setia Governance Risk & Audit Forum 2023 - Accelerating Transformation, Navigating the Future - A Governance Perspective (SP Setia Berhad)	TSAJ
18. In-House Directors’ Training: Conflicts of Interest (Asia School of Business and SP Setia Berhad)	TSAJ
Regulatory and Compliance, Dialogue and Discussion with Regulators, Institutions	
19. Briefing by Matrix Research Sdn Bhd on Branding (SP Setia Berhad)	TSAJ
20. FIDE Core Programme (Module A & B) (Iclif Executive Education Centre)	CSS
21. Islamic Finance for Board of Directors Programme (ISRA Consulting Sdn Bhd)	TSAJ & CSS
22. In-House Programme on Anti Money Laundering, Anti-Terrorism Financing and Anti Proliferation (Nature of Life Trading Sdn Bhd)	TSAJ, IHM, LWH, JN, NAT, RL & CKC
23. CMDP Module 2B: Business Challenged and Regulatory Expectations – What Directors Need to Know (Fund Management) (SIDC)	CKC
24. Sharing Session with Directors of Kenanga Group on Latest Developments and Trends of Anti-Money Laundering in Malaysia (Datuk Mohamad Zamri Zainul Abidin, Director of Anti-Money Laundering Division, Malaysian Anti-Corruption Commission)	TSAJ, IHM, LWH, JN, NAT, RL, CKC & CSS
25. FIDE Core Programme (Module A - Insurance) (Iclif Executive Education Centre)	CSS
26. Mandatory Accreditation Programme Part II: Leading for Impact (ICDM)	TSAJ, LWH, JN, NAT, RL, CKC & CSS
27. BNM-FIDE FORUM Virtual Dialogue	JN, NAT, RL & CSS
28. Securities Commission Malaysia’s Audit Oversight Board Conversation with Audit Committees	JN
Information Technology/ Digitalisation/ Cyber Security	
29. Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know (FIDE FORUM)	LWH, JN, NAT, RL & CKC

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Title of Programme	Attended By
Information Technology/ Digitalisation/ Cyber Security	
30. Briefing by Korn Ferry on Innovation (SP Setia Berhad)	TSAJ
31. Bursa 2023 Market Intermediaries and Advocacy Programme: Understanding Cybersecurity (Bursa Academy)	NAT & CKC
32. Internal Digital 101 (Nestle Malaysia Berhad)	TSAJ
33. Internal Cyber Crisis Exercise (Nestle Malaysia Berhad)	TSAJ
34. Leveraging AI in Growing the Digital Economy (SIDC)	JN
35. In-House Programme - Cybersecurity Awareness for Kenanga Group's Board of Directors (NetAssist)	TSAJ, IHM, LWH, JN, NAT, RL, CKC & CSS
36. AI and Financial Institutions: Friend or Foe? (FIDE FORUM)	CSS
Islamic Banking and Finance, Shariah Compliance	
37. Suite Talk Strengthening Islamic Capital Market Proposition Through Fintech (SIDC)	JN
Sustainability and Environment, Social and Governance ("ESG")	
38. In-House Directors Programme: Demystifying ESG - Understanding Bursa Malaysia's Requirements and ISSB's Global Baseline on Sustainability Reporting (SP Setia Berhad)	TSAJ
39. The Net-Zero Standard (UNGC Academy)	NAT
40. Navigating the ESG Risk in the Supply Chain (ICDM)	NAT
41. In-House Programme: ESG: Principles of Responsible Investment and Carbon Market (AGV Sustainability)	TSAJ, IHM, LWH, JN, NAT, RL, CKC & CSS
42. Internal Overview on Sustainability Nestle (Nestle Malaysia Berhad)	TSAJ
43. Navigating Sustainability Reporting in Corporate Malaysia (PWC)	CKC
44. Board Oversight of Climate Risks and Opportunities by Prof. Mak Yuen Teen and Dr. Khoo Guan Seng (Iclif Executive Education Centre)	JN
45. Decarbonisation Workshop (SP Setia Berhad)	TSAJ
46. JC3 Journey to Zero Conference 2023 by Joint Committee on Climate Change (Bank Negara Malaysia and Securities Commission Malaysia)	JN & NAT
47. Sharing Session on ESG: Heeding the Call to Action for Sustainability (Lembaga Zakat Selangor)	TSAJ

Legend

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

● Training Programmes Attended by Members of Shariah Committee During Financial Year 2023

The training programmes attended by the Shariah Committee members during the Financial Year Ended 31 December 2023 are provided below.

