



KENANGA INVESTMENT BANK BERHAD

BOARD CHARTER

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GLOSSARY

Terms	Description
AC	The Audit Committee of Kenanga Investment Bank Berhad
Active Politician	means a person who is a Member of Parliament, State Assemblyman or holds a position at the Supreme Council, or division level in a political party.
AGM	Annual General Meeting
Board Committee	Any committee of the Board of KIBB established from time to time, including the Shariah Committee of KIBB
BNM	Bank Negara Malaysia
BNM's CG Policy	BNM's Policy Document on Corporate Governance issued on 3 August 2016, as amended, supplemented or modified from time to time
Board	Board of Directors of Kenanga Investment Bank Berhad
Bursa Securities	Bursa Malaysia Securities Berhad
Bursa Securities' Rules	The Rules of Bursa Malaysia Securities Berhad
CEO	Chief Executive Officer
Constitution	Constitution of the Company (previously referred to as Memorandum and Articles of Association), a legal document recognised by the Companies Act 2016 that generally specifies the rules governing the relationship and activities of the Company, its shareholders and Directors.
CMSA	Capital Markets and Services Act 2007 as amended, supplemented or modified from time to time
CA 2016	Companies Act 2016 as amended, supplemented or modified from time to time.
Director	As defined under Section 2 of the Capital Markets and Services Act 2007 as amended, supplemented or modified from time to time.
Employee(s)	Person(s) employed by/on pay roll of the Group (including Salaried Dealer's Representatives), irrespective whether on temporary basis such as attachment trainees and internal secondment within the Group of companies where the tenure is more than one month.

EGM	Extraordinary General Meeting
FSA	Financial Services Act 2013 as amended, supplemented or modified from time to time
GBRC	The Group Board Risk Committee of Kenanga Investment Bank Berhad
GIA	Group Internal Audit Division in Kenanga Investment Bank Berhad
GMD	Group Managing Director of Kenanga Investment Bank Berhad
Group or Kenanga Group	Kenanga Investment Bank Berhad and its subsidiaries
Gender	words importing the masculine gender only shall include the feminine gender.
GNC	The Group Governance, Nomination and Compensation Committee
GBDITC	The Group Board Digital Innovation and Technology Committee
ESSC	The Employees' Share Scheme Committee
HOD(s)	Head of Department(s)
IFSA	Islamic Financial Services Act 2013 as amended, supplemented or modified from time to time as amended, supplemented or modified from time to time
Management KRPs	Management Key Responsible Persons defined as N-1s i.e. All Direct Reports of the GMD, Chief Technology Officer and Head of Group Operations, as listed in the List of Management KRPs, amended, supplemented or modified from time to time.
KIBB or the Company	Kenanga Investment Bank Berhad (197301002193 (15678-H))
Listing Requirements	Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as amended, supplemented or modified from time to time
SC	Securities Commission Malaysia

Terms	Description
Senior Management	means a person appointed by the Company to manage or have authority and responsibility for the regulated activity, business decisions or key functions such as risk management, compliance, internal audit or other functions as may be specified by the SC, by whatever name called and includes the chief executive and chief financial officer
TOR	Terms of Reference of the Board Committees as varied from time to time

DOCUMENT HISTORY

Version	Date Approved by Board	Effective Date of Implementation	Description
1	30 October 2013	30 October 2013	1 st version of the Board Charter
2	8 December 2016	8 December 2016	2 nd version of the Board Charter – revised in line with latest regulatory requirements and new corporate structure upon completion of Internal Reorganisation of Kenanga Group on 1 November 2016 and transfer of listing status of K & N Kenanga Holdings Berhad to KIBB
3	7 December 2023	7 December 2023	3 rd version of the Board Charter

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1. INTRODUCTION

The Board of KIBB regards Corporate Governance as vitally important to the success of the Company's business and is unreservedly committed to applying the principles necessary to ensure that the following principles of good governance is practised in all of its business dealings in respect of its shareholder(s) and relevant stakeholders:

- The Board is the focal point of the Company's Corporate Governance system. It is ultimately accountable and responsible for the performance and affairs of the Company.
- All Board members are expected to act in a professional manner, thereby upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.
- All Board members are responsible to the Company for achieving high level of good governance.

This Board Charter sets out the functions and responsibilities of the Board with respect to the Company and its subsidiaries. The Board Charter is intended to supplement the description of the Board's roles and responsibilities as set forth in the Constitution of the Company. If there is any conflict, the Constitution will prevail.

2. OBJECTIVE

The objectives of this Board Charter are to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members and the various legislations and regulations affecting their conduct and that the principles and practices of good Corporate Governance are applied in all their dealings in respect, and on behalf of, the Company.

In pursuit of the ideals in this Board Charter, the intention is to exceed "minimum legal requirements" with due consideration to recognised standards of best practices locally and internationally.

3. THE BOARD

3.1 Roles and Responsibilities

- 3.1.1 The Board is charged with leading and guiding the Company in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Company. The Directors, collectively and individually, are aware of their responsibilities to shareholder(s) and stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholder(s) and stakeholders are understood and met.
- 3.1.2 The Board understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices of Corporate Governance.
- 3.1.3 The Board responsibilities outlined in this Board Charter should be read together with section 56 of the FSA and section 65 of the IFSA, as well as other applicable rules, regulations and guidelines issued by the relevant regulators and authorities, as well as relevant laws.
- 3.1.4 The Board has the overall responsibility for promoting the sustainable growth and financial soundness of the Company, and for ensuring reasonable standards of fair dealing, without undue influence from any party.

This includes a consideration of the long-term implications of the Board's decisions on the Company and its customers, officers and the general public.

- 3.1.5 In fulfilling its role, the Board must –
- a. approve the risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the financial institution's risk profile¹;
 - b. promote, together with Senior Management, a sound corporate culture within the financial institution which reinforces ethical, prudent and professional behaviour;
 - c. oversee the selection, performance, remuneration and succession plans of the CEO, control function heads and other members of Senior Management, such that the Board is satisfied with the collective

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

competence of Senior Management to effectively lead the operations of the Company.

The Board is also responsible to -

- i. ensure that the succession plan for the Board and Senior Management is periodically reviewed or as and when required; and
 - ii. ensure that Senior Management and other Employees undergo appropriate training to enable them to undertake their roles and responsibilities effectively.
- d. in relation to KIBB's activities carried out under its Islamic Banking Window, promote Shariah compliance in accordance with BNM's expectations set out in the policy document on *Shariah Governance Framework for Islamic Financial Institutions* and ensure its integration with KIBB's business and risk strategies;
- e. oversee the implementation of the Company's governance framework and internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Company's operations;
- f. promote timely and effective communication between the Company and relevant regulators on matters affecting or that may affect the safety and soundness of the Company;
- g. oversee and approve the recovery and resolution as well as business continuity plans for the Company to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;
- h. ensure that the internal auditors have full access to all records and are given an appropriate standing in the Company's hierarchy to enhance the independence of the internal auditors in achieving their audit objectives;
- i. establish policies and procedures governing related party transactions and conflicts of interest situations that prohibit activities and relationships that diminish the quality of corporate governance, such as conflicts of interest situations, corruption and bribery, and providing preferential treatment to related parties and other favoured entities;

- j. approve a set of code of conduct, stressing on the importance of accountability, professionalism and integrity that are communicated throughout the Company;
- k. promote sustainability through appropriate environmental, social and governance considerations in the Company's business strategies;
- l. establish specialized Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration and ensure the effective functioning of these various Board Committees.

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

- m. ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards;
- n. establish formal and transparent arrangements for maintaining an appropriate relationship with the external, as well as internal auditors;
- o. discharge and perform its duties and responsibilities pertaining to anti-money laundering and counter terrorism financing as provided in guidelines, circulars or directives issued by the relevant regulators;
- p. ensure that the corporate governance disclosures in the Company's Annual Report are accurate, clear and presented in a manner that is easily understood by its shareholders, customers and other relevant stakeholders;
- q. ensure that the strategic plan of the Company supports long-term value creation and considers material sustainability risk and opportunities including climate-related risk;
- r. oversee, review, challenge and decide on Management's proposals and strategies, monitor the progress of implementation by Management and evaluate Management's performance in undertaking its role;

- s. ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and
 - t. ensure that there is a system in place to monitor and adequately manage the material risks.
- 3.1.6 The Board reserves full decision-making powers notwithstanding any delegation of authority to Board Committees, Management or Management Committees on the following matters:
- a. Conflict of interest issues relating to substantial shareholder or a Director;
 - b. Material acquisitions and disposition of assets which may or may not be in the ordinary course of business;
 - c. Investment in capital projects;
 - d. Approving Authority levels;
 - e. Establishment or revision of internal policies for Kenanga Group;
 - f. Related party transactions;
 - g. Credit exposure to connected parties; and
 - h. Key human resource issues.

3.2 Composition and Board Balance

- 3.2.1 The Board comprises Directors who as a group provide a mixture of core competencies such as finance, accounting, legal, business management, information technology and investment management, that commensurate with the complexity, the size, the scope and operations of the Company.
- 3.2.2 Non-executive directors shall be persons of calibre and have necessary skills and experience to bring independent judgement to bear on the issues of strategy, performance and resources, including key appointments and standards of conduct.
- 3.2.3 The Board must have a majority of independent directors at all times.
- 3.2.4 No individual or small group of individuals should be allowed or seek to dominate the Board's deliberation or decision-making.
- 3.2.5 The Chairman of the Board shall be an Independent Non-Executive Director and must not have served as a CEO of the financial institution in the past five (5) years.

- 3.2.6 Until and unless otherwise determined as per the Company's Constitution, the number of Directors shall be not less than two (2) and not more than fifteen (15).
- 3.2.7 The Board and the Board committees must be of a size that promotes effective deliberation, encourages the active participation of all directors and allows the work of the various Board Committees to be discharged without giving rise to an over-extension of directors that are required to serve on multiple Board Committees.
- 3.2.8 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the GNC.
- 3.2.9 In the event of any vacancy in the Board resulting in non-compliance with item (3.2.3) above, the Board shall, within three (3) months fill the vacancy.
- 3.2.10 All Directors shall be subject to retirement by rotation in accordance with the Company's Constitution.
- 3.2.11 The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that contact through the normal channels of the Chairman or the GMD have failed to resolve them.
- 3.2.12 Directors of the Company are not allowed to appoint alternate director except directors who are not residents of Malaysia (except Singapore), subject to BNM's approval.
- 3.2.13 A director of KIBB and/ or its subsidiaries must not be an active politician.
- 3.2.14 Management's views are represented at meetings of the Board by the presence of the GMD, as well as Management KRPs when required.
- 3.2.15 The Board must undertake necessary measures and ensure the Board comprises at least 30% women Directors.

3.3 Tenure of Independent Director

- 3.3.1 The tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

Upon completion of the nine (9) years and depending on the intention and consent of the particular Independent Director, and subject further to BNM's approval, he/ she shall either retire or re-designated as a Non-Independent Non-Executive Director subject to the GNC's recommendation to the Board for approval after due assessment assuming the said Director decided to continue his/ her service as a Non-Independent Non-Executive Director.

- 3.3.2 The Company is required to notify the SC in writing on the appointment or reappointment of a Director within two (2) business days of the appointment or reappointment, or prior to any public announcement, whichever is earlier.

3.4 Board Appointments and Removals

- 3.4.1 The appointment of a new Director is a matter for consideration and decision by the full Board upon appropriate recommendation from the GNC, subject to compliance with all relevant regulatory requirements.
- 3.4.2 New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board performance of its duties and to give sufficient time and attention to the affairs of the Company.
- 3.4.3 The Company Secretary has the responsibility of ensuring that relevant procedures relating to the appointments of new Directors are properly executed. The appointment process is undertaken in compliance with the requirements of BNM's CG Policy and the Kenanga Group Fit and Proper Policy for Directors.
- 3.4.4 Upon the appointment of a new Director, the Company Secretary advises the Director of his/her principal duties and responsibilities and explains the restrictions to which he or she is subject to in relation to price-sensitive information and dealings in the Company's securities, as well as the requirements of Bursa Securities' Rules, Listing Requirements and the CMSA in relation to Director's trading. Thereafter, all new Directors are provided with appropriate briefings on the Company's affairs and with up-to-date Corporate Governance materials published by the relevant bodies. New Directors appointed to subsidiaries within the Group shall be accorded similar advice, explanations, briefings and orientation relevant to their appointments.
- 3.4.5 The directorships in listed companies held by any Board Member at any one time shall not exceed five (5) and in terms of external professional commitments such as memberships in other organisation/ industry association/ non-profit organisation, it should not exceed the limit set by the Board or as determined by the Board on a case-to-case basis.
- 3.4.6 The process of removal of directors shall be in accordance with the provisions of Companies Act, 2016, as well as other relevant regulatory requirements, as well as relevant requirements as embedded in the Board Succession Planning Framework for Kenanga Group.

3.5 Senior Independent Non-Executive Director

A Senior Independent Non-Executive Director should be identified by the Board to whom shareholders and stakeholders may convey their concerns regarding the Group.

3.6 Board Diversity

The Board through the GNC shall take steps to ensure that women candidates are sought as part of its recruitment exercise.

In connection thereto, the Board shall take appropriate measures to ensure that boardroom diversity, including gender diversity, forms part of the criteria to be considered in the selection and recruitment of new Directors.

3.7 Board Evaluation

The GNC is responsible for undertaking the annual assessment of the Board's performance as a whole and the performance of its Committees as well as the performance of the individual Directors. This is used as a tool to recognise the Board's strengths and to identify gaps and areas for improvement for the Board, its Committees and the individual Directors to ascertain their effectiveness and contributions.

The evaluation, facilitated by the Company Secretary's office with the involvement of external consultants if required by the GNC, will be based on pre-determined criteria as listed below:

- Overall Board Effectiveness
- Board Responsibilities
- Board Culture
- Board Chair
- Board Composition
- Board Committees (Committee Evaluation and Self Evaluation)
- Group Managing Director
- Board Remuneration
- Board Administration and Process
- Board Education
- Understanding of sustainability and ESG

The findings of the evaluation are compiled into a report and deliberated, first, by the GNC, and subsequently, by the Board.

3.8 Commitment

A Director must not have competing time commitments that impair his ability to discharge his duties effectively.

Directors should 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 external professional commitments such as memberships in other organisation/ industry association/ non-profit organisation. The notification should include an indication of time that will be spent on the new appointment.

3.9 Board Meetings

3.9.1 Quorum

- a. The quorum at any Board meeting, shall throughout the meeting be a minimum of three (3) Directors or 50% of total Board members (whichever is higher).
- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.

3.9.2 Frequency of Meetings and Attendance

- a. The Board shall meet in person or virtually no less than once every two (2) months or as may be required by law or regulators to facilitate the discharge of their responsibilities in terms of reviewing the business operation and management of the Company, monitoring the financial and non-financial performance of the Company and deliberating on strategic issues.

Members of Management who are not Directors may be invited to attend and speak at meetings on matters relating to their sphere of responsibility.

- b. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution unless at least one (1) Director notifies the Company Secretary that the issue should be resolved at a special Board meeting. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by majority of the Board members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.
- c. Individual Directors must attend at least 75% of the Board meetings held in each financial year and must not appoint another person to attend or participate in the Board meeting, on his or her behalf.

- d. The number of Board meetings held in the year, as well as the attendance of every Board member shall be disclosed in the Company's Annual Report.

3.9.3 Minutes

- a. Full Board minutes of each Board meeting are to be prepared and kept by the Company Secretary and are to be available for inspection by any Director during office hours.
- b. The Board must ensure that clear and accurate minutes of Board meetings are maintained to record the decisions of the Board, including the key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must indicate whether any director abstained from voting or excused himself from deliberating on a particular matter.
- c. The Minutes of the Board meetings shall also be made available for inspection by internal and external auditor, as well as relevant regulators, for purposes of their respective audits on KIBB.

3.10 Rights of the Board

The Board has the right to the resources, whenever necessary and reasonable for the performance of its duties, at the cost of the Company and in accordance with a procedure to be determined by the Board, including but not limited to:

- a. Obtaining full and unrestricted access to any information pertaining to the Company;
- b. Obtaining full and unrestricted access to the advice and services of the Company Secretary; and
- c. Obtaining independent and other advice.

3.11 Supply of Information to the Board

- 3.11.1 The Company aims to provide all Directors with timely and quality information and in a form and manner appropriate for them to discharge their duties effectively. This shall include circulating a full agenda and comprehensive Board papers at least five (5) business days prior to any Board or Board Committee meeting.

- 3.11.2 Management is responsible for providing the Board with the required information in an appropriate and timely manner. The Chairman, assisted by the Company Secretary, assesses the type of information required to be provided to the Board. If the information provided by Management is insufficient, the Board will make further enquiries where necessary to which the persons responsible will respond as fully and as promptly as possible.
- 3.11.3 The Board has a procedure for Directors (either individually or as a group) to have access to independent and/or third (3rd) party professional advice, at the expense of the Company as well as separate and independent access to Senior Management and Company Secretary at any point in time.
- 3.11.4 Amongst others, the Board papers include the following:
- a. Monthly financial report;
 - b. Minutes of meetings of all Committees of the Board;
 - c. A current review of the operations of the Company and its group of companies, including but without limitation, risk and compliance reports;
 - d. Reports on Related Party Transactions and Recurrent Related Party Transactions;
 - e. Directors' share-dealings;
 - f. Annual Management Plans;
 - g. Annual Budget;
 - h. Notification of Director's Resolutions in Writing;
 - i. Important notifications and communications from regulators or the Government; and
 - j. Any other matter that the Senior Management should reasonably construe as being relevant for the Board to be informed of in view of its potential impact on the Company and its group of companies either financially, legally or in terms of reputation.

4. ROLES OF CHAIRMAN AND GROUP MANAGING DIRECTOR

The Company aims to ensure 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 Chairman and the GMD are separated and clearly defined.

4.1 Role of Chairman

- 4.1.1 The Chairman, in leading the board, is responsible for the effective overall functioning of the board. In fulfilling this role, the chairman must -
- a. ensure that appropriate procedures are in place to govern the Board's operation;
 - b. ensure that decisions are taken on a sound and well-informed basis, including by ensuring that all strategic and critical issues are considered by the Board, and that directors receive the relevant information on a timely basis;
 - c. encourage healthy discussion and ensure that dissenting views can be freely expressed and discussed; and
 - d. lead efforts to address the Board's developmental needs.
- 4.1.2 The Chairman, in consultation with the GMD and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda.
- 4.1.3 The Chairman is responsible for managing the business of the Board to ensure that:
- a. All Directors are properly briefed on issues arising at Board meetings.
 - b. Sufficient time is allowed for the discussion of complex or contentious issues and, where appropriate, arranging for informal meetings beforehand to enable thorough preparation for Board discussion.
 - c. The issues discussed are forward looking and concentrates on strategy.
- 4.1.4 The Chairman ensures that every Board resolution is put to vote to ensure the will of the majority prevails.
- 4.1.5 The Chairman ensures that Management look beyond their executive functions and accept their full share of responsibilities on governance.
- 4.1.6 The Chairman may be assisted in his/ her role by the Deputy Chairman as appropriate.
- 4.1.7 The Chairman of the Board must not chair any of the Board Committees and/ or be a member of the AC and the GNC .