Title of Programme	Attended By
1. Muzakarah Cendekiawan Syariah Nusantara ke-17 (International Centre for Education in Islamic Finance (“INCEIF”) University)	DGJ
2. Nadhwah of Shariah Advisers in Islamic Capital Market 2023 (Securities Commission Malaysia)	DGJ & DFM
3. Sustainable Investing, Ethical Wealth Management, and AMLA Compliance: Aligning Financial Goals with Social Impact (CHK Consultancy Sdn Bhd)	DGJ
4. ESG and Sustainability – Green Finance and Green Economics (CHK Consultancy Sdn Bhd)	DGJ
5. Sustainability and ESG Awareness Training (KPMG)	DGJ
6. Principle of Economics (Association of Shariah Advisors in Islamic Finance Malaysia (“ASAS”))	DGJ
7. Principle of Accounting and Finance (ASAS)	DGJ
8. Islamic Financial System (ASAS)	DGJ
9. Legal and Regulatory Framework (ASAS)	DGJ
10. Sukuk Pricing (Centre for Research and Training (“CERT”))	DMF
11. Takaful Pricing (CERT)	DMF
12. Data Science and Machine Learning in Credit Risk Assessment and Fraud Detection Model (PLV Advance Business Consulting Sdn Bhd)	DMF
13. Lead Like A CEO (AJM International Academy)	DMF
14. Strategic and Effective Communication for Leaders (Universiti Teknologi MARA)	DMF
15. Strategic Islamic Treasury Management (Islamic Finance Research and Coaching Sdn Bhd (“IFRAC”))	DMF
16. Assessing Potential Sukuk Default and Case Studies (IFRAC)	DMF
17. Principles of Accounting and Finance (ASAS)	DFM
18. Legal and Regulatory Framework on Islamic Banking and Finance (ASAS)	DFM
19. Islamic Sustainable Finance and Investment Forum 2023 (Securities Commission Malaysia)	DFM
20. A to Z Practical Knowledge on Sukuk Structuring (IFRAC)	DFM
21. International Seminar and Guest Lecturer on Islamic Finance in Malaysia at University UIN Maulana Malik Ibrahim Malang, Indonesia	DFM
22. International Seminar and Visiting Lecture on Islamic Finance Ecosystem and Shariah Governance Practice at University UIN Ar-Raniry Banda Aceh, Indonesia	DFM

Legend

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Succession Plan**Board and Board Committee**

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

Senior Management

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

Non-Executive Directors’ Remuneration Framework

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

The GNC carries out the annual review of the overall remuneration policy for Directors, the GMD and Senior Management whereupon recommendations are submitted to the Board for approval. The GNC also reviews annually the performance of the GMD, Chief Executive Officers of the subsidiaries of the Company, as well as Senior Management and make appropriate recommendations to the Board for approval accordingly.

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

For the Financial Year Ended 31 December 2023, the Directors and Shariah Committee Members are paid the annual fees and meeting allowances for each meeting of the Board, Board Committee or Shariah Committee that they have attended, as stated below.

Financial Year Ended 31 December 2023	Fees
Chairman of the Board	RM520,000.00 ⁽¹⁾
Director	RM270,000.00
Chairman of AC	RM60,000.00
Chairman of GNC/ GBRC/ GBDITC	RM40,000.00
Chairman of Shariah Committee	RM78,000.00
Member of AC/ GNC/ GBRC/ GBDITC	RM30,000.00
Member of Shariah Committee ⁽²⁾	RM54,000.00
	RM48,000.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Type of Meeting Allowance	Chairman	Member
	Per Meeting	
Board Meeting	RM2,000.00	RM2,000.00
General Meeting of the Company	RM2,000.00	RM2,000.00
AC/ GNC/ GBRC/ GBDITC/ ESS Committee Meeting	RM2,000.00	RM2,000.00
Shariah Committee	RM600.00	RM500.00

Notes

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

(2) The Annual Fee for the FYE 2023 was based on the number of years served as a Shariah Committee member, as well as the scope of roles and responsibilities being undertaken.