4.2 Role of Group Managing Director

- 4.2.1 The GMD is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions.
- 4.2.2 The GMD has the executive responsibility for the day-to-day operation of the Company's business.
- 4.2.3 The GMD implements the policies, strategies and decisions adopted by the Board.

In doing so, the GMD shall be assisted by the Management KRPs identified for Kenanga Group.

- 4.2.4 All Board authorities conferred on Management is delegated through the GMD and this will be considered as the GMD's authority and accountability as far as the Board is concerned.
- 4.2.5 The GMD shall adhere to the parameters stipulated in BNM CG Policy with regard to the holding of other directorships.

5. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS

For the Board to be effective, it is crucial for its Board Members to understand and appreciate their roles and responsibilities. This serves as an important control mechanism to ensure that the Board functions objectively, independently and effectively.

Generally, a Director's responsibilities shall include the following:

- a. being aware of the Company's operating environment and promote safety and soundness of the Company;
- b. exercise of vigilance and professional scepticism in understanding and shaping the strategic direction of the Company;
- c. being diligent in undertaking his/her duties and avoid conflict of interest situation and in situations where there are conflicts of interest, they are disclosed and necessary steps are taken to address such conflicts;
- d. being able to exercise independent judgement in decision making and provide sound and objective advice;
- e. understanding his or her oversight role and 'duty of loyalty' to the Company, its shareholders and other stakeholders;
- f. objectively questioning the Management;

- g. devoting adequate time and attention to discharge his/ her duties and responsibilities effectively by being well prepared when attending Board meetings, contributing constructively to Board discussions and decision-making and conducting due inquiry before approving a matter;
- h. contributing actively to the functions of the Board and being able to provide special expertise to the Board;
- i. maintaining sound understanding of the business, the industry and undertake continuous professional development to support the effective discharge of the roles and responsibilities as a Director of the Company;
- j. exercise of reasonable care, skill and diligence by –
 - i. applying the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and
 - ii. applying any additional knowledge, skill and experience which the director has;
- k. ensuring key transactions or critical decisions are deliberated and decided on by the Board in a meeting; and
- l. ensuring that his decisions and the basis for those decisions, including any dissenting views are made known and properly recorded in the Minutes of meeting.

6. BOARD COMMITTEES

The Board establishes specialised Board Committees to oversee critical or major functional areas and to address matters, which require detailed review or in-depth consideration. Although the Board delegates certain duties to the Board Committees, it remains responsible for the decisions of the Committees.

The Board appoints the following Board Committees with specific roles and responsibilities as set out in their respective TOR:

- a. GNC;
- b. AC;
- c. GBRC;
- d. GBDITC; and
- e. ESSC.

The Board Committees report to the Board their deliberations and recommendations for the Board's approval.

Details of the composition and a summary of the TOR of each Committee appointed by the Board are disclosed in the Company's Annual Report as required by the relevant regulatory requirements.

6.1 Group Governance, Nomination & Compensation Committee

The GNC is established to provide, in accordance with its TOR attached as per **Appendix 1** of the Board Charter, a set of formal and transparent procedures for the following:

- a. Appointments and removals of Directors, CEOs of the Company and its subsidiaries and Management KRPs of the Group;
- b. Assessment of effectiveness of individual Directors, Board as a whole and performance of CEOs and Management KRPs; and
- c. Development of remuneration policy for Directors, CEOs and Management KRPs to ensure that the compensation is competitive and consistent with the Group's culture, objectives and strategy.

6.2 Audit Committee

The AC is established to provide independent oversight of the Company's internal and external audit function, internal controls and ensuring checks and balances within the Company as stipulated in its TOR attached as per **Appendix 2** of the Board Charter.

6.3 Group Board Risk Committee

The GBRC is established to oversee Senior Management's activities in managing credit, market, liquidity, operational, legal and other risk and to ensure that the risk management process is in place and functioning efficiently and effectively, as stipulated in its TOR as per **Appendix 3** of the Board Charter.

6.4 Group Board Digital Innovation and Technology Committee

The GBDITC is established to support the Board of KIBB Group in providing direction and oversight over technology-related matters, including risk, in line with internal, as well as relevant regulatory requirements as stipulated in its TOR attached as per **Appendix 4** of the Board Charter.

6.5 Employees' Share Scheme Committee

The ESSC is established to assist the Board in administering the Employees' Share Scheme in accordance with the By-Laws governing the Employees' Share Scheme as stipulated in its TOR attached as per **Appendix 5** of the Board Charter.

6.6 Main Duties and Responsibilities of Chairman of Board Committees

- 6.6.1 Provide leadership for the respective Board Committee to fulfil the goals it sets by delegating tasks, ensuring propagation of essential information, monitoring and reviewing the adequacy and timing of deliverables, facilitating discussions and the resulting decisions, and promoting good corporate governance.
- 6.6.2 Refers to the Company Secretary for guidance on what the respective Board Committee's responsibilities are under the rules and regulations to which they are subject and how those responsibilities should be discharged. Compliance advice encompass all laws and regulations pertinent to Group and also other contractual agreements with other entities and not merely the routine filing requirements and other administrative requirements of the relevant rules and regulations.
- 6.6.3 The Chairman of the AC has been identified to be responsible for the oversight of Kenanga Group's Speak Up Policy and shall be notified accordingly on all pertinent decisions made in the various stages involved.

6.7 Expectations for Board Committees Members

- 6.7.1 Provide individual external independent opinions to the fact-finding, analysis and deliberations of the respective Board Committee based on their experience and knowledge.
- 6.7.2 Consider viewpoints from the other respective Board Committee members and make decisions or recommendations for the best interest of the Board collectively.
- 6.7.3 Keep abreast of the latest corporate governance guidelines in relation to the respective Board Committee and the Board as a whole.

7. BOARD PROFESSIONALISM

7.1 Directors' Code of Ethics and Conduct

The Directors observe a Code of Ethics and Conduct for Directors of Kenanga Group.

7.2 Conflict of Interest

7.2.1 Section 58 of the FSA and section 67 of the IFSA require a director to disclose to the Board the nature and extent of his interest in a material transaction or material arrangement, and, if such material transaction or material arrangement is being deliberated during a Board meeting, to be absent from the meeting during such deliberations.

7.2.2 For the purpose of section 58(4) of the FSA and section 67(4) of the IFSA, BNM specifies the following:

- a. an existing or proposed transaction or arrangement will be considered "material" if it is one which a director is required to declare under section 221 of the Companies Act, 2016, unless the director or any person linked to him cannot reasonably be expected to derive a benefit or suffer a detriment from the transaction or arrangement in a way that will place the director in a position of conflict; and
- b. an interested director must make the disclosure by way of a written notice to all members of the board and the Company Secretary –
 - i. as soon as practicable after being aware of his interest in the material transaction or arrangement; and
 - ii. if the material transaction or arrangement is being deliberated at a Board meeting, before the commencement of that deliberation.

7.2.3 Section 218 of the CA 2016 recognised situations under conflict of interest and specified that a Director or officer must not do the following to gain benefit for himself or any other person, or cause detriment to the Company, without the consent or ratification of a general meeting –

- a. using the property of the Company;
- b. using any information acquired by virtue of his position as a Director or officer of the Company;
- c. using his position as such Director or officer;

- d. using any opportunity of the Company which he became aware of, in the performance of his functions as the Director or officer; or
 - e. engaging in business which is in competition with the company.
- 7.2.4 Additionally, section 221 and section 222 of CA 2016 stated that a Director interested in a proposed or existing contract with the Company, the Director must –
- i. declare the nature of his interest at the Board meeting;
 - ii. not participate in any discussion while the contract or proposed contract is being considered during the Board meeting; and
 - iii. not vote on the contract or proposed contract.
- 7.2.5 MMLR requires the Company to disclose the nature and extent of any conflict of interest or potential conflict of interest including interest in competing business involving Directors, Management KRPs and legal representative of the Company, as well as Directors and CEOs of the management company in the following documents –
- i. statement accompanying notices of annual general meetings pertaining to election of directors;
 - ii. relevant immediate announcements of the said person's appointment; and
 - iii. annual report in the various sections including those on the profile of directors, chief executive and key senior management.
- 7.2.6 A Director of the Company must not accept a benefit from or provide a benefit to a third (3rd) party by reason only of –
- a. him being a Director; or
 - b. him doing something or refraining from doing anything as a Director; unless he is permitted to do so by the Company's Constitution or the Company's Code of Conduct and it is not contrary to any written law.

8. DIRECTORS' REMUNERATION

The Company aims to set remuneration levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved, but without paying more than is necessary to achieve this goal. The level of remuneration for the GMD and other Management KRPs is determined by the GNC after giving due consideration to the compensation levels for comparable positions among other similar companies in Malaysia.

In addition to the above, the remuneration of the Directors shall also take into consideration the following:

- a. scale, activity and performance of the business;
- b. roles and contribution of each individual;
- c. need to promote compliance culture, prudent risk taking behaviour and alignment with investors' best interest; and
- d. alignment with the corporate strategies, values and sustainability of the Company.

There is adequate disclosure in the Audited Accounts with a note on remuneration of Directors.

The Directors' fees are approved by the shareholders at the Company's AGM.

9. DIRECTORS' TRAINING & DEVELOPMENT

9.1 Induction Programme for Newly Appointed Director

The Company shall provide an induction programme for its newly appointed Directors, to familiarise them with the industry and the Company's business and operations, within three (3) months of the appointment.

The induction programme aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors.

The programme covers at a minimum the nature of business, the corporate strategy of the Company, responsibilities and duties of the Board as a whole, an overview of the risks of the businesses, the risk management strategy of the Company, legal requirements and financial overview of the Company.

Non-Executive Directors appointed to the Boards of subsidiaries within the Group shall be provided a similar induction programme tailored to reflect the scope of their appointments.

A Director must comply with the following requirements in relation to the Mandatory Accreditation Programme Part I and Part II:

- a. A Director must attend the Mandatory Accreditation Programme in full and procure a certificate from the approved Mandatory Accreditation Programme organiser to confirm and validate his or her completion of the Mandatory Accreditation Programmes;
- b. A Director must complete the Mandatory Accreditation Programmes within the timeframes set out by Bursa Securities.

9.2 Continuous Education and Development

The Company has adopted educational/ training programmes to update the Board in relation to new developments pertaining to the laws and regulations and changing commercial risks, which may affect the Board and/ or the Company.

In addition to the mandatory Financial Institutions Directors' Education Programme required by BNM, Mandatory Accreditation Programme within the prescribed timeframe as required under the Listing Requirements, and the Capital Market Director Programme required under the SC's Licensing Handbook, Board Members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Company's operations and business.

10. FINANCIAL REPORTING

10.1 Transparency

10.1.1 The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extend to the interim and price-sensitive information and other relevant reports submitted to regulators.

10.1.2 The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.

10.1.3 The Auditors Report shall contain a statement from the Auditors explaining their responsibility in forming an independent opinion, based on their audit of the financial statements.

10.1.4 The Company and its Directors must ensure that the accounting and other records kept to –

- i. Sufficiently explain the business, transactions and financial position of KIBB Group;
- ii. Enable the preparation of true and fair financial statements; and
- iii. Enable the accounting and other records of KIBB Group to be conveniently and properly audited.

10.2 Company Auditors

10.2.1 The Board has established a formal and transparent arrangement for considering how financial reporting and internal control principles will be applied and for maintaining an appropriate relationship with the Company Auditors through its AC.

10.2.2 The AC also keeps under review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the Company Auditors. The Company ensures that the Company Auditors do not supply a substantial volume of non-audit services to the Company.

10.2.3 Appointment of the Company Auditors is subject to approval of the shareholder(s) at General Meetings. The Company Auditors have to retire during the AGM every year and be re-appointed by shareholder(s) for the ensuing year.

10.3 Internal Control and Risk Management

10.3.1 The Company's internal audit function which critically reviews all aspects of the Company's activities and its internal controls is managed by the Group Internal Audit. Regular audits on the system of internal controls, policies and procedures, risk management and governance practices of all business and support units and subsidiaries are undertaken to appraise its adequacy and effectiveness.

10.3.2 The Board ensures the system of internal controls is reviewed on a regular basis.

10.3.3 The AC receives reports regarding the outcome of such reviews on a regular basis.

10.3.4 The Board must review and approve the Internal Audit Charter that defines the remit for the internal audit function, including its purpose, authority and responsibility.

10.3.5 The internal audit function is functionally independent from Management with a direct reporting line to the KIBB Audit Committee or KIBB Board.

10.3.6 The Board must ensure that the internal audit function is sufficiently resourced and performs adequate and effective internal audit activities during the year and carries out appropriate risk-based assessment.

11. GENERAL MEETINGS

11.1 Annual General Meeting

The Company regards the AGM as an important event in the corporate calendar and as the principal forum for dialogue with shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with, and constructive feedback from, the Company's shareholders.

11.2 Extraordinary General Meeting

The Directors will consider requisitions by shareholders to convene an EGM or any other urgent matters requiring immediate attention of the Company.

12. INVESTOR RELATIONS

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company and as such adopts an open and transparent policy in respect of its relationship with its shareholders and investors.

The Board ensures the timely release of financial results on a quarterly basis to provide shareholders with an overview of the Company's performance and operations.

The Company's website provides easy access to corporate information pertaining to the Company and its activities and is continuously updated.

13. RELATIONSHIP WITH OTHER STAKEHOLDERS

In the course of pursuing the vision and mission of the Company, the Board recognises that no Company can exist by maximising shareholders value alone. In this regard, the needs and interests of other stakeholders are also taken into consideration.

13.1 Employees

13.1.1 The Board acknowledges that the Employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.

13.1.2 The Company adopts comprehensive and documented policies and procedures with respect to the following:

- a. Occupational safety and health with the objective of providing a safe and healthy working environment for all Employees; and
- b. Industrial relations with the objective of managing Employees' welfare and well-being in the work place.

13.2 Environment

The Board acknowledges the need to safeguard and minimise the impact to the environment in the course of achieving the Company's vision and mission. The Company supports initiatives on environmental issues.

13.3 Social Responsibility

The Board acknowledges that the Company should play a vital role in contributing towards the welfare of the community in which it operates. The Company supports charitable causes and initiatives on community development projects.

14. COMPANY SECRETARY

14.1 Appointment of Company Secretary

The appointment and removal of KIBB's Company Secretary must be approved by the Board.

14.2 Roles and Responsibilities

14.2.1 The Company Secretary is responsible for supporting the effective functioning of the Board. In discharging this role, the Company Secretary provides counsel to the Board on governance matters and facilitates effective information flows between the Board, the Board Committees and Senior Management.

14.2.2 The Company Secretary shall keep confidential the affairs of the Company and its officers at all times. Accordingly, where the Company Secretary also serves as Company Secretary for KIBB's affiliates, he/ she shall not disclose the affairs of KIBB or its officers to the affiliates except with the knowledge and consent of KIBB.

14.2.3 The Company Secretary must not have competing time commitments that may impair his/ her ability to discharge his/ her duties effectively. Unless BNM approves otherwise in writing, the Company Secretary of KIBB must devote the whole of his/ her professional time to the affairs of KIBB and its affiliates³.

14.2.4 The Company Secretary should advise Directors of their obligations to adhere to matters relating to:

- a. disclosure of interest in securities;
- b. disclosure of any conflict of interest in a transaction involving the Company;
- c. prohibition on dealing in securities; and
- d. restrictions on disclosure of price-sensitive information.

14.2.5 The Company Secretary must keep abreast of, and inform, the Board of current governance practices.

14.2.6 The Company Secretary shall provide sound governance advice, ensure adherence to rules and procedure, and advocate adoption of corporate governance best practices.

14.2.7 The Board Members have unlimited access to the professional advice and services of the Company Secretary.

15. APPLICATION

The principles set out in this Board Charter are:

- a. kept under review and updated as practices on Corporate Governance develop and further guidelines on Corporate Governance are issued by the relevant regulatory authorities; and
- b. applied in practice having regard to their spirit and general principles rather than to the latter alone.

The Board endeavours to comply at all times with the principles and practices set out in this Board Charter.

³ This does not preclude the Company Secretary from carrying out other responsibilities for KIBB or its affiliates that are also financial institutions, where these responsibilities do not conflict with his responsibilities to the Board

In this Board Charter, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

In the event of conflict between the Board Charter and any law or regulations, the latter shall take precedence over the Board Charter.

16. REVIEW OF THE BOARD CHARTER

The Board Charter shall be reviewed as and when required/ necessary, by the Board to keep it up to date and consistent with the Board's objectives and responsibilities as well as relevant applicable regulatory and statutory requirements.

Appendix 1



KENANGA INVESTMENT BANK BERHAD

**GROUP GOVERNANCE, NOMINATION &
COMPENSATION COMMITTEE**

TERMS OF REFERENCE

GLOSSARY

Terms	Description
AGM	Annual General Meeting
Balanced Scorecard	The Balanced Scorecard is a performance management tool used to measure the performance of the GMD, Management KRPs and the Company Secretary, based on Key Performance Indicators set and approved by the Board on an annual basis in respect of four (4) perspectives i.e. Financial, Customer, Internal Process and Learning and Growth.
BNM	Bank Negara Malaysia
Board	Board of Directors
Board Committee	Any committee of the Board of KIBB established from time to time, including the Shariah Committee of KIBB
Bursa Securities	Bursa Malaysia Securities Berhad
Company Secretary	Group Company Secretary of Kenanga Investment Bank Berhad and Its Subsidiaries
Constitution	Constitution of the Company (previously referred to as Memorandum and Articles of Association), a legal document recognised by the Companies Act 2016 that generally specifies the rules governing the relationship and activities of the Company, its shareholders and Directors.
Director	As defined under Section 2 of the Companies Act 2016 as amended, supplemented or modified from time to time
FSA	Financial Services Act 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force
GMD	Group Managing Director of KIBB
GNC or the Committee	Group Governance, Nomination & Compensation Committee of KIBB
INED	Independent Non-Executive Director
IFSA	Islamic Financial Services 2016 or any statutory modification, amendment or re-enactment thereof for the time being in force
Key Performance Indicators	Key Performance Indicators refer to a set of quantifiable measurements used to gauge the performance of the GMD, Management KRPs and the Company Secretary to determine the level of achievement of strategic, financial and operational targets as approved by the Board.
KIBB or the Company	Kenanga Investment Bank Berhad (15678-H)
KIBB Group or the Group	Kenanga Investment Bank Berhad and Its Subsidiaries

Terms	Description
MMLR	Main Market Listing Requirements of Bursa Securities
Management KRPs	Management Key Responsible Persons defined as N-1s i.e. All Direct Reports of the GMD, Chief Technology Officer and Head of Group Operations, as listed in the List of Management KRPs, amended, supplemented or modified from time to time
NED	Non-Executive Director

DOCUMENT HISTORY

Version	Date Approved by Board	Effective Date of Implementation	Description
1	27 January 2021	27 January 2021	1 st Version of the TOR of the GNC
2	3 November 2023	3 November 2023	2 nd Version of the TOR of the GNC

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1. OBJECTIVE

The GNC is a committee of the Board of KIBB, established to support the Board -

- 1.1 in the effectiveness and the enhancement of KIBB Group's governance structure, framework and policies and its compliance with the applicable statutory and regulatory requirements in relation thereof;
- 1.2 in carrying out its functions regarding the following matters concerning the Boards of KIBB and its subsidiaries, GMD, Management KRPs and Company Secretary, in line with the relevant regulatory and internal requirements:
 - appointments and removals;
 - composition;
 - performance evaluation and development; and
 - fit and proper assessments; and
- 1.3 in actively overseeing the design and operation of a well-structured compensation and human resource management system for KIBB Group, which is clearly linked to the strategic objectives of the Group.
- 1.4 in carrying out the oversight governance function of sustainability and its underlying Environmental, Social and Governance ("ESG") matters of the Group.