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

The breakdown of the remuneration of individual Directors which includes fees, other emoluments and benefits-in-kind for the FYE 2023 is set out below.

Group Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in- Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	22,000.00	-	68,150.00 ⁽³⁾	610,150.00
Encik Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Mr. Luk Wai Hong, William	454,000.00	-	94,000.00	-	-	548,000.00
Encik Jeremy Nasrulhaq	390,000.00	-	72,000.00	-	-	462,000.00
Puan Norazian Ahmad Tajuddin	529,863.01	-	120,000.00	-	-	649,863.01
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	427,808.22	-	82,000.00	-	-	509,808.22
Madam Chin Siew Siew	370,000.00	-	72,000.00	-	-	442,000.00
TOTAL	3,361,671.23	-	568,000.00	-	68,150.00	3,997,821.23

Notes

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

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

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

Company Level	Fees ⁽¹⁾ RM	Salaries RM	Other Emoluments RM	Bonus RM	Benefits-in- Kind RM	Total RM
YAM Tan Sri Dato' Seri Syed Anwar Jamalullail	520,000.00 ⁽²⁾	-	22,000.00	-	68,150.00 ⁽³⁾	610,150.00
Encik Ismail Harith Merican	300,000.00	-	40,000.00	-	-	340,000.00
Mr. Luk Wai Hong, William	330,000.00	-	54,000.00	-	-	384,000.00
Encik Jeremy Nasrulhaq	390,000.00	-	72,000.00	-	-	462,000.00
Puan Norazian Ahmad Tajuddin	370,000.00	-	70,000.00	-	-	440,000.00
Mr. Kanagaraj Lorenz	370,000.00	-	66,000.00	-	-	436,000.00
Mr. Choy Khai Choon	360,000.00	-	70,000.00	-	-	430,000.00
Madam Chin Siew Siew	370,000.00	-	72,000.00	-	-	442,000.00
TOTAL	3,010,000.00	-	466,000.00	-	68,150.00	3,544,150.00

Notes

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Performance Evaluation

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

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

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

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

The Board's effectiveness was assessed in the areas of its structure, operations and interaction, roles and responsibilities, strategy and planning, financial overview, performance management, human capital management, risk management and internal control, Shareholders' communication and investor relations and understanding of the Board Committees' roles.

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

Based on the revamped Board Effectiveness Evaluation Framework approved by the Board of KIBB on 3 November 2023, the performance and contribution of the Board, Board Committees and individual Directors are assessed annually. The performance evaluation involved the completion of a detailed questionnaire by each Director using the self-assessment method for Board and Board Committees and a combination of self-assessment and peer assessment method for individual Directors.

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

The Board Committees are assessed based on the fulfilment of each Board Committee's functions and roles and responsibilities, as well as composition, processes and procedures, and interaction with Management as stipulated in their respective Terms of References.

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

The outcomes of the assessment were then collated and compiled by the Company Secretary for tabling at the GNC meeting for deliberation. These outcomes were reviewed and discussed by the GNC by recognising the strengths and addressing the weaknesses of the Board as a whole, Board Committees and individual Directors and, where appropriate, the GNC would recommend to the Board appropriate action plans to be implemented to address any weaknesses identified.

The results obtained from the individual Directors' evaluation also served as one (1) of the criteria to be considered by the GNC and the Board when recommending and approving the re-appointments of Directors upon expiry of their respective terms of office as stipulated by BNM, as well as the annual re-elections of Directors at Annual General Meetings, under the retirement by rotation provisions in accordance with the respective Constitution of the companies within KIBB Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

With regard to the assessment conducted in 2023, based on the approved evaluation criteria, the overall rating of the Board, Board Committees and Individual Directors, were as provided below.

Part I: Board and Board Committee Effectiveness Evaluation

In terms of the effectiveness of the Board and Board Committees, based on the assessment of each of the evaluation criteria listed below, the Board had scored between 76% to 100% with an Overall Scoring of 43.39 out of the total marks of 52 or 83.4%.

The lowest score given was in respect of Board Remuneration where the scoring was only 67%.

Board/ Board Committee	Overall Rating
Section A: Overall Board Effectiveness	8.38/ 10.00 (84%)
Section B: Board Responsibilities	2.39/ 3.00 (80%)
Section C: Board Culture	2.35/ 3.00 (78%)
Section D: Board Chair	2.52/ 3.00 (84%)
Section E: Board Composition	2.38/ 3.00 (79%)
Section F: Committees	
a. Board Committees Evaluation	2.56/ 3.00 (85%)
b. Board Committees Self Evaluation	
i. Audit Committee	3.00/ 3.00 (100%)
ii. Employees' Share Scheme Committee	2.67/ 3.00 (89%)
iii. Group Board Digital Innovation & Technology Committee	2.60/ 3.00 (87%)
iv. Group Board Risk Committee	2.60/ 3.00 (87%)
v. Group Governance, Nomination & Compensation Committee	2.60/ 3.00 (87%)
Section G: Group Managing Director	2.67/ 3.00 (89%)
Section H: Board Remuneration	2.00/ 3.00 (67%)
Section I: Board Administration and Process	2.29/ 3.00 (76%)
Section J: Board Education	2.38/ 3.00 (79%)

Part II: Directors' Effectiveness Evaluation

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

Section A: Board Dynamics and Participation	Section B: Leadership, Integrity and Objectivity	Section C: Knowledge and Expertise
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For all these criteria, each of the Individual Director had attained a scoring of –

- between 2.86/ 3.00 (95%) and 2.96/ 3.00 (99%) for Board Dynamics and Participation;
- between 2.86/ 3.00 (95%) and 2.97/ 3.00 (99%) for Leadership, Integrity and Objectivity; and
- between 2.83/ 3.00 (94%) and 3.00/ 3.00 (100%) for Knowledge and Expertise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Based on the assessment and the feedback received from members of the Board, as well as Board Committees, the GNC had recommended certain identified action plans towards enhancing the governance and processes of the Board and Board Committees, which were approved by the Board for implementation, which amongst others included the action plans stated below.

- To review and/ or refresh the compositions of the Boards and the Board Committees of KIBB and its subsidiaries to ensure a well-balanced expertise and experience, as well as diversity of skill sets amongst the Board members, and effective Board and Board Committee succession plan.
- To review the succession plan for the Senior Management to enhance the measures which have been put in place to provide for the orderly succession of Senior Management.
- To conduct an industry benchmarking of the Board Remuneration to be undertaken by an independent third (3rd) party/ consultant.
- To enhance the Board processes in terms of the turnaround time for dissemination of Board papers and for Group Company Secretarial Department of KIBB to embark on an exercise to review and simplify the current template/ format of meeting papers for the Board and Board Committees.

Independent Professional Advice

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

Directorships in Other Companies

A Director must not have competing time commitments that may impair his/ her ability to discharge his/ her duties effectively. Directors are required to notify the Board before accepting any new directorship in a public company incorporated in Malaysia and all its subsidiaries incorporated in Malaysia or otherwise, as well as new external professional appointment. The notification should include an indication of time that will be spent on the new appointment.

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

The AC of KIBB comprises solely of INEDs and is chaired by an INED who is not the Chairman of the Board. This is in line with the Step Up Practice 9.4 of the revised MCCG.

Details on the AC's composition, as well as its members' attendance at the AC meetings during the FYE 2023 are provided on page 74 of this Annual Report and Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2024>.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Internal Audit Function

The Group Internal Audit (“**GIA**”) is established by the Board to provide independent and objective assurance to the Board that the established internal controls, risk management and governance processes are adequate and operating effectively and efficiently. To ensure independence and objectivity, GIA, which is headed by the Group Chief Internal Auditor (“**GCIA**”), reports independently to the AC and has no responsibilities or authority over any of the activities reviewed by the Division.