2. COMPOSITION

- 2.1 The GNC shall comprise only NEDs with at least three (3) members of which the majority should be INEDs.
- 2.2 The membership of the GNC, including the position of its Chairman shall be approved by the Board.
- 2.3 The Chairman of the GNC shall be an INED and shall not be the Chairman of the Board.
- 2.4 Members of the GNC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Directors of the Company.
- 2.5 All members of the GNC, including the Chairman, will hold office only so long as they serve as Directors of the Company.
- 2.6 In the event of any vacancy resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

- 2.7 A member of the GNC shall abstain from participating in discussions and decisions on matters involving him/ her.

3. SECRETARIAT

- 3.1 The Company Secretary shall act as the Secretary of the GNC.
- 3.2 The Company Secretary shall be responsible for preparation of the agenda in consultation with the Chairman of the GNC and distribution to all members of the papers to be deliberated at the GNC meeting.
- 3.3 The Company Secretary shall be responsible for supporting the effective functioning of the GNC by providing counsel to the GNC on governance matters and facilitates effective information flows between the GNC and the Board in relation thereof.

4. AUTHORITY

The GNC shall have the authority to make decisions on matters which fall within its objectives and responsibilities.

5. MEETINGS

5.1 Quorum

1. A quorum of the GNC meeting shall be at least two-thirds (2/3) of the GNC members and a majority of the members present must be INEDs. Meetings with a quorum in attendance shall constitute a competent and fully empowered Committee, able to exercise all authority vested in and exercisable by the GNC.

If the Chairman is not present those present shall elect one of their number, who is an INED, to chair the meeting.

2. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.

5.2 Frequency of Meetings

The GNC shall meet on a quarterly basis. However, additional meetings may be called at any time at the GNC Chairman's discretion.

5.3 Attendance at Meetings

The GNC may invite any Directors or members of the senior management and employees of KIBB and/or its subsidiaries to be in attendance during meetings to assist in its deliberations.

6. COMMUNICATIONS TO THE BOARD

- 6.1 The confirmed minutes of each GNC meeting shall be tabled to the Board for notation.
- 6.2 The GNC reports to the Board its deliberations and may from time to time submit to the Board its recommendations on matters within its purview, for the Board's decision.

7. CIRCULAR RESOLUTIONS

In the interim period between meetings, if the need arises, urgent issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two thirds (2/3) of the GNC members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.

Any such circular resolution shall be recorded by the Company Secretary in the minutes book, and may consist of several documents in the like form, each signed by one (1) or more members. The expression 'in writing' or 'signed' include approval by legible confirmed transmission by facsimile, email or other forms of electronic communications.

8. ROLES AND RESPONSIBILITIES

8.1 Corporate Governance Oversight

- 1. Establish, review and recommend to the Board of KIBB for approval, the corporate governance framework of KIBB Group, in line with the applicable statutory and regulatory requirements, including but not limited to, the MMLR of Bursa Securities, BNM's Policy Document on Corporate Governance, the Malaysian Code of Corporate Governance and the Malaysian Anti-Corruption Commission Act 2009, as well as the relevant latest developments in the corporate governance area.

2. Review the governance policy of the Group and its compliance with applicable statutory and regulatory requirements and recommend any changes as and when required.
3. Review and recommend to the Board for approval, the Corporate Governance Overview Statement, Corporate Governance Report and Sustainability Report for disclosure in KIBB's Annual Report, pursuant to the requirements of the MMLR of Bursa Securities.
4. Review and recommend to the Board for approval any proposal relating to the engagement of external/ independent professional advisors/ consultants to assist and/ or support the GNC in fulfilling the GNC's objectives and responsibilities in relation to its oversight of the Group's governance.
5. Consider any other governance related matters as determined by the Board from time to time.

8.2 Board Structure, Size, Composition and Diversity

1. Assess and review the overall composition of the Boards and its Committees, in terms of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors, as well as diversity in skills, experience, age, cultural backgrounds, and gender, through annual review, and make appropriate recommendations to the Board for approval for any revisions arising therefrom.
2. Establish and recommend to the Board for approval, the minimum requirements for the Boards, i.e. required mix of skills, experience, qualification and other core competencies required of a Director.

8.3 Nomination, Selection and Appointment/ Re-Appointment of NEDs and Board Committee Members

1. Review and assess the nominees for directorship and Board Committee membership and recommend the final selection of candidate(s) to the Board of KIBB for approval.

For this purpose, the Board may utilise independent sources to identify suitable qualified candidates instead of solely relying on the recommendations from existing Directors, Management KRPs and/or major shareholders.

2. Review and recommend to the Board the appointment of Directors to the Board of KIBB's subsidiaries, joint venture and associate companies.
3. Assess and make recommendations to the Board for approval for the re-appointment of KIBB's Directors before submission of the relevant application to BNM for approval.
4. Review and make recommendations to the Board for approval for the re-election of KIBB Group's Directors who are retiring by rotation at the AGM of the respective companies within KIBB Group, in accordance with the provisions of the respective companies' Constitutions.
5. Review and recommend to the Board, the removal of a Director from the Boards of any KIBB Group company if the Director is ineffective, errant and negligent in discharging his/ her responsibilities, subject to BNM's approval.
6. Review and assess on an annual basis, the fitness and propriety of NEDS in line with BNM's fit and proper criteria.

8.4 Compensation of Members of the Board and Board Committee

1. Establish policies and procedures to determine the compensation of members of the Board and each of the Board Committee, which takes into consideration the demands, complexities and performance of the Company, as well as skills and experience required.
2. Review annually and recommend to the Board for approval, the compensation framework for members of the Board and Board Committees of KIBB and NEDs of its subsidiaries.
3. Review annually the compensation of members of the Board and Board Committees of KIBB and NEDs of its subsidiaries and recommend to the respective Boards for approval, for onward recommendation to the shareholders for approval at the respective entities' AGM.
4. Periodically review the compensation of the members of the Board and Board Committees of KIBB and NEDs of its subsidiaries, particularly on whether the compensation remains appropriate to each Director's contribution, taking into consideration the level of expertise, commitment and responsibilities undertaken and prevailing market rates.

8.5 Performance Evaluation of the Board, Board Committee and Individual Director

1. Establish and review the mechanism for the formal assessment on the effectiveness of the Board as a whole, as well as the contributions of the Board Committees and each individual Director towards the effectiveness of the Board.
2. Review the outcome of the performance evaluation of the Board, Board Committees and individual Directors and recommend to the Board the appropriate action plan for identified areas for enhancements, if any.
3. Conduct a review to determine the independence of each INED of the relevant companies within KIBB Group from the perspective of character and judgement, taking into consideration the need for progressive refreshing of the Board.
4. Once in every three (3) years, the performance evaluation of the Board, Board Committees and individual Directors shall be facilitated by a professional, experienced and independent party for greater objectivity to the assessment by providing an unbiased perspective on the performance of the Board, Board Committees and individual Directors.

For this purpose, the GNC shall review and recommend to the Board for approval any proposal relating to the engagement of external/ independent professional advisors/ consultants to conduct the performance evaluation of the Board, Board Committees and individual Directors.

8.6 Succession Planning for Board and Board Committee

1. Establish and review the succession plan for the respective Boards and Board Committees of entities within KIBB Group and make appropriate recommendations to the Board, taking into consideration the challenges and opportunities facing KIBB Group and the talents required in the future in line with KIBB Group's operations and business direction.
2. Review the independence of Directors including, where appropriate, criteria on assessing the independence of a candidate's appointment as an INED and the time commitment of each INED, for the Board's endorsement.

8.7 Board Education and Development

1. Ensure that all Directors receive appropriate continuous training and development programmes in relation to Director's roles, duties and liabilities, as well as on sustainability and related roles of a Director, in order to keep abreast with the latest developments in the industry.
2. Ensure that an induction programme is provided for newly appointed NEDs.
3. Review the training programmes attended by Directors and continuously evaluate the individual Director's needs for continuous education and development programmes and facilitate the required training programmes for the Directors.

8.8 Succession Planning for GMD and Management KRPs

1. Review KIBB Group's Succession Plan for GMD and Management KRPs on an annual basis and make recommendations to the Board for any revisions, arising therefrom.
2. Review all nominations and recommend the selection of final candidate(s) to the Board for approval, in relation to the appointment, re-appointment or termination of GMD and Management KRPs.
3. Review the List of KIBB Group's Management KRPs, List of Material Risk Takers¹ and the List of Other Material Risk Takers² within KIBB Group and recommend to the Board for approval for any revisions arising therefrom.
4. Review and recommend to the Board for approval any proposal relating to the engagement of external/ independent professional advisors/ consultants to assist and/ or support the GNC, on selection and succession policy matters, as and when deems necessary.
5. Review and recommend to the Board for approval the removal of the GMD, Management KRPs or the Company Secretary if the GMD or Management KRP or the Company Secretary is ineffective, errant and negligent in discharging his/ her responsibilities.

¹ Material Risk Taker includes individuals who can materially commit or control significant amounts of the group's resources or whose actions are likely to have a significant impact on the group-wide risk profile.

² Paragraph 19.3 of BNM's Policy Document on Corporate Governance defines "Other Material Risk Taker" as "an officer who is not a member of senior management of a financial institution and who can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile; or is among the most highly remunerated officers in the financial institution"

6. Review and recommend to the Board actions to be taken in relation to disciplinary issues and misconduct inconsistent with the expressed or implied conditions of service, involving the GMD, any of the Management KRPs or the Company Secretary.

8.9 Performance Evaluation of GMD, Management KRPs and Company Secretary

1. Establish a set of quantitative and qualitative performance criteria to evaluate the performance of the GMD, Management KRPs and the Company Secretary.
2. Review and recommend to the Board for approval for the Balanced Scorecard and Key Performance Indicators of the GMD, Management KRPs and the Company Secretary.
3. Review the performance of the GMD and Management KRPs who are on contract and recommend to the Board for approval, the renewal of their respective employment contracts or otherwise, including promotion or termination.
4. Review the performance of the GMD, Management KRPs and the Company Secretary for determination of performance rewards for recommendation to the Board for approval.
5. Review and assess on an annual basis, the fitness and propriety of the GMD, Management KRPs and the Company Secretary, in line with BNM's fit and proper criteria.

8.10 Compensation of the GMD, Management KRPs and the Company Secretary

1. Establish the policy on the compensation of the GMD, Management KRPs (including Other Material Risk Takers) and the Company Secretary in line KIBB Group's business strategy, objectives, values and long-term goals and comply with all relevant regulatory requirements.

This policy shall be subjected to periodic review by the GNC and made available on the Company's website. Any material changes to be made to the policy shall be recommended to the Board for approval.

2. Review the compensation of the GMD, Management KRPs (including Other Material Risk Takers) and the Company Secretary for recommendation to the Board for approval.

3. Review and recommend to the Board for approval for any proposal relating to engagement of external/ independent professional advisors/ consultants to assist and/ or support the GNC, if necessary, for the purpose of comparison on the compensation currently earned by the GMD and the Management KRPs (including Other Material Risk Takers) with the compensation paid to the same category of personnel in other companies of a similar size in a comparable industry sector.

8.11 Sustainability Governance Oversight

1. Review and recommend to the Board the strategic plan of the Group that supports the long-term value creation and considers material sustainability risk and opportunities.
2. Exercise effective oversight of climate-related risks to safeguard the Group's resilience against the adverse impacts of climate change.

Notwithstanding anything in these Terms of Reference, the responsibility for oversight of risks associated with strategic business, business development and sustainability including risk assessment and risk management, shall remain with the Group Board Risk Committee.

8.12 Disqualification under the FSA and IFSA

Assess, on an annual basis, to ensure that the Directors, GMD, Management KRPs and Company Secretary are not disqualified under the FSA and IFSA.

9. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of the GNC shall be reviewed annually by the Board to keep it up to date and consistent with the GNC's objectives and responsibilities, as well as relevant applicable regulatory and statutory requirements.

In this Terms of Reference, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

Appendix 2



KENANGA INVESTMENT BANK BERHAD

AUDIT COMMITTEE

TERMS OF REFERENCE

GLOSSARY

Terms	Description
Board	Board of Directors of KIBB
Bursa Securities	Bursa Malaysia Securities Berhad
Company Secretary	Group Company Secretary of Kenanga Investment Bank Berhad and Its Subsidiaries
Director	As defined under Section 2 of the Capital Markets and Services Act 2007 as amended, supplemented or modified from time to time
AC or the Committee	Audit Committee
GBRC	Group Board Risk Committee
GNC	Group Governance, Nomination and Compensation Committee
MIA	Malaysian Institute of Accountants
KIBB or the Company	Kenanga Investment Bank Berhad (197301002193 (15678-H))
KIBB Group or the Group	Kenanga Investment Bank Berhad and Its Subsidiaries

DOCUMENT HISTORY

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1			1 st Version of the TOR of the AC
2	8 December 2016	29 March 2017	2 nd Version of the TOR of the AC
3	6 April 2022	6 April 2022	3 rd Version of the TOR of the AC
4	7 December 2023	7 December 2023	4 th Version of the TOR of the AC

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1.0 OBJECTIVE

The main objectives of the establishment of the AC are to -

- a. support the Board in fulfilling its fiduciary duties and responsibilities relating to KIBB Group's accounting and financial reporting policies and procedures, as well as financial position and performance by ensuring that reliable and transparent financial reporting processes are put in place within KIBB Group;
- b. provide independent oversight on the effectiveness of the internal audit function of KIBB;
- c. ensure the adequacy of controls in the procedures and processes put in place in accordance with applicable regulatory and statutory requirements; and
- d. foster a quality audit of KIBB Group by exercising independent oversight over the external auditor, in accordance with the relevant regulatory and statutory expectations.
- e. support the Board in carrying out the oversight governance function of sustainability and its underlying Environmental, Social and Governance ("ESG") matters of the Group.

2.0 COMPOSITION

- 2.1 The Committee shall comprise only Non- Executive Directors with at least three (3) members of which majority should be Independent Directors.
- 2.2 The Chairman of the AC shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.3 The membership of the AC, including the position of Chairman shall be approved by the Board based on the recommendation made by the GNC.

- 2.4 At least one (1) member of the AC:
- a. must be a member of the MIA; or
 - b. if he is not a member of the MIA, he must have at least three (3) years' working experience and -
 - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967 as provided in **Appendix 1**; or
 - ii. he must be a member of one of the recognised bodies specified in Part II of the First Schedule of the Accountants Act 1967 as provided in **Appendix 1**; or
 - c. has either one of the following qualifications, and at least three (3) years' post-qualification experience in accounting or finance:
 - i. a degree/masters/doctorate in accounting or finance; or
 - ii. a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants; or
 - d. has at least seven (7) years' experience being a chief financial officer of a corporation or having the function of primarily responsible for the management of the financial affairs of a corporation; or
 - e. fulfils such other requirements as prescribed or approved by Bursa Securities.
- 2.5 No alternate Director is appointed as a member of the AC.
- 2.6 A former officer directly involved in the engagement and any partner of the external auditors of KIBB shall observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

- 2.7 Members of AC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Directors of the Company.

All members of the AC, including the Chairman, will hold office only so long as they serve as Directors of the Company.

- 2.8 In the event of any vacancy resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.
- 2.9 A member of AC shall abstain from participating in discussions and decisions on matters involving him.
- 2.10 The terms of office and performance of each of the AC members shall be reviewed by the GNC annually to determine whether the AC and its members have carried out their duties in accordance with their terms of reference.

3.0 SECRETARY

The Company Secretary shall act as the Secretary of the AC.

4.0 RIGHTS OF THE AC

- 4.1 The AC shall have the resources, full and unrestricted access to the records of KIBB and/or its subsidiaries (including the records of all Board and Management Committee meetings), properties and officers in carrying out its duties and responsibilities.
- 4.2 The AC shall be granted the authority to investigate any activity of KIBB and/or its subsidiaries within its terms of reference and all employees and external consultants involved shall be directed to cooperate as and when required by the AC.
- 4.3 The AC shall also be empowered to consult independent subject matter experts, where necessary, to assist in executing its duties at the cost of KIBB and/or its subsidiaries and shall have direct communication channels with the external and internal auditors.
- 4.4 The internal audit function shall report directly to the AC.

5.0 MEETINGS

5.1 Quorum

- a. A quorum of the AC meeting shall be at least two-thirds (2/3) of the AC members and majority of the members present must be Independent Directors. Meetings with a quorum in attendance shall constitute a competent and fully empowered Committee, able to exercise all authority vested in and exercisable by the AC.

If the Chairman is not present those present shall elect one of their number, who is an Independent Director, to chair the meeting.

- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.

5.2 Frequency of Meetings

- a. The AC shall meet at least once every quarter. However, additional meetings may be called at any time at the AC Chairman's discretion or at the request of any AC members or Group Chief Internal Auditor as and when necessary.
- b. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two-thirds (2/3) of the AC members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.
- c. Upon the request of the external auditor, the Chairman of the AC must convene a meeting of the AC to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.
- d. At least once a year, the AC shall convene a joint meeting with the GBRC to ensure effective exchange of information so as to enable effective coverage of all risks, including emerging, sustainability and climate-related risk issues that could have an impact on the risk appetite and business plans of KIBB and/or its subsidiaries.

5.3 Attendance at Meetings

- a. Upon the invitation by the AC, the Group Chief Internal Auditor shall be in attendance at all meetings of the AC.
- b. The AC may invite the external auditor, external consultants or advisers, or any Directors or members of the Senior Management and employees of KIBB and/or its subsidiaries to be in attendance during meetings to assist in its deliberations.
- c. The AC shall meet with the external auditor, the person(s) carrying out the internal audit function or activity, or both, excluding the attendance of other Directors and employees, whenever deemed necessary.

5.4 Minutes of Meetings

- a. The Minutes of each AC meeting shall be kept and distributed to all AC members and presented at the Board meeting for notation.
- b. The Minutes of the AC meetings shall be made available for inspection by any member of the AC, Board, internal and external auditors, as well as relevant regulators.

6.0 ROLES AND RESPONSIBILITIES**6.1 Fair and Transparent Reporting**

- a. Ensure fair and transparent reporting and prompt publication of financial statements.
- b. Review the quarterly results and year-end financial statements, before the approval by the Board, focusing particularly on -
 - i. changes in or implementation of major accounting policy changes;

- ii. significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; and
- iii. compliance with accounting standards and other legal requirements.

6.2 Effectiveness of Internal Audit

- a. Oversee the effectiveness of the internal audit function of KIBB including:
 - i. reviewing, approving and reporting to the Board the audit scope, procedures and frequency;
 - ii. reviewing and reporting to the Board key audit reports and ensuring that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit;
 - iii. noting significant disagreements between the Group Chief Internal Auditor and the rest of the Senior Management team, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings;
 - iv. establishing a mechanism to assess the performance and effectiveness of the internal audit function; and
 - v. 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.
- b. Appoint, set compensation, evaluate performance and decide on the transfer and dismissal of the Group Chief Internal Auditor and of any staff member of the internal audit function at the request of the Group Chief Internal Auditor.

- c. Internal audit function shall report functionally to the AC including, obtaining approvals for the following:
 - i. Internal Audit Charter;
 - ii. Risk-Based Internal Audit Plan; and
 - iii. Internal Audit Budget and Resource Plan.

- d. **Technology Audit**
 - i. Responsible for ensuring the effectiveness of the internal technology audit function including ensuring the adequate competence of the audit staff to perform technology audits.
 - ii. Review and ensure the appropriate audit scope, procedures and frequency of technology audits.
 - iii. Ensure effective oversight over prompt closure of corrective actions to address technology control gaps.

- e. **ESG/Sustainability Audit**
 - i. Review and ensure the appropriate audit scope, procedures and frequency of audits on ESG/sustainability related areas.
 - ii. Effective oversight over prompt closure of corrective actions to address ESG/sustainability control gaps.

6.3 External Auditors

- a. Foster a quality audit of KIBB Group by exercising oversight over the external auditor, in accordance with the expectations set out in Bank Negara Malaysia's Policy Document on External Auditor, including -
 - i. making recommendations to the Board on the appointment and the annual re-appointment of the external auditor upon assessment on the competence, audit quality and resource capacity of the external auditor in relation to the audit and the audit fee taking into consideration the independence and objectivity of the external auditor and the cost effectiveness of its audit. The assessment should also consider information presented in the *Annual Transparency Report*² of the external auditor. If the external auditor is not required to issue an *Annual Transparency Report*, the AC is encouraged to engage the external auditor on matters typically covered in an *Annual Transparency Report* including the external auditor's governance and leadership structure, as well as measures undertaken by the firm to uphold audit quality and manage risks;
 - ii. monitoring and assessing the independence of the external auditor including by approving the provision of non-audit services by the external auditor;
 - iii. monitoring and assessing the effectiveness of the external audit, including by meeting with the external auditor without the presence of Senior Management at least annually;
 - iv. maintaining regular, timely, open and honest communication with the external auditor, and requiring the external auditor to report to the AC on significant matters; and
 - v. ensuring that Senior Management is taking necessary corrective actions in a timely manner to address external audit findings and recommendations.

- b. Review the following and report the same to the Board -
 - i. with the external auditor, the nature and scope of their audit plan, their evaluation of the system of internal controls, their audit report and their management letter and discuss any matter that the external auditor may wish to raise in the absence of Management, where necessary;
 - ii. the assistance given by the employees of KIBB and/or its subsidiaries to the external auditor;
 - iii. any letter of resignation from the external auditor of KIBB and/or its subsidiaries; and
 - iv. whether there is reason (supported by grounds) to believe that the external auditor of KIBB and/or its subsidiaries is not suitable for re-appointment.

6.4 Internal Controls

- a. Review the effectiveness of the establishment and implementation of internal controls, compliance programme and risk management processes and systems of KIBB Group.
- b. Review third-party opinions on the design and effectiveness of KIBB Group's internal control framework.
- c. Ensure that Senior Management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by control functions such as risk management and compliance.

6.5 Effectiveness of Controls Established for Anti-Money Laundering, Counter Financing of Terrorism and Proceeds of Unlawful Activities ("AML/CFT")

Assist the Board in -

- a. ensuring that independent audits are conducted to check and testing the effectiveness of the policies, procedures and controls for KIBB Group's AML/CFT measures;

- b. reviewing internal control issues identified by the auditors and regulatory authorities and evaluating the adequacy and effectiveness of the internal controls for KIBB Group's AML/CFT measures;
- c. ensuring the AML/CFT measures are in compliance with the relevant regulations and guidelines and whether the current AML/CFT measures which have been put in place are in line with the latest developments and changes to the relevant AML/CFT requirements; and
- d. evaluating the reliability, integrity and timeliness of the internal and regulatory reporting and management information.

6.6 Speak Up

The Chairman of the AC shall be the designated Speak Up Director responsible for the overall supervision of speaking up and speaking out related matters of KIBB Group by ensuring the effective implementation of the Group Speak Up Policy across all entities within KIBB Group.

6.7 Related Party Transaction and Conflict of Interest

Review and report to the Board any related party transaction and conflict of interest situation that arose, persist or may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

6.8 Regulatory Examinations/ Inspection Reports/ Reporting Obligations

- a. Ensure proper implementation and recommend appropriate remedial and corrective measures in respect of the findings arising from examinations/ inspections conducted by the regulatory authorities on entities within KIBB Group.

- b. Ensure timely and effective communications/ reporting to the regulators on matters affecting the safety and soundness of entities within KIBB Group upon becoming aware of the same.
- 6.9 Reports of the internal auditors and the AC shall not be subject to the clearance of the Management.
- 6.10 Perform any other functions as may be mutually agreed by the AC and the Board.
- 6.11 Review the accuracy and adequacy of the Chairman's Statement in the Directors' Report, corporate governance disclosures and internal control³, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
- 6.12 Monitor compliance with the Group Conflict Management Policy in respect of the Director's actual or potential conflicts of interest.

Where the AC is of the view that a matter reported by the AC to the Board of KIBB has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements, the AC must promptly report such matter to Bursa Securities.

7.0 REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of the AC shall be reviewed as and when required by the Board to keep it up to date and consistent with the AC's objectives and responsibilities, as well as relevant applicable regulatory and statutory requirements.

In this Terms of Reference, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

APPENDIX 1**ACCOUNTANTS ACT 1967****FIRST SCHEDULE
(Sections 14 and 15)****PART I**

- (a) the final examination of the University of Malaya for the Diploma Perakaunan (Diploma in accounting);
- (b) the final examination of the University of Malaya for the Ijazah Sarjana Muda Perakaunan (Degree of Bachelor of Accounting);
- (c) the final examination of the Universiti Kebangsaan Malaysia for the Ijazah Sarjana Muda Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (d) the final examination of the MARA Institute of Technology for the Diploma Lanjutan Perakaunan (Advanced Diploma in Accountancy);
- (e) the final examination of the Universiti Teknologi MARA for the Ijazah Sarjana Muda Perakaunan (Degree of Bachelor of Accounting);
- (f) the final examination of the Universiti Utara Malaysia for the Ijazah Sarjana Muda Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (g) the final examination of the Universiti Pertanian Malaysia for the Ijazah Bachelor Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (h) the final examination of the Universiti Putra Malaysia for the Ijazah Bachelor Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (i) the final examination of the Universiti Islam Antarabangsa for the Ijazah Sarjana Muda Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (j) the final examination of the Universiti Sains Malaysia for the Ijazah Sarjana Muda Perakaunan (Kepujian) (Degree of Bachelor of Accounting (Honours));
- (k) the final examination of the Universiti Utara Malaysia for the Degree of Bachelor of Accounting (Honours)(Information System),
[Subs. P.U.(A) 281/2007]
- (l) the final examination of the Universiti Tenaga Nasional for the Degree of Bachelor of Accounting (Honours), the academic programme for which first commenced from the academic year 2002/2003 onwards;

[Ins. P.U.(A) 140/2004; Am. P.U.(A) 281/2007]

- (m) the final examination of the Universiti Multimedia for the Degree of Bachelor of Accounting (Honours), the academic programme for which first commenced from the academic year 2002/2003 onwards;

[Ins. P.U.(A) 140/2004; Am. P.U.(A) 281/2007]

- (n) the final examination of the Kolej Universiti Sains dan Teknologi Malaysia for the Degree of Bachelor of Accounting (Honours);

[Ins. P.U.(A) 281/2007]

- (o) the final examination of the Universiti Malaysia Sabah for the Degree of Bachelor of Accounting (Honours);

[Ins. P.U.(A) 281/2007; Am. P.U.(A) 161/2011]

- (p) the final examination of the Universiti Industri Selangor for the Degree of Bachelor of Accounting (Honours);

[Ins. P.U.(A) 161/2011]

- (q) the final examination of the Universiti Sultan Zainal Abidin for the Degree of Bachelor of Accounting (Honours);

[Ins. P.U.(A) 141/2013]

- (r) the final examination of the Universiti Sains Islam Malaysia for the Degree of Bachelor of Accounting (Honours);

[Ins. P.U.(A) 194/2014]

- (s) the final examination of the Universiti Tunku Abdul Rahman for the Degree of Bachelor of Accounting (Honours).

[Ins. P.U.(A) 194/2014]

- (t) the final examination of the INTI International University for the Degree of Bachelor of Accounting (Honours)

[Ins. P.U.(A) 113/2015]

- (u) the final examination of the Management and Science University for the Degree of Bachelor in Accountancy (Honours), the academic programme for which first commenced with the academic session November 2010 onwards.

[Ins. P.U.(A) 90/2016]

PART II

The recognised bodies for the purposes of sections 14(1)(b) and 15(b) are:
[Am. Act A1099]

- (a) Malaysian Association of Certified Public Accountants;
- (b) Institute of Chartered Accountants of Scotland;
- (c) Institute of Chartered Accountants in England and Wales;
- (d) Institute of Chartered Accountants in Ireland;
- (e) Association of Chartered Certified Accountants (United Kingdom);
- (f) Institute of Chartered Accountants in Australia;
- (g) Australian Society of Certified Practising Accountants;
- (h) New Zealand Chartered Accountants;
- (i) Canadian Institute of Chartered Accountants;
- (j) Institute of Chartered Accountants of India; and
- (k) Chartered Institute of Management Accountants (United Kingdom).

Appendix 3

KENANGA INVESTMENT BANK BERHAD GROUP BOARD RISK COMMITTEE TERMS OF REFERENCE

1.0 OBJECTIVES

- 1.1 Support the Board of Directors ("**Board**") in meeting the expectations on risk management as set out in Bank Negara Malaysia's Policy Document on Risk Governance.
- 1.2 Assist 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 Group Governance, Nomination & Compensation Committee ("**GNC**").
- 1.3 Support the Board in carrying out the oversight governance function of sustainability risks and opportunities and its underlying Environmental, Social and Governance ("**ESG**") matters of the Group.

2.0 COMPOSITION

- 2.1 The Group Board Risk Committee ("**GBRC**" or "**the Committee**") shall comprise only Non-Executive Directors with at least three (3) members of which majority shall be Independent Directors.
- 2.2 The membership of the GBRC, including the position of Chairman shall be approved by the Board of Kenanga Investment Bank Berhad ("**KIBB**" or "**the Company**") based on the recommendation of the GNC.
- 2.3 The Chairman of the GBRC shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.4 Members of the GBRC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Directors of the Company.

All members of the GBRC, including the Chairman, will hold office only so long as they serve as Directors of the Company.

- 2.5 In the event of any vacancy resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy.

Note

If corporate finance activities are to be overseen by the GBRC, none of the Committee members shall be a licensed dealer's representative and undertake dealing in securities activities, and there shall be appropriate procedures to preserve client confidentiality and limit disclosure of price sensitive information with respect to securities.

3.0 SECRETARY

The Company Secretary shall act as the Secretary of the GBRC.

4.0 RIGHTS OF THE GBRC

- 4.1 The GBRC shall have the resources and full and unrestricted access to the records of KIBB and/or its subsidiaries (including the records of all Board and Management Committee meetings), properties and officers which are relevant to its activities, in carrying out its duties and responsibilities.
- 4.2 The GBRC shall have the means and ability to seek independent third party views or information on risk implications as appropriate, before coming to any conclusion or making any significant policy decisions, at the cost of the Company. This should serve to promote informed and robust decision-making by the GBRC/ Board in a manner that complements and adds value to the work of Senior Management.

5.0 MEETINGS

5.1 Quorum

- a. The quorum of the GBRC meeting shall be two-thirds (2/3) of the GBRC members with an Independent Director present. Meetings with a quorum in attendance shall constitute a competent and fully empowered GBRC, able to exercise all authority vested in and exercisable by the GBRC.

If the Chairman is not present those present shall elect one of their number, who is an Independent Director, to chair the meeting.

- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.

5.2 Frequency of Meetings

- a. The GBRC shall meet on a bi-monthly basis or as and when required.
- b. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two-thirds (2/3) of the GBRC members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.
- c. At least once a year, the GBRC shall convene a joint meeting with the Audit Committee (“**AC**”) to ensure effective exchange of information so as to enable effective coverage of all risks, including emerging, sustainability and climate-related risk issues that could have an impact on the risk appetite and business plans of KIBB and/or its subsidiaries.

5.3 Attendance at Meetings

The GBRC may invite the Directors or members of the Senior Management and employees of KIBB and/or its subsidiaries to be in attendance during meetings to assist in its deliberations.

5.4 Minutes of Meetings

- a. The minutes of each GBRC meeting shall be distributed to all the GBRC members and presented at the Board meeting for notation.
- b. The Minutes of the GBRC meetings shall be made available for inspection by any member of the GBRC, Board, internal and external auditors, as well as relevant regulators.

6.0 RESPONSIBILITIES OF THE GBRC

6.1 Risk Strategies and Risk Profile

- a. Review and recommend to the Board for approval, the Company’s overall risk strategy¹, including the risk appetite², as recommended by the Group Risk Committee (“**GRC**”) and assist the Board in overseeing implementation of the same.

¹ Risk strategy is the plan to ensure that the business is operating within the Company’s risk appetite.

² Risk appetite is a high level determination of how much risk the Company is willing to accept taking into account risk/return attributes.

- b. Review Management's implementation of an appropriate risk strategy and obtaining assurance that organisational units are operating within the parameters of KIBB's appetite for specific types of risk.
- c. Assist the Board in ensuring that KIBB's corporate objectives are supported by a sound risk strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of its activities.
- d. Review risk profiles report periodically and recommendation from the GRC on risk positioning strategies in response to change of internal and/or external economic environments and key factors that may affect the outcome of KIBB's original business plan.
- e. Review and approve any changes to the classification of climate risk rating profiles and methodologies, as recommended by the Group Credit Committee and GRC.
- f. Review and recommend to the Board for approval, any exceptional handling which is not specified in the Climate Change Risk Management Framework, as recommended by the GRC and Group Sustainability Management Committee.

6.2 Risk Policies and Framework

- a. Assist the Board in reviewing and overseeing the design and development of the risk management framework and ensure that the framework is effective for controlling risk-taking activities of KIBB in line with its risk appetite and has taken into account changes in the business environment.
- b. In doing so, the GBRC must provide constructive challenge to Management on the credibility and robustness of the framework to ensure that there are no material gaps or weaknesses.

6.3 Risk Appetite and Limits Setting

- a. Assist the Board in reviewing and affirming KIBB's risk appetite regularly to ensure that it continues to be relevant and reflects any changes in KIBB's capacity to take on risk, its inherent risk profile, as well as market and macroeconomic conditions.
- b. Regularly obtain information from Senior Management on adherence to KIBB's risk appetite and the implementation of risk management policies, processes, and controls within KIBB in managing the key risks to KIBB and its subsidiaries, as well as emerging, sustainability and climate-related risks. This should

be supported by independent assessments by the risk management and control functions.

- c. Provide constructive challenge to Senior Management and critically review the risk information and developments affecting KIBB and/or its subsidiaries.

6.4 Risk Methodologies and Infrastructure

Ensure that risk management tools and methodologies, infrastructure, resources and systems are in place by ensuring that the staff responsible for implementing risk management systems performs those duties independently of KIBB's risk taking activities.

- 6.5 Assist the Board in ensuring that a sound control environment exists within KIBB and its subsidiaries with clear identification of responsibilities for incurring and controlling risks assigned respectively to business units, the risk management and control functions, and internal audit.
 - 6.6 The GBRC and the AC must also periodically meet to ensure effective exchange of information so as to enable effective coverage of all risks, including emerging, sustainability and climate-related risk issues that could have an impact on the Company's risk appetite and business plans.
7. In these Terms of Reference, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

Version	2.0
Date of Board's Approval	7 December 2023
Effective Date	7 December 2023

1. Asset and Liability Management

Provide oversight and governance of asset and liability management in respect of:

- a. Asset and liability/ balance sheet management;
- b. Capital management/ stress test;
- c. Interest rate risk management;
- d. Funding and liquidity management; and
- e. Other asset and liability and liquidity risk related matters.

2. Market Risk Management

Provide oversight and governance of market risk management in respect of the following:

- a. Across assets classes including, but not limited to:
 - i. Interest rate risk;
 - ii. Currency risk;
 - iii. Equity and commodity risk;
 - iv. Credit spread risk; and
 - v. Others;
- b. Market risk profile and assessment management;
- c. Risk capital and stress test management; and
- d. Other market risk management related matters.

3. Credit Risk Management

Provide oversight and governance of credit risk management in respect of:

- a. Credit risk profile management;
- b. Credit asset quality management;
- c. Credit stress testing management;
- d. Single counterparty exposure limit management;
- e. Credit scoring model; and
- f. Other credit risk related matters.

4. Strategic Risk Management

Provide oversight and governance of risk associated with business strategies and plans.

5. **Operational Risk Management**

Provide oversight and governance of operational risk profile and operational risk related assessments as below.