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

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

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

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

- ① reviewing, approving and reporting to the Board the audit scope, procedures and frequency;
- ① reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other issues identified by GIA;
- ① taking note of significant disagreements between the GCIA and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact such disagreements may have on the audit process or findings;
- ① establishing a mechanism to assess the performance and effectiveness of the internal audit function;
- ① 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
- ① 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.

Group Board Risk Committee

The GBRC comprises a majority of INEDs and is chaired by an INED other than the Chairman of the Board.

Details on the GBRC's composition, as well as its members' attendance at the GBRC meetings during the Financial Year Ended 31 December 2023 are provided on page 74 of this Annual Report and in Section B of the CG Report which are available on KIBB's website at <https://www.kenanga.com.my/investor-relations/AGM2024>.

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

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

Group Board Digital Innovation & Technology Committee

The GBDITC comprises a majority of INEDs and is chaired by an INED other than the Chairman of the Board.

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

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

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

Risk Management and Internal Control

The Board is responsible for ensuring that KIBB has in place effective and comprehensive risk management policies, procedures and infrastructure to identify, measure, monitor and control the various types of risks undertaken by KIBB Group.

In discharging this responsibility, the Board approves and periodically reviews the risk management capabilities of KIBB Group to ensure their ability to support KIBB Group's business activities and any expansion thereof.

It is important to emphasise that the ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board. The Group's inherent system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the Shareholders' investments and the Group's assets.

The details of KIBB Group's internal control system and risk management framework are set out in the Statement on Risk Management and Internal Control appearing on pages 111 to 115 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

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

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

Investor Relations and Shareholder Communications

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

To ensure continuous communication between KIBB Group and its stakeholders, as well as to facilitate mutual understanding, the Group employs a wide range of communication channels via its Kenanga Digital Channels such as Facebook, Instagram, LinkedIn, TikTok, YouTube, direct communication and publication of all relevant Group information on its website at <https://www.kenanga.com.my>. The Group utilises its corporate website and social media channels as a means of providing information to its Shareholders and the broader investment community. In 2023, the Company released its first-ever Sustainability Report which is intended to enhance the Group's ESG disclosures to stakeholders.

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

General Meetings

In line with its digital transformation efforts, the Company has focused on the dissemination of its Annual Report via its website at <https://www.kenanga.com.my/investor-relations/AGM2024> in order to reach a wider spectrum of Shareholders who are active internet users.

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

As Malaysia transitions to endemic phase, the Company had conducted its Forty-Ninth (49th) AGM virtually on 25 May 2023 in accordance to the revised Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the SC on 18 April 2020 and revised on 7 April 2022. The AGM was held virtually via live streaming and online remote voting using the Remote Participation and Electronic Voting Facilities ("**RPEV Facilities**") operated by KIBB's Share Registrar, Boardroom Share Registrars Sdn Bhd ("**Boardroom**").

Shareholders who logged in to participate in the AGM at the Virtual AGM Portal at <https://meeting.boardroomlimited.my/> were able to cast their votes online via the same portal using the same login credentials and pose their questions to the Board on a real time basis.

In addition to offering the Shareholders with the opportunities to participate in the AGM, pose questions and vote remotely via the RPEV Facilities, the Company had also offered e-Proxy lodgement via Boardroom Smart Investor Portal, a service also rendered by Boardroom. This alternative mode of submitting the Proxy Form via electronic means was a step up to enable more Shareholders to exercise their voting rights by appointing a Proxy to attend and vote in their stead.

To assist Shareholders in manoeuvring the RPEV Facilities, an Administrative Guide with detailed steps was provided to the Shareholders to guide them through the process. In addition, Boardroom also provided a Helpdesk service to assist Shareholders who were less-IT savvy.