- a. Operational risk loss incidents/events management;
- b. Operational risk and control self-assessment profiling; and
- c. Operational key risk indicator trend analysis.

6. **Technology Risk Management**

Provide oversight and governance of technology risk profile and technology risk related assessments as below.

- a. Technology risk loss incidents/events management;
- b. Technology risk and control self-assessment profiling; and
- c. Technology key risk indicator trend analysis.

7. **Business Continuity Management (“BCM”)**

Provide oversight and governance of business continuity management encompassing the scope of:

- a. On Yearly Basis
 - i. Group wide risk assessment and business impact analysis undertaken by business and support units;
 - ii. Level of Disruption Business Continuity Plan (“BCP”)/Disaster Recovery (“DR”) test matrix for Kenanga Group; and
 - iii. BCM documentation on a group wide basis.
- b. On Quarterly Basis

Group wide testing/ exercise of BCP/ DR Plan updates.
- c. On Ad Hoc Basis
 - i. Command centre management; and
 - ii. Crisis Management Team formation.

8. **Climate Risk Management**

Provide oversight and governance of climate risk management in respect of:

- a. Climate risk assessment and classification (including Risk Assessment Checklist);

- b. Climate risk profile management, including reporting;
- c. Stress testing and scenario analysis related to climate risk; and
- d. Any other climate-related risks.

Appendix 4



KENANGA INVESTMENT BANK BERHAD

**GROUP BOARD DIGITAL INNOVATION
& TECHNOLOGY COMMITTEE**

TERMS OF REFERENCE

GLOSSARY

Terms	Description
Board	Board of Directors
Board Committee	Any committee of the Board of KIBB established from time to time, including the Shariah Committee of KIBB
Company Secretary	Group Company Secretary of Kenanga Investment Bank Berhad and Its Subsidiaries
CRF	Cyber Resilience Framework
Director	As defined under Section 2 of the Capital Markets and Services Act 2007 as amended, supplemented or modified from time to time.
GDITC	Group Digital Innovation & Technology Committee
GBRC	Group Board Risk Committee
GBDITC or the Committee	Group Board Digital Innovation & Technology Committee of KIBB
IT	Information Technology
KIBB or the Company	Kenanga Investment Bank Berhad (197301002193 (15678-H))
KIBB Group or the Group	Kenanga Investment Bank Berhad and Its Subsidiaries
TRMF	Technology Risk Management Framework

DOCUMENT HISTORY

Version	Date Approved by Board	Effective Date of Implementation	Description
1	3 October 2019	3 October 2019	1 st Version of the TOR of the GBDITC
2	7 December 2023	7 December 2023	2 nd Version of the TOR of the GBDITC

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1. OBJECTIVE

The GBDITC is established to support the Board of KIBB Group in providing direction and oversight over technology-related matters, including risk, in line with internal, as well as relevant regulatory requirements.

In fulfilling this objective, the GBDITC shall review, evaluate and recommend technological innovations for the formulation of KIBB Group's medium and long term business strategy, and assist the Board in ensuring that the Group's technology resources and initiatives are aligned with its overall digitisation strategy and objectives vis-à-vis revenue growth and strategic cost reduction.

2. COMPOSITION

- 2.1 The GBDITC shall comprise only Non-Executive Directors with at least three (3) members of which majority shall be Independent Non-Executive Directors.
- 2.2 The Chairman of the GBDITC shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.3 Directors who are appointed as members of the GBDITC, including the Chairman, will hold office only so long as they serve as Directors of KIBB and do not have their GBDITC membership ended by the Board.
- 2.4 In the absence of the Committee Chairman, the remaining members present shall elect one (1) of their number to chair the meeting.
- 2.5 At least one (1) member of the GBDITC shall possess the technology experience and competencies to promote effective technology discussions.
- 2.6 Members of the GBDITC may relinquish their membership in the Committee with prior written notice to the Company Secretary and may continue to serve as Directors of KIBB.
- 2.7 In the event of any vacancy in the membership of the GBDITC, the Board shall, within three (3) months fill the vacancy.
- 2.8 A member of the GBDITC shall abstain from participating in discussions and decisions on matters involving him/ her which may give rise to an actual or perceived conflict of interest situation for him/ her.

- 2.9 The composition, as well as the roles and responsibilities of the GBDITC, may from time to time be revised by the Board as it deems fit.
- 2.10 The terms of office and performance of each of the GBDITC members shall be reviewed by the Group Governance, Nomination & Compensation Committee annually to determine whether the GBDITC and its members have carried out their duties in accordance with the GBDITC's Terms of Reference.

2.11 Permanent Invitee

The following shall be the permanent invitees to all GBDITC meetings:

- a. Group Managing Director¹;
- b. Chief Technology Officer²; and
- c. Head, Technology Risk & Business Continuity Management.

3. SECRETARY

The Company Secretary shall act as the Secretary of the GBDITC.

4. AUTHORITY

- 4.1 The GBDITC shall have full and unrestricted access to the records of KIBB and/or its subsidiaries (including the records of all Board, Board Committee and Management Committee meetings), properties and officers in carrying out its duties and responsibilities.
- 4.2 The GBDITC shall also have the authority to conduct enquiries and obtain independent external legal or other professional advice if it considers necessary in discharging its duties and responsibilities, at the cost of KIBB and/or its subsidiaries. This should serve to promote informed and robust decision-making by the GBDITC/ Board in a manner that complements and adds value to the work of senior management.

¹ In the absence of the Group Managing Director, the Group Chief Financial and Operations Officer shall be his alternate to attend the GBDITC meeting for and on his behalf.

² In the absence of the Chief Technology Officer, the Group Chief Financial and Operations Officer shall be his alternate to attend the GBDITC meeting for and on his behalf.

5. MEETINGS

5.1 Quorum

- a. The quorum for the GBDITC meeting shall be two-thirds (2/3) of the total GBDITC members and majority of the members present shall be Independent Non-Executive Directors. Meetings with a quorum in attendance shall constitute a competent and fully empowered Committee, able to exercise all authority vested in and exercisable by the Committee.
- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.
- c. Where only the minimum quorum is present or where only two (2) attendees are competent to vote on the question in issue, and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the GBDITC or referred to the Board, whichever is more expedient.
- d. Decision-making shall be by way of a majority of votes of the GBDITC members present and voting at the meeting.

5.2 Frequency of Meetings

- a. The GBDITC shall meet on a quarterly basis or as and when required.
- b. In addition, the Chairman of the GBDITC shall call a meeting of the Committee if a request is made by any member of the Committee.

5.3 Circular Resolutions

- a. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by a majority of all GBDITC members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.
- b. All such resolutions shall be described as “Members’ Circular Resolutions” and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book. Any such resolution may consist of several documents in the like form, each signed by one (1) or more members. The expressions “in writing” or “signed” include approval by legible confirmed transmission by any forms of electronic communications.

5.4 Attendance at Meetings

The GBDITC may invite external consultants or advisers, or any other Directors or members of the senior management and employees of KIBB Group to be in attendance during meetings to assist in its deliberations on any matters within its purview.

5.5 Minutes of Meetings

- a. The minutes of each GBDITC meeting shall be distributed to all its members and presented at the GBRC and Board meetings for notation.
- b. The minutes of the GBDITC meetings shall be made available for inspection by any member of the Committee, Board, as well as the internal/ external auditors and regulators.

- 5.6 The Chairman of the GBDITC shall report to the Board on any matter that should be brought to the Board's attention, and provide the recommendations of the GBDITC that require the Board's approval.

6. ROLES AND RESPONSIBILITIES

- 6.1 Review and recommend to the GBRC for onward recommendation to the Board for approval, the technology risk appetite which is to be aligned with KIBB Group's risk appetite statement.

In doing so, the GBDITC shall recommend to the GBRC for onward recommendation to the Board for approval, the corresponding risk tolerances for technology-related events, key performance indicators and forward-looking risk indicators, these serving to help monitor KIBB Group's technology risk against its approved risk tolerance.

- 6.2 Ensure and oversee the adequacy of KIBB Group's IT infrastructure, cybersecurity, development and implementation of KIBB Group's longer term strategic digitization plan including but not limited to, the new emerging technology related to the use of artificial intelligence, blockchain, Cloud, data and the construction of an ecosystem encompassing proprietary and third (3rd) party products and services. This shall include reviewing IT annual budgets prior to approval of KIBB Group's budgets by the Board of KIBB.

These plans, which shall be in line with KIBB Group's current and envisaged operations, strategies and its business environment and shall be periodically reviewed at least once every three (3) years, shall address KIBB Group's requirements -

- a. for technology based infrastructure with regard to data recovery, system availability and cost effectiveness;
 - b. to mitigate IT and cyber security risks;
 - c. to manage technology obsolescence;
 - d. to use technology to enhance returns from KIBB Group's financial and non-financial resources; and
 - e. to ensure compliance with internal and external regulatory requirements.
- 6.3 Oversee the effective implementation of a sound and robust TRMF³ and CRF⁴ for KIBB Group to ensure the continuity of operations and delivery of services.
- 6.4 Exercise effective oversight and address associated risks when engaging third (3rd) party service providers for critical technology functions and systems.
- 6.5 Provide oversight over cloud strategy and operational management for critical systems.
- 6.6 Ensure continuous engagement with cybersecurity preparedness, education and training given the rapid evolvement of the cyber threat landscape.
- 6.7 The GBDITC shall –
- a. Regularly review the updates on the status of the key performance indicators and forward-looking risk indicators in respect of the risk tolerances for technology-related events, together with sufficiently detailed information on key technology risks and critical technology operations to facilitate strategic decision-making;
 - b. Review, at least once every three (3) years or at an earlier interval if so required –
 - i. the IT and cybersecurity strategic plans;
 - ii. the TRMF and CRF to ensure the same remain relevant on an ongoing basis to guide KIBB Group's management of technology risks;
 - iii. the outcome of the assessment in respect of the production data centre resilience and risk assessment; and

³ TRMF is a framework to safeguard KIBB Group's information infrastructure, systems and data.

⁴ CRF is a framework for ensuring KIBB Group's cyber resilience.

- iv. the outcome of the assessment in respect of the network resilience and risk assessments;
 - c. Review the updates by the GDITC on the key technology matters, including any material deviation from the technology-related policies being approved by the GDITC; and
 - d. Review the reports on the management of the risks arising from the implementation of significant technology projects⁵ on an ongoing basis throughout the implementation of the same.
- 6.8 The GBDITC shall interface with the GBRC on technology risk-related matters to ensure effective oversight of all risks at the enterprise level.
- 6.9 The GBDITC shall not be delegated with decision-making powers but shall escalate its recommendation to the full Board for approval. However, with regard to technology risk-related matters, the GBDITC shall escalate its recommendation to the GBRC for onward recommendation to the Board for approval.

7. REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference of the GBDITC shall be reviewed as and when required by the Board to keep it up to date and consistent with the GBDITC's objectives and responsibilities, as well as relevant applicable regulatory and statutory requirements.

In this Terms of Reference, any reference to any provision of legislations, guidelines, circulars or directives shall include all amendments, modifications, consolidations or replacements as may be issued from time to time.

⁵ Key significant project refers to project having:

- an actual or potential material impact on the business or reputation of the Group; or
- Capital Expenditure/ Operating Expenditure of above RM2.0 million, in line with the Group Approving Authority Framework.

Appendix 5



**KENANGA INVESTMENT BANK BERHAD
(197301002193 (15678-H))**

TERMS OF REFERENCE

**EMPLOYEES' SHARE SCHEME
COMMITTEE**

GLOSSARY

Terms	Description
Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Board	The Board of Directors of Kenanga IB for the time being
By-Laws	The rules, terms and conditions of the Scheme, as may be modified, varied and/or amended from time to time in accordance with By-Law 27
Effective Date	The date on which the Scheme comes into force as provided by By-Law 25.1
Eligible Person(s)	The Employee(s) and Executive Director(s) of the Kenanga IB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of eighteen (18) years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
ESGP	The employee share grant plan comprising the RSP and the PSP
ESGP Award	A contingent award of Shares comprising a PSP Grant and/or RSP Grant made in writing by the ESS Committee to the Eligible Persons to participate in the ESGP as set out under By-Law 11
ESGP Grantee	A PSP Grantee and/or RSP Grantee, as the case may be
ESOS	The employees' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out in the By-Laws of the ESS
ESOS Grantee	An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Offer	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7

Terms	Description
ESOS Options or Options	The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS or the Scheme	Kenanga Investment Bank Berhad Employees' Share Scheme comprising the ESOS and the ESGP
ESS Award	Collectively, the ESOS Offer and the ESGP Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of the By-Laws
ESS Committee	The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or senior management personnel of the Kenanga IB Group identified from time to time by the Board
Exercise Price	The price at which an ESOS Grantee shall be entitled to subscribe for each new Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	An ESOS Grantee and/or ESGP Grantee, as the case may be
Group or Kenanga IB Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23
Kenanga IB or the Company	Kenanga Investment Bank Berhad (15678-H)
PSP	The performance share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
PSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the PSP
RSP	The restricted share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee

Terms	Description
RSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the RSP
Shares	Ordinary shares in the relevant ordinary share capital of the Company from time to time
Vesting Conditions	The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an ESGP Award to be vested in a Grantee
Vesting Date(s)	The date or dates on which all or some of the Shares to which an ESGP Award relates is vested pursuant to the ESGP Award stipulated by the ESS Committee in accordance with By-Law 13

DOCUMENT HISTORY

Version	Date of the Board's Approval of the Terms of Reference	Effective Date of the Terms of Reference	Description
1	7 December 2017	30 October 2017	1 st version of the Terms of Reference of the ESS Committee
2	31 October 2018	31 October 2018	2 nd version of the Terms of Reference of the ESS Committee
3	23 April 2019 (Approved by GMD)	23 April 2019	3 rd version of the Terms of Reference of the ESS Committee
4	28 October 2021	28 October 2021	4 th version of the Terms of Reference of the ESS Committee

KENANGA INVESTMENT BANK BERHAD

(197301002193 (15678-H))

EMPLOYEES' SHARE SCHEME COMMITTEE

TERMS OF REFERENCE

1.0 OBJECTIVE

The objective of the ESS Committee is to assist the Board to:

- 1.1 Administer the ESS in accordance with the By-Laws governing the Scheme as approved by shareholders of Kenanga IB.
- 1.2 Do all acts and things and in such manner as it, in its discretion, deems fit and enter into any transaction, agreement, deed, document or arrangement and make such rules and regulations, impose such terms and conditions, approved by the Board pursuant to the By-Laws of the ESS.
- 1.3 Subject to the provisions of the ESS, to construe and interpret the By-Laws of the ESS, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESS and its administration and the Board shall have the power by resolution to add to, amend and/or delete all or any of the By-Laws upon such recommendation, subject always to the terms of the By- Laws.

The ESS Committee in the exercise of this power may correct any defect, supply any omission or reconcile any inconsistency in the By- Laws or in any agreement providing for any option in such manner and to the extent it shall deem necessary to expedite and make the ESS fully effective in accordance with the By-Laws.

- 1.4 Determine 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 subsidiaries, 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.

2.0 COMPOSITION

- 2.1 The ESS Committee shall comprise only Non-Executive Directors with at least three (3) members of which majority should be Independent Non-Executive Directors. The Chairman of the ESS Committee shall be an Independent Non-Executive Director and shall not be the Chairman of the Board.
- 2.2 The membership of the ESS Committee, including the position of Chairman shall be approved by the Board based on the recommendation made by the Group Nomination & Remuneration Committee (“**NRC**”).
- 2.3 The Chairman of the ESS Committee shall be appointed by the Board.

In the event the Chairman is absent at any meeting of the ESS Committee, the members of the ESS Committee present shall choose one of their number to be Chairman of such meeting.
- 2.4 Directors who are appointed as members of the ESS Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company and do not have their ESS Committee membership ended by the Board.
- 2.5 In the event of any vacancy in the membership of the ESS Committee, the Board shall, within three (3) months fill the vacancy.
- 2.6 A member of the ESS Committee shall abstain from participating in discussions and decisions on matters involving him/ her which may give rise to an actual or perceived conflict of interest situation for him/ her.
- 2.7 The composition of the ESS Committee and the roles and responsibilities of the ESS Committee, may from time to time be revised by Board as it deems fit.

3.0 SECRETARY

The Company Secretary shall act as the Secretary of the ESS Committee.

4.0 AUTHORITY

- 4.1 The ESS Committee shall have full and unrestricted access to the Company's records, properties and officers in carrying out its duties and responsibilities.

- 4.2 The ESS Committee shall also have the authority to conduct enquiries and obtain independent legal or other professional advice –
- a. if it considers necessary in discharging its duties and responsibilities; and
 - b. in the event of any dispute with any Eligible Employee with regard to any decision made by the ESS Committee pertaining to the ESS.

5.0 MEETINGS

5.1 Quorum

- a. The quorum for the ESS Committee meeting shall be at least 50% of total ESS Committee members.
- b. No business shall be transacted unless a quorum is present either in person or by video or telephone conferencing throughout the proceedings of the meeting.
- c. Where only the minimum quorum is present or where only two (2) attendees are competent to vote on the question in issue, and there is equality in vote, the resolution shall be deemed not to have been passed, whereupon the question in issue shall be tabled at the next meeting of the ESS Committee or referred to the Board, whichever is more expedient.
- d. Decision-making shall be by way of a majority of votes of the ESS Committee members present and voting at the meeting.

5.2 Frequency of Meetings

- a. The ESS Committee shall meet as often as may be deemed necessary or appropriate in its judgement or the judgement of the Board.
- b. In addition, the Chairman shall call a meeting of the ESS Committee if a request is made by any member of the ESS Committee.
- c. In the interim period between meetings, if the need arises, issues shall be resolved through circular resolution. A circular resolution in writing, stating the reason(s) to arrive at a recommendation or resolution, signed by at least two-third (2/3) of the ESS Committee members, shall be valid and effective as if it had been passed at a meeting duly convened and constituted.

5.3 Attendance at Meetings

The ESS Committee may invite the external consultants or advisers, or any other Directors or members of the senior management and employees of the Group to be in attendance during meetings to assist in its deliberations on any matters within its purview.

5.4 Minutes of Meetings

- a. The minutes of each ESS Committee meeting shall be kept and distributed to all ESS Committee members and presented at the Board meeting for notation.
- b. The minutes of the ESS Committee meetings shall be made available for inspection by any member of the ESS Committee, Board, as well as the internal auditors and regulators.

5.5 The Chairman of the ESS Committee shall report to the Board on any matter that should be brought to the Board's attention, and provide the recommendations of the ESS Committee that require the Board's approval.

6.0 ROLES AND RESPONSIBILITIES

- 6.1 Administer the ESS, subject to the By-Laws of ESS attached herewith as **Appendix 1**, in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board.
- 6.2 The decision of the ESS Committee shall be final and binding unless the Board determines otherwise.
- 6.3 In implementing the Scheme, the ESS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under the ESGP shall be satisfied by any of the following methods:
 - a. Issuance of new Shares;
 - b. Acquisition and transfer of existing Shares;
 - c. Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
 - d. A combination of any of the above.

- 6.4 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time ("**Trustee**"), if required, for the purposes of subscribing for new Shares and/or acquiring existing Shares from the Main Market of Bursa Malaysia Securities Berhad and transferring them to Grantees at such times as the ESS Committee shall direct ("**Trust**"). To enable the Trustee to subscribe for new Shares and/or acquire existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party to subscribe for Shares on behalf of Grantees and (if/where applicable) to release the relevant net gains arising from the sale of the Shares from the exercise of the ESOS Options by a Grantee (after deducting the Exercise Price and the related transaction costs) to the relevant Grantee.
- 6.5 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust ("**Trust Deed**"). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 6.6 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 6.7 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 6.8 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESS Committee as it shall deem fit.

7.0 EFFECTIVE DATE AND AMENDMENT

These Terms of Reference are effective as of the date they are adopted by the Board, and they will remain in effect until modified, superseded or cancelled by appropriate Board action. These Terms of Reference may be amended at any time by the Board in accordance with any other applicable rules and regulations governing the ESS.

8.0 REVIEW OF THE TERMS OF REFERENCE

The Terms of Reference shall be reviewed bi-annually, or as and when required, by the ESS Committee to keep it up to date and consistent with the ESS Committee's objectives and responsibilities, as well as relevant applicable regulatory and statutory requirements.

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KENANGA INVESTMENT BANK BERHAD
BY-LAWS OF THE EMPLOYEES' SHARE SCHEME

PART I

1. NAME OF THE SCHEME

This Scheme (as defined herein) shall be called the “Kenanga Investment Bank Berhad Employees’ Share Scheme”.

2. OBJECTIVES OF SCHEME

2.1 The objectives of the ESS (as defined herein) are as follows:

- (a) To recognise and reward the Eligible Persons (as defined herein) by giving recognition to their contributions and services that are considered vital to the operations and sustained growth and profitability of the Group (as defined herein);
- (b) To retain, motivate and reward the Eligible Persons by allowing them to participate in the Company’s profitability and eventually realise capital gains arising from any appreciation in the value of the Shares (as defined herein);
- (c) To attract prospective employees with relevant skills and experience to the Group (as defined herein) by making the total compensation package more competitive; and
- (d) To foster and reinforce a greater sense of loyalty and belonging amongst the Eligible Persons upon vesting of the Shares as they will be able to participate directly in the equity of the Company and thereby provides an incentive for the Eligible Persons to participate more actively in the operations and future growth of the Group and motivate them to further contribute to the growth and success of the Group.

2.2 In addition to the objectives set out in By-Law 2.1 above, the objective of the RSP (as defined herein) is to act as an incentive for Eligible Persons and recognise and retain appropriate Eligible Persons who have contributed to the development, growth and success of the Group during the course of their employment.

2.3 In addition to the objectives set out in By-Law 2.1 above, the objective of the PSP (as defined herein) is to act as an incentive for selected key management and to recognise the contribution of selected key management (who are the Eligible Persons) of the Group of such rank or position as may be designated by the ESS Committee from time to time in recognition of their contribution as drivers of the growth and performance of the Group during the tenure of the PSP.

3. DEFINITIONS AND INTERPRETATION

3.1 In these By-Laws, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

Act	The Companies Act 2016 as amended from time to time including all regulations made thereunder and any re-enactment thereof
Award Date	The date of the letter or e-mail of which an ESS Award is offered by the ESS Committee to the Eligible Persons to participate in the Scheme
Board	The Board of Directors for the time being of Kenanga IB

Bursa Depository	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	Bursa Malaysia Securities Berhad (635998-W)
By-Laws	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time in accordance with By-Law 27)
CDS	Central Depository System
CDS Account	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Chief Executive	Chief Executive Officer of Kenanga IB for the time being, by whatever name called, and whether or not he is a director
Company or Kenanga IB	Kenanga Investment Bank Berhad (15678-H), a public limited company incorporated in Malaysia under the Act and includes its successor-in-title and permitted assigns
Date of Expiry	Last day of the Duration of the Scheme as defined in By-Law 25.1
Director	A director within the meaning stipulated in the Act, which for the avoidance of doubt excludes alternate and substitute directors of Kenanga IB.
Disciplinary Proceedings	Proceedings instituted by Kenanga IB Group against an Employee for any alleged misbehaviour, misconduct and/or any other act of the Employee deemed to be unacceptable by Kenanga IB Group in the course of that Employee's employment, whether or not such proceedings may give rise to a dismissal or termination of the contract of service of such Employee
Duration of the Scheme	The duration of the Scheme as defined in By-Law 25 and includes any extension of the duration
Effective Date	The date on which the Scheme comes into force as provided in By-Law 25.1
EGM	Extraordinary General Meeting
Eligible Person(s)	The Employee(s) and Executive Directors of the Kenanga IB Group who meet(s) the criteria of eligibility for participation in the Scheme as set out in By-Law 5
Employee	A natural person who has attained the age of eighteen (18) years and is employed by, and is on the payroll of, any company in the Group and whose employment has been confirmed in writing and falls within any other eligibility criteria that may be determined by the ESS Committee from time to time at its discretion
Entitlement Date	The date as at the close of business on which the names of shareholders must appear in Kenanga IB's Record of Depositors and/or Register of Members in order to be entitled to any dividends, rights, allotments and/or other distributions

ESGP	The employee share grant plan comprising the RSP and the PSP
ESGP Award	A contingent award of Shares comprising of a PSP Grant and/or RSP Grant made in writing by the ESS Committee to the Eligible Persons to participate in the ESGP as set out under By-Law 11
ESGP Grantee	A PSP Grantee and/or RSP Grantee, as the case may be
ESOS	The employees' share option scheme for the benefit of the Eligible Persons to subscribe for Shares according to the terms set out herein
ESOS Offer	An award of ESOS Options made in writing by the ESS Committee from time to time to an Eligible Person to participate in the ESOS in the manner provided in By-Law 7
ESOS Grantee	An Eligible Person who has accepted an ESOS Offer in the manner provided in By-Law 8
ESOS Options or Options	The right of an ESOS Grantee to subscribe for Shares at the Exercise Price pursuant to an ESOS Offer duly accepted by the ESOS Grantee in the manner provided in By-Law 8
ESS Award	Collectively, the ESOS Offer and the ESGP Award offered by the ESS Committee to the Eligible Persons and "ESS Award" shall mean any one of them in the context of these By-Laws
ESS Committee	The committee appointed by the Board to administer the ESS in accordance with By-Law 28, comprising such number of the Directors and/or senior management personnel of the Kenanga IB Group identified from time to time by the Board
ESS or Scheme	Kenanga Investment Bank Berhad Employees' Share Scheme comprising the ESOS and the ESGP
Executive Director	A Director of the Group who, on the Award Date, is on the payroll of the Group and is involved in the day-to-day management of any company within the Group
Exercise Price	The price at which an ESOS Grantee shall be entitled to subscribe for each Share from the Company upon the exercise of the ESOS Options, as initially determined and as may be adjusted pursuant thereto in accordance with the provisions of By-Law 10
Grantee	An ESOS Grantee and/or ESGP Grantee, as the case may be
Group or Kenanga IB Group	The Company and its subsidiary company(ies) as defined in Section 4 of the Act, which are not dormant. Subject to the foregoing, subsidiaries include subsidiaries which are existing as at the Effective Date and subsidiaries which are incorporated or acquired at any time during the duration of the ESS but exclude subsidiaries which have been divested in the manner provided in By-Law 23

Listing Requirements	The Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
Major Shareholder	As defined in paragraph 1.01 of the Listing Requirements
Market Day	A day on which Bursa Securities is open for trading of securities
Maximum Allowable Allotment	The maximum number of Shares in respect of the ESS Awards that can be offered and allotted and/or transferred to an Eligible Person in accordance with the provisions of By-Law 6
Offer Period	A period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole and absolute discretion during which an ESOS Offer is valid as stipulated in By-Law 7.5
Option Period	The period commencing from the Effective Date to a date not exceeding five (5) years or such other date as stipulated by the ESS Committee in the ESOS Offer or upon the date of termination or expiry of the ESOS as provided in By-Laws 17 or 25 respectively
Performance Target	The performance targets determined by the ESS Committee, which are to be achieved by the Grantee and/or Group and/or business units within the Group as determined by the ESS Committee, during such period as specified in the ESGP Award
Persons Connected	Shall have the same meaning given in relation to Persons Connected with a Director or Persons Connected with a Major Shareholder as defined in paragraph 1.01 of the Listing Requirements
PSP	The performance share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
PSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the PSP
Principal Adviser	A person set out in the Approved List of Principal Advisers published on the SC's website
RSP	The restricted share plan adopted or to be adopted by the Company under the ESGP, as may be modified or altered from time to time by the ESS Committee
RSP Grant	A grant of Shares made in writing by the ESS Committee from time to time to an Eligible Person under the RSP
Rules of Bursa Depository	The rules of Bursa Depository, as issued pursuant to SICDA

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| SC | Securities Commission Malaysia |
| Shares | Ordinary shares in the relevant ordinary share capital of the Company from time to time |
| SICDA | Securities Industry (Central Depositories) Act 1991, as amended from time to time |
| Treasury Shares | Shares retained by the Company as treasury shares pursuant to share buy-backs carried out by the Company from time to time |
| Vesting Conditions | The conditions determined by the ESS Committee and stipulated in the ESS Award which must be fulfilled for the Options under an ESOS Offer or the Shares under an ESGP Award to be vested in a Grantee |
| Vesting Date(s) | The date or dates on which all or some of the Shares to which an ESGP Award relates is vested pursuant to the ESGP Award stipulated by the ESS Committee in accordance with By-Law 13 |
| Vesting Notice | Has the meaning ascribed to it in By-Law 13.3 |
- 3.2 Headings are for ease of reference only and do not affect the meaning of a By-Law.
- 3.3 Any reference to a statutory provision or an applicable law shall include a reference to:
- (a) any and all subsidiary legislation made from time to time under that provision or law;
 - (b) any and all Listing Requirements, policies and/or guidelines of Bursa Securities and/or Bank Negara Malaysia and/or the SC (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed by Bursa Securities and/or Bank Negara Malaysia and/or the SC);
 - (c) that provision as from time to time modified or re-enacted, whether before or after the date of these By-Laws, so far as such modification or re-enactment applies or is capable of applying to any ESGP Award or ESOS Offer (as may be applicable) made, offered and/or accepted within the Duration of the Scheme; and
 - (d) any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced.
- 3.4 Words importing the masculine gender shall include the feminine and neuter genders.
- 3.5 Words importing the singular number shall include the plural number and vice versa.
- 3.6 If an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day; and if an event is to occur on a stipulated day which falls after the Date of Expiry then the stipulated day shall be taken to be the last Market Day of the Duration of the Scheme.
- 3.7 Any liberty or power or discretion which may be exercised, and/or any decision or determination which may be made, under these By-Laws:
- (a) by the Board may be exercised in the Board's sole and absolute discretion and the Board shall not be under any obligation to give any reasons therefor;

- (b) by the ESS Committee may be exercised in the ESS Committee's sole and absolute discretion and the ESS Committee shall not be under any obligation to give any reason therefor, but subject always to the Board's power to overrule any decision of the ESS Committee.
- 3.8 In the event of any change in the name of the Company from its present name, all reference to "Kenanga Investment Bank Berhad" in these By-Laws and all other documents pertaining to the Scheme shall be deemed to be references to the Company's new name.

PART II

4. MAXIMUM NUMBER OF SHARES AVAILABLE UNDER THE SCHEME

- 4.1 The aggregate maximum number of Shares which may be made available under the Scheme and all other employee share schemes of the Company which may still be subsisting, if any (whether in the form of new Shares to be issued under the Scheme or the aggregate number of new Shares together with existing Shares made available for the purposes of the Scheme), shall not in aggregate exceed ten percent (10%) of the issued share capital of the Company (excluding Treasury Shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.
- 4.2 Notwithstanding By-Law 4.1 above nor any other provision herein contained, in the event the maximum number of Shares granted under the Scheme exceeds in aggregate ten percent (10%) of the issued share capital of the Company (excluding Treasury Shares, if any) as a result of the Company purchasing its own Shares pursuant to Section 127 of the Act or the Company undertaking any corporate proposal and thereby diminishing the issued share capital of the Company, then such ESS Awards granted prior to the adjustment of the issued share capital (excluding Treasury Shares, if any) of the Company shall remain valid and exercisable in accordance with these By-Laws. However, in such a situation, the ESS Committee shall not make any further ESS Awards unless the total number of Shares to be issued under the Scheme falls below ten percent (10%) of the issued share capital of the Company (excluding Treasury Shares, if any) at any point of time during the Duration of the Scheme as provided in By-Law 25.1.

5. ELIGIBILITY

- 5.1 Only Eligible Persons who fulfil the following conditions on the date on which an offer is made in writing by the ESS Committee to such persons to participate in the Scheme shall be eligible to participate in the Scheme:
 - (a) in respect of an Employee, the Employee must fulfil the following criteria as at the Award Date:
 - (i) he/she is at least eighteen (18) years of age on the Award Date and he/she is employed by, and is on the payroll of, any company in the Group and his/her employment has been confirmed by any company in the Group; or
 - (ii) such Employee falls within any other eligibility criteria (including variations to the eligibility criteria under By-Law 5.1(a)(i) above) that may be determined by the ESS Committee from time to time at its sole discretion, whose decision shall be final and binding.
 - (b) in respect of an Executive Director, the Executive Director must fulfil the following criteria as at the Award Date:
 - (i) he/she is at least eighteen (18) years of age on the Award Date; and

- (ii) he/she has been appointed as an Executive Director of the Company or any other company in the Group; and
 - (iii) he/she has been employed by, and is on the payroll of, the Company or any other company in the Group; and
 - (iv) specific allocation of Shares to an Executive Director of the Company under the Scheme must have been approved by the shareholders of Kenanga IB in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the Scheme.
- (c) For both the RSP and the PSP, in addition to the criteria referred to in paragraphs (a) and (b) above, such Employee or Executive Director shall hold a senior management rank or position in the Kenanga IB Group, or such rank or position as may be designated by the ESS Committee from time to time as at the Award Date.
- (d) If the Eligible Person is employed by a company which is acquired by the Group during the Duration of the Scheme and becomes a subsidiary whether directly or indirectly held by the Company upon such acquisition, the Eligible Person must fulfil the following as at the Award Date:
- (i) he/she is at least eighteen (18) years of age; and
 - (ii) he/she is employed full time by and on the payroll of the newly acquired company and his/her employment has been confirmed by the newly acquired company and he/she has been an employee of any company in the Group.
- (e) The Eligible Person must fulfil any other criteria and/or fall within such category/designation of employment as may be determined by the ESS Committee from time to time.

Except as may be prescribed by the ESS Committee or as stipulated in an ESOS Offer, there are no performance targets to be achieved by the Grantee before ESOS Options can be exercised and the Shares arising from the exercise of ESOS Options can be vested.

For the avoidance of doubt, an Employee who attains the prescribed retirement age but is offered to continue to serve the Group on a full time basis shall be treated as an employee of the Group.

5.2 Without prejudice to the generality of the foregoing and subject to the ESS Committee's discretion otherwise, any ESS Award made by the ESS Committee shall become void, of no effect and cease to be capable of acceptance by Eligible Persons upon any of the following events occurring:

- (a) the death of the Eligible Person selected by the ESS Committee to whom an ESS Award is made ("**Selected Person**");
- (b) the Selected Person having received a letter of termination or ceasing to be an employee of the Kenanga IB Group, for any reason whatsoever;
- (c) the Selected Person giving notice of his/her resignation from service/employment;
- (d) the corporation which employs the Selected Person ceasing to be part of the Kenanga IB Group; or
- (e) without prejudice to the provisions of By-Law 17.10, the Selected Person is subject to Disciplinary Proceedings and the employment of the Selected Person is terminated.

- 5.3 The ESS Committee may from time to time at its absolute discretion select and identify suitable Eligible Persons to be offered the ESS Awards. In the event that any Eligible Persons are a member of the ESS Committee, such Eligible Persons shall not participate in the deliberation or discussion of their own allocation of ESS Awards.
- 5.4 Any eligible Employee (including an Executive Director) who holds more than one (1) position within the Kenanga IB Group and by holding such position is an Eligible Person, shall only be entitled to the Maximum Allowable Allotment of any one (1) category/designation of employment. The ESS Committee shall be entitled at its discretion to determine the applicable category/designation of employment.
- 5.5 An Eligible Person of a dormant company within the Group is not eligible to participate in the Scheme.
- 5.6 Eligibility under the Scheme does not confer upon the Eligible Person a claim or right to participate in or any rights whatsoever under the Scheme and an Eligible Person does not acquire or have any rights over or in connection with the ESS Awards unless an ESS Award has been made by the ESS Committee to the Eligible Person and the Eligible Person has accepted the ESS Award in accordance with By-Law 8 hereof.

6. BASIS OF ALLOTMENT AND MAXIMUM ALLOWABLE ALLOCATION OF SHARES

- 6.1 Subject to By-Law 4.1 and any adjustments which may be made under By-Law 21, the aggregate maximum number of Shares that may be allocated to any one (1) category/designation of employment of the Eligible Person shall be determined entirely at the discretion of the ESS Committee.
- 6.2 Not more than ten percent (10%) of the aggregate number of Shares to be issued or transferred under the Scheme and any other employee share scheme of the Company which may still be subsisting at the point in time when an ESS Award is offered shall be allocated to any individual Eligible Person who, either singly or collectively through Persons Connected with the Eligible Person, holds twenty percent (20%) or more of the issued share capital of the Company (excluding Treasury Shares, if any).
- 6.3 Subject to By-Law 6.2, the aggregate maximum number of 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 Listing Requirements or other applicable regulatory requirements prevailing during the Duration of the Scheme relating to employees' and/or directors' share issuance schemes and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESS Committee may in its sole and absolute discretion deem fit.

At the time an ESS Award is offered, the ESS Committee shall set out the basis of the allocation of the ESS Award(s) made to the Eligible Person(s) having the further particulars as set out in By-Law 7.4 and/or By-Law 11.3 (as the case may be).

- 6.4 The ESS Committee may make more than one (1) ESS Award to an Eligible Person **PROVIDED THAT** the aggregate number of ESS Awards so offered to an Eligible Person throughout the entire Duration of the Scheme does not exceed the Maximum Allowable Allotment of such Eligible Person.
- 6.5 The Company shall ensure that allocation of Shares pursuant to the Scheme is verified by the Audit Committee of the Company at the end of each financial year as being in compliance with the criteria for allocation of Shares which have been disclosed to the Employees and Executive Directors.