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

To foster better engagement with the Shareholders during the Forty-Ninth (49th) AGM, the Company had also arranged for one (1) of its Senior Management personnel to brief the Shareholders on live telecast on the Company's financial performance and operations in respect of the Financial Year Ended 31 December 2022 and Business Prospects for 2023 to keep them abreast of the Company's achievements and plans moving forward.

Following the presentation, the GMD presided over the Q&A session by reading out the questions raised by the Shareholders prior to the AGM and answering them accordingly. The GMD also answered all the questions submitted on real time basis during the AGM. In 2023 AGM, there were no questions received from the Minority Shareholders Watch Group.

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

The aforementioned 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 at the AGM via real-time interaction with the Board and Senior Management, and voting from wherever location they might be, even from the comfort of their homes.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability Management

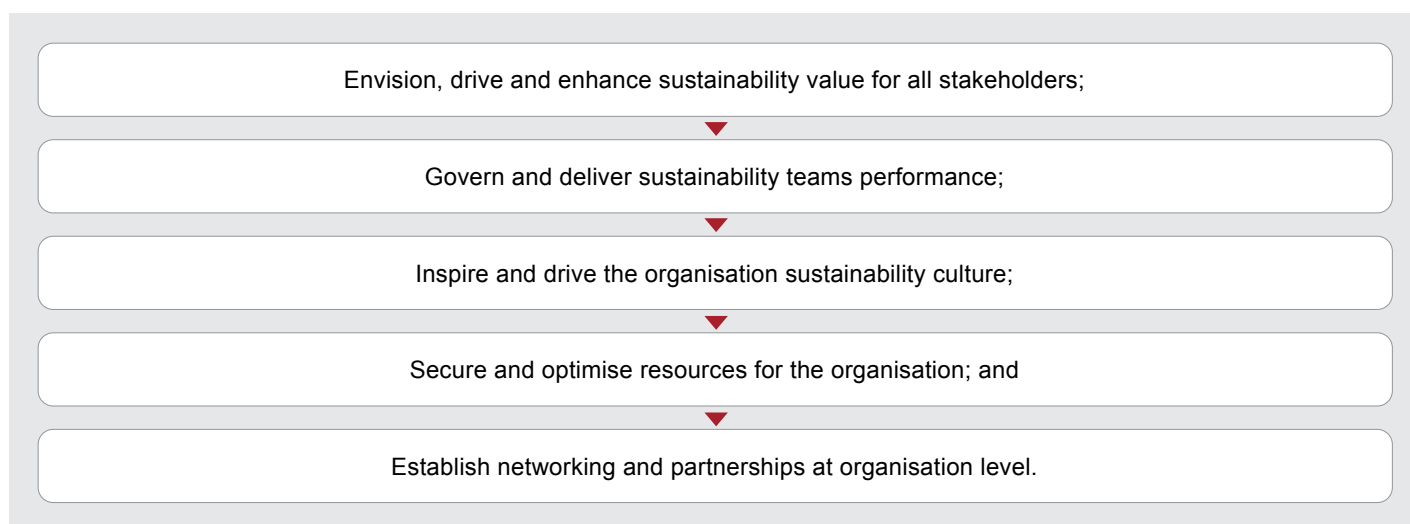
Sustainability is increasingly becoming a necessity for corporations around the world to adopt and implement within their business operations to be sustainable.

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

The objective of the GSMC is to support the Board in the governance of sustainability in KIBB Group including setting sustainability strategies, priorities and targets, to ensure that KIBB Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategies and success, by integrating sustainability considerations in the day-to-day operations of the Group and ensuring the effective implementation of the Group’s sustainability strategies and plans.

In addition to the above, resources have been assigned to advance the Group’s ESG agenda through the establishment of a Sustainability Department with dedicated headcount.

A Group Chief Sustainability Officer was also appointed in 2022 to:

**Sustainability Plan**

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

Kenanga’s ESG Framework

In addition to the above, the GSMC had also recommended to the GNC for the Board’s approval, Kenanga Group’s ESG Framework which provided guidance on sustainability plans, setting priorities and targets, as well as managing sustainability performances throughout the Group. The Framework covers four (4) sustainability pillars below with identified six (6) material matters.