- 6.6 For the avoidance of doubt, the ESS Committee shall have the sole and absolute discretion in determining whether the Shares available for vesting under this Scheme are to be offered to the Grantees via:
- (a) one (1) single ESS Award at a time determined by the ESS Committee; or
 - (b) several ESS Awards, where the vesting of Shares comprised in those ESS Awards is staggered or made in several tranches at such times and on terms determined by the ESS Committee.
- 6.7 In the event the ESS Committee decides that the ESS Award is to be staggered, the number of Shares to be offered in each ESS Award and the timing for the vesting of the same shall be decided by the ESS Committee at its sole and absolute discretion and each ESS Award shall be separate and independent from the others.
- 6.8 No Executive Director or Employee shall participate in the deliberation and discussion of their own respective allocations.

PART III

7. ESOS OFFER

- 7.1 During the Duration of the Scheme, the ESS Committee may at its discretion at any time from the Effective Date and from time to time make an ESOS Offer in writing for acceptance in accordance with By-Law 7.4 below to an Eligible Person based on the criteria for allotment or transfer as set out in By-Law 6 above and otherwise in accordance with the terms of this Scheme.
- 7.2 The actual number of ESOS Options which may be offered to any Eligible Person shall be at the discretion of the ESS Committee, subject to any adjustments that may be made under By-Law 21, provided that the number of ESOS Options so offered which may be exercised in respect of all or any part of the Shares shall not be less than one hundred (100) Shares nor more than the Maximum Allowable Allocation of such Eligible Person and shall be in multiples of one hundred (100) Shares.
- 7.3 In the event the ESS Committee decides that the Offer is to be offered in tranches, the number of ESOS Options to be offered in each ESOS Offer shall be decided by the ESS Committee at its sole and absolute discretion and each ESOS Offer shall be separate and independent from the others.
- 7.4 The ESS Committee shall determine at its discretion and state the following particulars in the letter of an ESOS Offer:
- (a) The number of ESOS Options that are being offered to the Eligible Person;
 - (b) The number of Shares which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Options being offered;
 - (c) The date of the ESOS Award;
 - (d) The Option Period;
 - (e) The Exercise Price;
 - (f) The Vesting Conditions (if any/if applicable);
 - (g) The Vesting Date(s) (if any/if applicable);
 - (h) The Offer Period as mentioned in By-Law 7.5;

- (i) The basis of the allocation of the ESOS Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation and such other information that the ESS Committee may in its sole and absolute discretion deem fit;
 - (j) The retention period and/or restriction on transfer, if any/applicable for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option; and
 - (k) Any other information deemed necessary by the ESS Committee.
- 7.5 An ESOS Offer shall be valid for a period of thirty (30) days from the Award Date or such longer period as may be determined by the ESS Committee at its sole and absolute discretion ("Offer Period").
- 7.6 No ESOS Offer shall be made to any Director, Major Shareholder and/or Chief Executive of Kenanga IB, a Person Connected with any Director, Major Shareholder and/or Chief Executive who are Eligible Persons unless such ESOS Offer and the related allotment of Shares have previously been approved by the shareholders of the Company in general meeting.
- 7.7 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 7.4, the following provisions shall apply:
- (a) As soon as possible but in any event no later than one (1) month after the discovery of the error, the Company shall issue a supplemental letter of ESOS Offer, stating the correct particulars referred to in By-Law 7.4;
 - (b) In the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall remain as the Exercise Price as per the original letter of ESOS Offer; and
 - (c) In the event that the error relates to the Exercise Price, the Exercise Price applicable in the supplemental letter of ESOS Offer shall be the Exercise Price applicable as at the date of the original letter of ESOS Offer, save and except with respect to any ESOS Options which have already been exercised as at the date of issue of the supplemental letter of ESOS Offer.
- 7.8 For the avoidance of doubt, any reinstatement pursuant to By-Law 17.11, or any continuation pursuant to By-Law 17.7 or By-Law 17.8(iii), shall not be considered as an ESOS Offer governed under this By-Law 7.

8. ACCEPTANCE OF ESOS OPTIONS AND VESTING CONDITIONS

- 8.1 An ESOS Offer shall be accepted by an Eligible Person within the Offer Period in such form and manner as may be prescribed in the ESOS Offer accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESOS Options (regardless of the number of Shares comprised therein).
- 8.2 If an ESOS Offer is not accepted in the manner set out in By-Law 8.1 above, the ESOS Offer shall automatically lapse upon the expiry of the Offer Period and be null and void and be of no further force and effect. The Shares comprised in such Options may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 8.3 The number of ESOS Options offered in the lapsed ESOS Offer shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESOS Options offered in the lapsed ESOS Offer, in any ESOS Offer made in the future. However, ESOS Options not taken up resulting from the non-acceptance of ESOS Offer within the Offer Period shall thereafter form part of the balance of ESOS Options available under the ESOS for future ESOS Offer.

- 8.4 The Company shall within thirty (30) days of the acceptance of the ESOS Offer by the Eligible Person (“**Acceptance Date**”), issue to the Eligible Person an Option Certificate in such form as may be determined by the ESS Committee.
- 8.5 The Options or such part thereof as may be satisfied in the ESOS Offer will only vest with the ESOS Grantee on the ESOS Vesting Date if the Vesting Conditions are fully and duly satisfied, including the following:
- (a) the ESOS Grantee remains an Eligible Person and shall not have given notice of resignation or received a notice of termination as at the ESOS Vesting Date or has otherwise ceased or had his/her employment terminated;
 - (b) the ESOS Grantee has not been adjudicated a bankrupt; and/or
 - (c) any other conditions which are determined by the ESS Committee.
- 8.6 The ESS Committee shall have full discretion to determine whether any Vesting Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the ESS Committee shall have the right to make reference to, amongst others, the audited financial results of the Company or the Group (as the case may be) and to take into account such factors as the ESS Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend and/or waive any Vesting Condition if the ESS Committee decides that a changed performance target would be a fairer measure of performance.
- 8.7 The ESS Committee may cancel any ESOS Options awarded under this Scheme that has not been exercised and any unvested ESOS Options awarded under this Scheme. In the event of any such cancellation, the ESS Committee may, at its discretion, authorise the granting of new ESOS Options (which may or may not cover the same number of Shares that had been the subject of any prior ESOS Option) in such manner, at such Exercise Price and subject to such terms, conditions and discretion as would have been applicable under this Scheme had the cancelled ESOS Options not been awarded.

9. EXERCISE OF ESOS OPTIONS

- 9.1 Each ESOS Option shall be exercisable into one (1) Share, fully issued and paid-up, in accordance with the provisions of these By-Laws.
- 9.2 Subject to By-Laws 17, 22, 23, 24 and 25, an ESOS Grantee shall be allowed to exercise the ESOS Options granted to him/her (subject to By-Law 9.4 during the Duration of the Scheme) as provided in these By-Laws whilst he/she is in the employment of the Kenanga IB Group and within the Option Period.
- 9.3 An ESOS Grantee shall exercise the Options granted to him/her in whole or part in multiples of one hundred (100) Shares. Notwithstanding anything herein to the contrary in the event of any alteration in the share capital of the Company during the Option Period in accordance with By-Law 21 which result in the number of Shares comprised in an Option not being in multiples of not less than one hundred (100), then the requirement that an Option shall be exercised in multiples of not less than one hundred (100) Shares shall not be applicable for the ESOS Grantee’s final exercise of the Option.
- 9.4 An ESOS Grantee shall exercise his/her ESOS Options in such form and manner as the ESS Committee may prescribe or approve (“**Notice of Exercise**”). The procedure for the exercise of ESOS Options to be complied with by an ESOS Grantee shall be determined by the ESS Committee from time to time. Any ESOS Options which remain unexercised at the expiry of the Option Period shall be automatically terminated and lapse without any claim against the Company.

- 9.5 Subject to By-Law 9.4, an ESOS Grantee shall exercise his/her ESOS Options by submitting to the Company the Notice of Exercise, stating the number of ESOS Options to be subscribed and be accompanied with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia by way of telegraphic transfer or by way of direct deposit of monies into the bank account of the Company or any other mode acceptable to the ESS Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the notice is given **PROVIDED THAT** the number of Shares stated therein shall not exceed the amount granted to such ESOS Grantees and be subject to By-Laws 9.2 and 9.3 above. It shall be the responsibility of the ESOS Grantee to ensure that adequate and timely notice is given to the Company regarding the effecting of such payment and such notification shall include the telegraphic transfer confirmation slip, the bank-in slip, and sufficient details for the Company to identify the beneficiary details including the ESOS Grantee's name, account number and nature of payment. The Company shall not be held liable for any payment effected by way of telegraphic transfer or direct deposit of monies into the bank account of the Company by reason of insufficient or untimely information provided by the ESOS Grantee. The ESS Committee may pursuant to By-Law 27 hereof, at any time and from time to time, before or after the ESOS Option is granted, limit the exercise of the ESOS Option to a maximum number of Shares and/or such percentage of total Shares comprised in the ESOS Option during such periods within the Option Period and impose any other terms and/or conditions deemed appropriate by the ESS Committee in its sole discretion including amending or varying any terms and conditions imposed earlier. The exercise by an ESOS Grantee of some but not all of the ESOS Options which have been offered to and accepted by him/her shall not preclude the ESOS Grantee from subsequently exercising any other ESOS Options which have been or will be offered to and accepted by him/her, during the Option Period.
- 9.6 The ESOS Grantee shall provide all information as required in the Notice of Exercise. Within eight (8) Market Days of the receipt by the Company of such notice and payment, or such other period as may be prescribed by Bursa Securities, and subject to the Constitution/Articles of Association of the Company, in the event that the Shares are delivered to the ESOS Grantee via allotment and issuance of new Shares or transfer of existing Shares to the ESOS Grantee in such manner as may be permitted by the Act. Where required, the Company shall apply to Bursa Securities for the quotation or transfer for such Shares arising from the exercise of the ESOS Options. The said Shares will be credited directly into the CDS Account of the ESOS Grantee or his/her financier, as the case may be, and a notice of allotment or any other mode of notification stating the number of Shares so credited will be issued to the ESOS Grantee. No physical share certificates will be issued to the ESOS Grantee or his authorised nominee (as the case may be).
- 9.7 The Group, the Board (including Directors that had resigned but were on the Board during the Option Period) and the ESS Committee shall not under any circumstances be held liable to any person for any costs, losses, expenses, damages or liabilities, gains or profits foregone, howsoever arising in the event of any delay on the part of the Company in allotting and issuing and/or transferring the Shares or in procuring Bursa Securities to list and quote the Shares subscribed for by an ESOS Grantee or any delay in receipt or non-receipt by the Company of the Notice of Exercise in respect of the ESOS Options or for any errors in any ESOS Offer.
- 9.8 Any failure to comply with the procedures specified by the ESS Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the discretion of the ESS Committee, and the ESOS Grantee shall be informed of the rejection of the Notice of Exercise within fourteen (14) Market Days from the date of rejection and the ESOS Grantee shall be deemed to not have exercised his/her Option.
- 9.9 Every ESS Award shall be subjected to the condition that no new Shares shall be issued or existing Shares shall be transferred pursuant to the ESS Award if such issue or transfer (as the case may be) would be contrary to any law, enactment, rule and/or regulation of any legislative or non-legislative body which may be in force during the Duration of the Scheme or such period as may be extended.

10. EXERCISE PRICE

The Exercise Price of each Share comprised in any ESOS Option shall, subject always to the provisions of By-Law 21 hereof, be as follows:

- (a) a price to be determined by the Board upon recommendation of the ESS Committee based on the volume weighted average market price of the Shares for the five (5) Market Days immediately preceding date of the ESOS Offer with a discount of not more than ten percent (10%) or such other percentage of discount as may be permitted by Bursa Securities or any other relevant authorities from time to time during the Duration of the Scheme; and
- (b) the Exercise Price as determined by the Board shall be conclusive and binding on the Grantees and shall be subject to any adjustments in accordance with By-Law 21.

PART IV

11. ESGP AWARD

- 11.1 The ESS Committee may, within the Duration of the Scheme, at its discretion at any time from the Effective Date and from time to time make an ESGP Award in writing for acceptance in accordance with By-Law 12 below to any Eligible Persons based on the criteria for allocation as set out in By-Law 5 and otherwise in accordance with the terms of these By-Laws.
- 11.2 The actual number of Shares which may be awarded to an Eligible Person shall be at the discretion of the ESS Committee subject to any adjustments that may be made under By-Law 21 but shall not be more than the Maximum Allowable Allotment as set out in By-Law 4.1. The ESS Committee may stipulate any terms and conditions it deems appropriate in an ESGP Award and the terms and conditions of each may differ. Nothing herein shall require any ESGP Award offered to be the same as ESGP Awards previously or subsequently offered whether to the same or a different Eligible Person.
- 11.3 (a) The ESS Committee will determine at its discretion and state in its offer document for an ESGP Award to an Eligible Person ("**ESGP Award Letter**"), amongst others:
 - (i) whether the ESGP Award is a PSP Grant and/or RSP Grant;
 - (ii) the number of Shares to be vested on the Vesting Date(s) if the Performance Targets are fully met;
 - (iii) the date of ESGP Award;
 - (iv) the Vesting Conditions;
 - (v) the Vesting Date(s);
 - (vi) the Validity Period as mentioned in By-Law 11.3(b);
 - (vii) the basis of allocation of the ESGP Award(s) made having regard to the Eligible Person(s)' annual appraised performance, category or grade of employment, Maximum Allowable Allocation;
 - (viii) the retention period and/or restriction on transfer, if any/applicable, for the Shares to be allotted and issued and/or transferred to a Grantee pursuant to the vesting of the ESGP Award; and
 - (ix) any other information deemed necessary by the ESS Committee.

- (b) An ESGP Award shall be valid for acceptance for a period of thirty (30) calendar days from the Award Date or such longer period as may be determined by the ESS Committee at its discretion determines on a case to case basis (“**Validity Period**”).

11.4 Without prejudice to By-Law 28, in the event of an error on the part of the Company in stating any of the particulars referred to in By-Law 11.3, as soon as possible but in any event no later than one (1) month after discovery of the error, the Company shall issue a supplemental ESGP Award Letter, stating the correct particulars referred to in By-Law 11.3.

12. ACCEPTANCE OF ESGP AWARD

- 12.1 An ESGP Award shall be accepted by an Eligible Person within the Validity Period accompanied by a payment to the Company of a nominal non-refundable consideration of Ringgit Malaysia One (RM1.00) only or such other amount as may be determined by the ESS Committee for the grant of the ESGP Award (regardless of the number of Shares comprised therein).
- 12.2 If the ESGP Award is not accepted in the manner set out in By-Law 12.1 above, the ESGP Award shall automatically lapse upon the expiry of the Validity Period and be null and void and be of no further force and effect. The Shares comprised in such ESGP Award may, at the discretion of the ESS Committee, be re-offered to other Eligible Persons.
- 12.3 The number of Shares offered in the lapsed ESGP Award shall be deducted from the Maximum Allowable Allotment or the balance of the Maximum Allowable Allotment of the Eligible Person, and the Eligible Person shall not be entitled to be offered the number of ESGP Awards offered in the lapsed ESGP Award, in any ESGP Award made in the future. However, ESGP Awards not taken up resulting from the non-acceptance of ESGP Awards within the period specified shall thereafter form part of the balance of ESGP Awards available under the ESGP for future awards.
- 12.4 The Eligible Persons are not required to pay for the Shares they are entitled to receive upon vesting of the Shares pursuant to the ESGP Award.

13. ESGP VESTING CONDITIONS AND SATISFACTION OF VESTING CONDITIONS

- 13.1 The ESS Committee shall, as and when it deems practicable and necessary, review and determine at its own discretion the Vesting Conditions specified in respect of an ESGP Award. The Shares or such part thereof as may be specified in an ESGP Award will only vest with the Grantee on the Vesting Date(s) if the Vesting Conditions are fully and duly satisfied, which includes, amongst others, the following:
 - (a) the ESGP Grantee must remain an Employee as at the Vesting Date and shall not have given a notice to resign or received a notice of termination as at the Vesting Date;
 - (b) the ESGP Grantee has not been adjudicated a bankrupt;
 - (c) the Performance Targets are fully and duly satisfied; and/or
 - (d) any other conditions which are determined by the ESS Committee.
- 13.2 The ESS Committee shall have full discretion to determine whether the Performance Targets have been fully and duly satisfied. In the event that the ESS Committee determines that the Performance Targets are not fully and duly satisfied, the Company may, at its discretion, adjust the number of Shares (if any) which may vest in the ESGP Grantee on the Vesting Date(s) and/or take into account the shortfall in such manner as the Company may in its discretion otherwise deem fit.
- 13.3 Where the ESS Committee has determined that the Vesting Conditions have been fully and duly satisfied, the ESS Committee shall notify the ESGP Grantee of the number of Shares vested or which will be vested in him/her on the Vesting Date (“**Vesting Notice**”).

- 13.4 No ESGP Grantee shall have any right to or interest in the Share awarded to him/her under an ESGP Award until and unless the Shares are vested in him/her on and with effect from the Vesting Date.
- 13.5 The ESGP Grantee shall provide all information as required in the Vesting Notice and the ESGP Award Letter respectively and the Company shall within eight (8) Market Days after the Vesting Date or such other period as may be prescribed or allowed by Bursa Securities, and subject to the provisions of the Constitution/Articles of Association of the Company, the SICDA and the Rules of Bursa Depository and/or any other regulatory requirements, allot and issue the relevant number of new Shares and/or transfer the relevant number of existing Shares to the ESGP Grantee(s) accordingly and (where required) apply to Bursa Securities for any such Shares arising from the vesting of an ESGP Award. The Shares to be issued or transferred pursuant to the vesting of an ESGP Award will be credited directly into the CDS Account and no physical share certificates will be delivered to the ESGP Grantee or his authorised nominee (as the case may be).

PART V

14. NON-TRANSFERABILITY

- 14.1 An ESS Award is personal to the Grantee and subject to the provisions of By-Laws 14.2, 14.3 and 17.3, is exercisable only by the Grantee personally during his/her lifetime whilst he/she is in the employment of any company in the Group.
- 14.2 An ESS Award shall not be transferred, assigned, disposed of or subject to any encumbrances by the Grantee save and except in the event of the death of the Grantee as provided under By-Law 17.8. Any such attempt to transfer, assign, dispose or encumber any ESS Award shall result in the automatic cancellation of the ESS Award.
- 14.3 Notwithstanding By-Law 14, in the event a Grantee is transferred to another company within the Group which has its own share issuance scheme, the Grantee shall be entitled to continue to exercise all unexercised ESS Awards granted under this Scheme, in accordance with these By-Laws, but such Grantee shall not upon such transfer taking effect be eligible to participate for further ESS Awards under the Scheme.