Sustainability Pillar	Material Matters
Sustainable Economic Growth	<ul style="list-style-type: none"> Responsible Investment Digitalisation
Environmental Stewardship	<ul style="list-style-type: none"> Climate Impact
Empowering People and Communities	<ul style="list-style-type: none"> Diversity, Inclusion and Well-Being Community Investment
Good Corporate Governance	<ul style="list-style-type: none"> Good Business Conduct

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Kenanga Group Sustainability Goals and Targets

In April 2022, guided by the Group's ESG Framework and Sustainability Plan, a 'Group Sustainability Goals and Targets' was presented to the GSMC by Group Marketing, Communications & Sustainability of KIBB, outlining the sustainability goals and target for the Group, which was approved by the Board of KIBB on 6 April 2022, upon recommendation of the GNC.

Kenanga's Sustainability Roadmap 2023-2025

Subsequently, in December 2022, upon the recommendation of the GSMC and the GNC, the Board of KIBB, had on 7 December 2022, approved the Group Sustainability Roadmap 2023-2025, outlining the sustainability goals and targets for the Group.

Integration of ESG Targets and Metrics into the Employees' Balanced Scorecards

Following the approval of the Group's Sustainability Roadmap 2023-2025, relevant ESG Key Performance Indicators ("KPIs") were developed and incorporated into the Balanced Scorecards of relevant employees to track and monitor ESG performances.

Kenanga Group's Climate Change Risk Management Framework

On 9 December 2021, the Board had approved Kenanga Group's Climate Change Risk Management Framework ("CCRM Framework") to facilitate the incorporation of climate change-related risk considerations into the governance process, business strategy and operations, reporting and disclosure, as well as risk management system of Kenanga Group.

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

The CCRM Framework serves as a guide to facilitate climate risk assessments of economic activities, and its impact on climate and the environment. The CCRM Framework also covers the strategy, principles, as well as initiatives in areas of climate risk management for Kenanga Group operations. The CCRM Framework was updated in 2023, to align it with BNM's Policy Document on Climate Risk Management and Scenario Analysis issued in November 2022.

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

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

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

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

The details of the audit and non-audit fees payable to the External Auditors, Ernst & Young PLT ("EY") and its affiliates, for the Financial Year Ended 31 December 2023 are provided below.

	Group (RM)	KIBB (RM)
Statutory Audit	569,300	370,000
Audit/ Assurance Related	57,052	57,052
Non-Audit Fees – EY Assurance Team	74,000	32,000
Non-Audit Fees – EY Tax Team	0	0
Total Non-Audit	74,000	32,000
Grand Total	700,352	459,052

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

RPTs and/ or RRPTs entered into by the Company and/ or KIBB Group are reviewed by the AC during its quarterly meetings to ensure compliance with the MMLR of Bursa Malaysia.

Material Contracts Involving Interests of Directors, GMD or Major Shareholders

There were no material contracts entered into by the Company or its subsidiary companies involving the interests of the Directors, the GMD or Major Shareholders which still subsisted at the end of the FYE 2023.

Utilisation of Proceeds Raised from Corporate Proposals

On 10 February 2023, the Company had issued RM20,000,000 of Subordinated Notes under the RM250 million in nominal value Tier 2 Subordinated Note Programme which was established on 27 March 2017.

The proceeds from the previous issuance are being utilised by the Company for working capital requirement.

Details on the outstanding subordinated notes under the programme are set out under Note 26 of the Financial Statements section appearing on page 239 of this Annual Report.

Employees’ Share Scheme

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

the duration of the ESS has been extended for another five (5) years from 21 September 2022 to 20 September 2027 in accordance with the provisions of the By-Laws of the ESS.

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

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

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

The details of the ESS are set out under Note 55 of the Financial Statements section appearing on pages 350 to 359 of this Annual Report.

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

For the Period from 21 September 2017 to 31 December 2018

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2019 to 31 December 2019

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

For the FY from 1 January 2020 to 31 December 2020

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

For the FY from 1 January 2021 to 31 December 2021

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

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	3,610,000	320,000	2,030,000	1,260,000
Vested ⁽¹¹⁾	3,610,000	320,000	2,030,000	1,260,000
Outstanding	0	0	0	0

CORPORATE GOVERNANCE OVERVIEW STATEMENT

For the FY from 1 January 2022 to 31 December 2022

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment ⁽¹²⁾	0	0	840,000	-840,000
Exercised	12,673,500	0	5,758,000	6,915,500
Forfeited ⁽⁴⁾	956,500	0	0	956,500
Cancelled ⁽⁶⁾	269,500	0	0	269,500
Lapsed ⁽¹⁰⁾	39,500	0	0	39,500
Outstanding	16,710,000	7,000,000	1,222,000	8,488,000

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	50,000	-50,000
Vested ⁽¹¹⁾	0	0	0	0
Outstanding	0	0	0	0

For the FY from 1 January 2023 to 31 December 2023

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment ⁽¹²⁾	0	0	0	0
Exercised	1,791,500	1,000,000	0	791,500
Forfeited ⁽⁴⁾	1,154,500	0	0	1,154,500
Cancelled ⁽⁶⁾	118,500	0	0	118,500
Lapsed ⁽¹⁰⁾	2,092,000	2,000,000	0	92,000
Outstanding	11,553,500	4,000,000	1,222,000	6,331,500.00

ESOS ⁽¹⁾	Total	GMD ⁽²⁾	Senior Management	Other Entitled Employees
Granted	0	0	0	0
Adjustment	0	0	0	0
Vested ⁽¹¹⁾	0	0	0	0
Outstanding	0	0	0	0

Notes

- (1) The Employee(s) of the KIBB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5.
- (2) The GMD is not a Director of KIBB. None of the Directors of KIBB is entitled to participate in the ESOS and the ESGP.
- (3) The offer to the GMD was granted on 31 May 2018 while the offer to Senior Management and Other Entitled Employees was granted on 2 January 2018 respectively.
- (4) ESOS forfeiture due to staff resignation.
- (5) The offer to Other Entitled Employees and Senior Management was granted on 2 May 2019, 17 June 2019, 1 July 2020 and 2 August 2021 respectively.
- (6) ESOS cancellation due to vesting conditions not fully met.
- (7) ESOS forfeiture in compliance with Section 92 of the Financial Services Act 2013.
- (8) Adjustment made due to an employee's appointment as the Chief Executive Officer of Eq8 Capital Sdn Bhd (Formerly known as i-VCAP Management Sdn Bhd). Hence, the re-categorisation of the ESOS.
- (9) Reinstatement of the earlier cancelled ESOS in Note 7.
- (10) ESOS lapsed due to unexercised options within the three (3) years of the Exercisable Period.
- (11) PSP Grant vested and credited to employees' CDS account.
- (12) Adjustment made due to an employee's appointment as a Group EXCO Member of KIBB. Hence, the re-categorisation of the ESOS.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Maximum Allowable Allocation of the Scheme

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

Aggregate maximum number of KIBB shares which may be made available under the Scheme shall not in aggregate exceed 10% of the issued share capital of the Company (excluding treasury shares) ("**ESS Shares**") at any point in time during the duration of the Scheme ("**Maximum ESS Shares**").

Not more than 10% of the aggregate number of KIBB shares to be issued under the Scheme shall be allocated to any individual Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more of the issued share capital of KIBB (excluding treasury shares, if any).

Description	1 January 2023 to 31 December 2023	Since Commencement Up to 31 December 2023
Percentage of the Aggregate Maximum Allocation over the Maximum ESS Shares	0%	37.84%
Actual Percentage of the ESOS Granted over the Maximum ESS Shares	0%	34.53%
Actual Percentage of the ESGP Vested over the Maximum ESS Shares	0%	3.31%

In respect of FY 2023, there was no allocation of the shares under the ESS made to the Eligible Employees and hence, no review was conducted.

TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL

Chairman of the Board