15. RIGHTS ATTACHING TO SHARES AND ESS AWARDS

- 15.1 The new Shares to be allotted and issued upon the exercise of any ESOS Options granted or vesting of any ESGP Awards under the Scheme will be subject to the provisions of the Constitution/Articles of Association of the Company and will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued Shares of the Company, save and except that the Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date of allotment and issuance of such new Shares.
- 15.2 In respect of existing Shares (including Treasury Shares) to be transferred to PSP Grantees, RSP Grantees or ESOS Grantee (where applicable), the aforesaid Grantees will not be entitled to any dividends, rights, allotments and/or other distributions, which may be declared, made or paid to shareholders, the Entitlement Date of which is prior to the date on which the existing Shares are credited into the CDS Accounts of the respective PSP Grantees, RSP Grantees and ESOS Grantee pursuant to the vesting of the ESGP Awards and ESOS Offer (as the case may be).
- 15.3 The ESS Awards shall not carry any rights to vote at any general meeting of the Company. For the avoidance of doubt, a Grantee shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised Options and/or unvested Shares.

16. RESTRICTION ON DEALING/RETENTION PERIOD

The Shares to be allotted and issued and/or transferred to a Grantee pursuant to the exercise of an Option or vesting of an ESGP Award under the Scheme may be subject to such reasonable retention period or restriction on transfer (if any/applicable) imposed/determined by the ESS Committee at its discretion.

17. TERMINATION OF THE ESS AWARDS

17.1 Prior to the allotment or satisfaction by any means of an ESS Award or ESOS Option(s), including in the manner as provided for under By-Law 28.2, such ESS Awards or ESOS Option(s) that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and cease or deemed to cease to be valid without any claim against the Group in the following circumstances:

- (a) Termination or cessation of employment of the Grantee with the Group for any reason whatsoever (other than as referred to in By-Law 17.2 or By-Law 17.8), in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the day the Grantee's employer accepts his/her notice of resignation or the Grantee's employer notifies the Grantee of termination of his/her employment or on the day the Grantee notifies his/her employer of his/her resignation or on the Grantee's last day of employment, whichever is the earlier; or
- (b) Bankruptcy of the Grantee, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
- (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the ESS Award or ESOS Option(s), in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date such event occurs; or
- (d) Winding up or liquidation of the Company, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the following date:
 - (i) In the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
 - (ii) In the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (e) Termination of the Scheme pursuant to By-Law 25.5, in which event the ESS Awards or ESOS Option(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the Termination Date (as defined in By Law 25.5); or
- (f) The Grantee or other relevant person being subject to legal or regulatory restriction in holding of shares or interests in the Company or any other member of the Group (directly or indirectly) or rights exercisable in respect of such shares or interests, which restriction will be infringed if rights under or pursuant to the ESS Award or ESOS Option(s) are exercised by the Grantee, in which event the ESS Award or ESOS Option(s) (as the case may be) shall be terminated and ceased or be deemed to cease to be valid without any claim against the Company or any other member of the Group on the date determined by the ESS Committee, to the extent of such restriction, or as otherwise agreed in writing between the ESS Committee and the Grantee,

whichever shall be applicable.

Upon the termination of the ESS Awards or ESOS Option(s) pursuant to By-Laws 17.1(a), (b), (c), (d), (e) or (f) above, the Grantee shall have no right to compensation or damages or any claim against the Company or any other member of the Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any ESS Award or right to exercise his/her ESOS Option(s) or his/her ESS Award or ESOS Option(s) ceasing to be valid.

- 17.2 A Grantee will be allowed to continue to hold and to exercise any unexercised Options held by him/her and/or unvested ESGP Award upon retirement on or after attaining normal retirement age for a period of two (2) years after the last day of his/her employment provided that the Options are exercised within the Option Period and/or the ESGP Award is vested within the Duration of the Scheme. For the avoidance of doubt, By-Law 9.2 shall not be applicable in this event but By-Law 9.5 shall remain applicable.
- 17.3 Notwithstanding By-Law 17.1 above, the ESS Committee may at its discretion allow an Option to remain exercisable during the Option Period and/or an ESGP Award to remain capable of vesting (as the case may be) on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:
- (a) Ill-health, injury, physical or mental disability; or
 - (b) Retirement before attaining the normal retirement age with the consent of his/her employer; or
 - (c) Redundancy or voluntary separation scheme; or
 - (d) Transfer to any company outside the Group at the direction of the Company; or
 - (e) Any other circumstance as may be deemed as acceptable to the ESS Committee in its sole and absolute discretion.
- 17.4 Applications under By-Law 17.3 shall be made:
- (a) in a case where By-Law 17.3(a) is applicable, within one (1) month after the Grantee notifies his/her employer of his/her resignation due to ill health, injury, physical or mental disability, and where so allowed by the ESS Committee, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said one (1) month period or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. In the event that no application is received by the ESS Committee within the said period, or where not allowed by the ESS Committee to remain exercisable or capable of vesting, any unexercised Options held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated;
 - (b) in a case where By-Laws 17.3(b) or (c) is applicable, within six (6) months after the Grantee's last day of employment, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP within the said six (6) months period or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. In the event that no application is received by the ESS Committee within the said period, or where not allowed by the ESS Committee to remain exercisable or capable of vesting, any unexercised Options held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated;

- (c) in a case where By-Law 17.3(d) is applicable, the Grantee may exercise all his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she is notified or any other period as allowed by the ESS Committee, subject to the provisions of By-Law 9. Thereafter, any unexercised Option held by the Grantee and/or such number of unvested Shares under the ESGP Award (as the case may be) at the expiry of the said period shall be automatically terminated.
- 17.5 In the event that a Grantee is notified that he will be retrenched or where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, the Grantee may exercise his/her unexercised Options and/or be vested with such number of unvested Shares under the ESGP (as the case may be) within one (1) month after he/she receives such notice or accepts such offer, as the case may be, subject to the provisions of By-Law 9. Thereafter, any Option held by the Grantee and/or such number of unvested Shares under the ESGP at the expiry of the said period shall be automatically terminated.
- 17.6 The ESS Committee shall consider applications under By-Law 17.3 on a case-by-case basis and may at its discretion approve or reject any application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Grantee may exercise the Options and/or be vested with the unvested Shares under the ESGP which are the subject of the approval within the period so approved by the ESS Committee and subject to the provisions of By-Law 9. Any Options and/or Shares in respect of which an application is rejected shall be automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 17.4 or on the date of the ESS Committee's decision, whichever is the later.
- 17.7 In the event that the ESS Committee receives an application under By-Law 17.3 after the expiry of the relevant period under By-Law 17.4, the ESS Committee shall take into account the reasons given by the Grantee for the delay in making the application, in exercising the ESS Committee's discretion and powers under By-Law 17.6. In the event that the ESS Committee approves the application in whole or in part, the rights of the Grantee shall be continued in respect of the unexercised Options and/or ESGP Award in respect of the unvested Shares and such Options offered and/or Shares awarded shall be exercisable or capable of vesting:
- (a) only within the period of those Options and/or unvested Shares under the ESGP which would otherwise terminate due to the Grantee's delay in making the application are exercisable or capable of vesting;
 - (b) in accordance with the provisions of By-Law 9 as applicable in respect of such Options and/or ESGP Awards; and
 - (c) at the subscription price applicable in respect of such Options.
- 17.8 In the event that a Grantee dies before the Date of Expiry and, at the date of death, holds any ESOS Options which are unexercised and/or any Shares under the ESGP which remain unvested, the following provisions shall apply:
- (a) Such ESOS Options and/or unvested Shares may be exercised and/or be vested by/in (as the case may be) the personal or legal representative of the deceased Grantee ("**Representative**") within twelve (12) months after the Grantee's death ("**Permitted Period**") or within the Date of Expiry, whichever expires first, subject to the approval of the ESS Committee;
 - (b) In the event that the Date of Expiry expires before the Permitted Period, any Options which have not been exercised and/or Shares which have not been vested under the ESGP by the Representative at the Date of Expiry shall be automatically terminated and the Representative shall not be entitled to apply for any extension of time for exercising such unexercised Options and/or be vested with any unvested Shares under the ESGP;

- (c) In the event that the Permitted Period expires before the Date of Expiry, the following provisions shall apply:
- (i) The Representative may, at any time before the expiry of the Permitted Period, apply in writing to the ESS Committee for an extension of the Permitted Period, stating the reasons as to why the extension is required. In the event no application is received by the ESS Committee before the expiry of the Permitted Period, any Options which have not been exercised and/or unvested Shares under the ESGP by the Representative at the expiry of the Permitted Period shall be automatically terminated (subject to sub-paragraph (iii) below).
 - (ii) The ESS Committee shall consider such applications on a case-by-case basis and may at its discretion approve or reject an application in whole or in part without giving any reasons therefor and may impose any terms and conditions in granting an approval. The decision of the ESS Committee shall be final and binding. In the event that the ESS Committee approves an application in whole or in part, the Representative may exercise the Options and/or be vested with such number of unvested Shares under the ESGP which are the subject of the approval within such extension of the Permitted Period as is approved (which shall not exceed the Date of Expiry) and in accordance with the provisions of By-Law 9.4. Any ESS Award or ESOS Option(s) in respect of which an application is rejected shall be automatically terminated at the expiry of the Permitted Period or on the date of the ESS Committee's decision, whichever is the later.
 - (iii) In the event that the ESS Committee receives an application after the expiry of the Permitted Period, the ESS Committee shall take into account the reasons given by the Representative for the delay in making the application, in exercising the ESS Committee's discretion and powers under sub-paragraph (ii) above. In the event that the ESS Committee approves an application in whole or in part, the rights of the Grantee or his/her Representative shall be continued in respect of the unexercised Options and/or unvested Shares and such Options and/or unvested Shares shall be exercisable/vested -
 - (1) within such period as may be stipulated in the approval letter from the ESS Committee which shall not exceed the Date of Expiry of those Options and/or ESS Award which would otherwise terminate pursuant to sub-paragraph (i) above;
 - (2) in accordance with the provisions of By-Law 9.4; and
 - (3) at the subscription price applicable in respect of the Options which would otherwise terminate pursuant to sub-paragraph (i) above.

17.9 The provisions of By-Law 17.7 and By-Law 17.8(c)(iii) constitute exceptions to the provisions of By-Law 5.1 and By-Law 10(a).

17.10 Notwithstanding anything to the contrary herein contained in these By-Laws, the ESS Committee shall have the right, at its absolute discretion by notice in writing to that effect to the Grantee, to suspend the right of any Grantee who is being subjected to Disciplinary Proceedings (whether or not such Disciplinary Proceedings may give rise to a dismissal or termination of service of such Grantee or are found to have had no basis or justification) to exercise his/her ESOS Options and/or have Shares vested in him/her pending the outcome of such Disciplinary Proceedings. In addition to this right of suspension, the ESS Committee may impose such terms and conditions as the ESS Committee shall deem appropriate at its sole and absolute discretion, on the Grantee's right to exercise his/her ESOS Options and/or have Shares vested in him/her having regard to the nature of the charges made or brought against such Grantee, and/or the right to clawback on the gains arising from fully exercised ESOS Options and/or Shares vested in him/her **PROVIDED ALWAYS** that:

- (a) in the event such Grantee is found not guilty of the charges which gave rise to such Disciplinary Proceedings, the ESS Committee shall reinstate the right of such Grantee to their ESS Award;
- (b) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such Grantee, all unexercised and partially exercised ESOS Options of the Grantee and/or unvested Shares shall immediately lapse and be null and void and of no further force and effect, without notice to the Grantee, upon pronouncement of the dismissal or termination of service of such Grantee notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the Grantee in any other forum;
- (c) in the event the Grantee is found guilty but no dismissal or termination of service is recommended, the ESS Committee shall have the right to determine at its absolute discretion whether or not the Grantee may continue to exercise his/her ESOS Options and/or have the Shares vested in him/her or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise rights; and
- (d) in the event that no decision is made and/or Disciplinary Proceedings are not concluded prior to the Date of Expiry, the ESS Awards of such Grantee shall immediately lapse on the Date of Expiry without notice,

and nothing herein shall impose any obligation on the ESS Committee to enquire into or investigate the substantiveness and/or validity of such Disciplinary Proceeding(s) and the ESS Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the ESS Committee's exercise of or failure to exercise any of its rights under this By-Law.

- 17.11 Upon the termination of the ESS Awards and/or ESOS Option(s) pursuant to By-Laws 17.1(a), (b), (c), or (f), and the circumstances causing the termination subsequently ceasing to exist or being reversed, the ESS Committee may at its discretion, on application by the Grantee or further to its own action, reinstate an original Option to remain exercisable during the Option Period and/or an original ESGP Award to remain capable of vesting (as the case may be) on the original terms and conditions. The discretion of the ESS Committee may be exercised with such other terms and conditions as it shall deem fit and shall thereafter be notified to the Board.

18. INSPECTION OF THE AUDITED FINANCIAL STATEMENTS

All Grantees shall be entitled to inspect a copy of the latest annual audited consolidated financial statements of the Company, which shall be made available on Bursa Securities' website as well as the Company's website.

19. SCHEME NOT A TERM OF EMPLOYMENT

This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in the Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any employee of the Group.

20. TAXES

For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income taxes) that are incurred by a Grantee pursuant to or relating to the exercise of any ESOS Options or vesting of any Share under the ESGP Award, and any holding or dealing of such Shares (such as (but not limited to) brokerage commissions and stamp duty) shall be borne by that Grantee for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

PART VI**21. ALTERATION OF SHARE CAPITAL AND ADJUSTMENTS**

21.1 In the event of any alteration in the capital structure of the Company during the Duration of the Scheme, whether by way of rights issue, bonus issue or other capitalisation issue consolidation or subdivision of Shares or reduction or any other alteration in the capital structure of the Company or otherwise howsoever, the ESS Committee may, in its discretion, determine whether:

- (a) In respect of the ESOS:
 - (i) the Exercise Price; and/or
 - (ii) the number of unexercised ESOS Options;
- (b) In respect of the ESGP:
 - (i) the number of Shares which are the subject of the ESGP Award to the extent not yet vested; and/or
 - (ii) the maximum number of existing Shares which may be delivered in settlement pursuant to the ESGP Awards,

shall be adjusted, and if so, the manner in which such adjustments should be made.

21.2 The provisions of this By-Law 21 shall not be applicable where an alteration in the capital structure of the Company arises from any of the following:

- (a) An issue of Shares pursuant to the exercise of ESOS Options and/or vesting of ESGP Awards under the Scheme; or
- (b) An issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
- (c) An issue of securities as a private placement; or
- (d) Any special issuance of new Shares or other securities to Bumiputera investors nominated by the Malaysian government and/or any other relevant authority of the Malaysian government to comply with the Malaysian government's policy on Bumiputera capital participation; or
- (e) A restricted issue of securities; or
- (f) An issue of warrants, convertible loan stocks or other instruments by the Company which give a right of conversion into new Shares arising from the conversion of such securities; or
- (g) A purchase by the Company of its own Shares of all or a portion of such Shares purchased pursuant to Section 127 of the Act.

21.3 Save as expressly provided for herein, the external auditors or Principal Adviser (acting as expert and not arbitrator) must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors or Principal Adviser shall be final, binding and conclusive.

21.4 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III of the Act, By-Law 21.1 shall be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is applicable, but By-Law 21.1 shall not be applicable in respect of such part(s) of the scheme which involve(s) any alteration(s) in the capital structure of the Company to which By-Law 21.1 is not applicable as described in By-Law 21.2.

- 21.5 An adjustment pursuant to By-Law 21.1 shall be made according to the following terms:
- (a) In the case of a rights issue, bonus issue or other capitalisation issue, on the next Market Day immediately following the Entitlement Date in respect of such issue; or
 - (b) In the case of a consolidation or subdivision of Shares or reduction of capital, on the next Market Day immediately following the date of allotment of shares of the Company in respect of such consolidation, subdivision or reduction.
- 21.6 Upon any adjustment required to be made pursuant to this By-Law 21, the Company shall notify the Grantee (or his/her duly appointed personal representatives where applicable) in writing and deliver to him/her (or his/her duly appointed personal representatives where applicable) a statement setting forth:
- (a) In respect of the ESOS, the Option Price or number of ESOS Options which are the subject of the adjusted ESOS Award; and
 - (b) In respect of the ESGP, the number of Shares comprised in the unvested ESGP Awards which are the subject of the adjusted ESGP Award.

Any adjustment shall take effect upon such written notification being given or such date as may be specified in such written notification.

- 21.7 In respect of the Options or the ESOS, any adjustment pursuant to this By-Law 21 shall be made in accordance with the following formula below, pursuant to By-Law 21.6:

(a) **Consolidation, Subdivision, Conversion or Reduction**

If and whenever Shares shall be consolidated, subdivided, converted or reduced, the Exercise Price and/or the additional number of Options to be issued shall be adjusted, calculated or determined after consultation with the external auditors or Principal Adviser (acting as expert and not arbitrator) in such a manner as to give the Grantee a fair and reasonable entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the date on which the consolidation, subdivision, conversion or reduction becomes effective.

(b) **Capitalisation of Profits or Reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders, by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature), in respect of ESOS Options, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A+B} -$$

and the additional number of Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{A+B}{A} \right) - T$$

Where:

A = the aggregate number of issued Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company by way of bonus issue or capitalisation of profits or reserves of the Company (whether of a capital or income nature); and

T = Number of existing Options held

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for such issue.

(c) If and whenever the Company shall make:

- (1) a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
- (2) any offer or invitation to ordinary shareholders whereunder they may acquire or subscribe new Shares by way of rights; or
- (3) any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Exercise Price for ESOS Options shall be adjusted by multiplying it by the following fraction:-

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 21.7(c)(2) hereof, the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{C}{C - D^*} \right) - T$$

Where:

T = T as in By-Law 21.7(b) above;

C = the prevailing market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation or (where appropriate) any relevant date as may be determined by the Company; and

- D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 21.7(c)(2) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 21.7(c)(3) above, the value of rights attributable to one (1) existing Share (as defined below); or
- (bb) in the case of any other transaction falling within By-Law 21.7(c) hereof, the fair market value as determined by the external auditors or Principal Adviser of that portion of the Capital Distribution attributable to one (1) existing Share.

D^* = The value of rights attributable to one (1) Share (as defined below).

For the purpose of definition (aa) of “ D^* ” above, the “value of rights attributable to one (1) existing Share” shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

Where:

C = C as in By-Law 21.7(c) above;

E = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares or subscription price of one (1) Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one (1) Share under the offer or invitation; and

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Shares or security convertible into Shares or one (1) additional security with right to acquire or subscribe for one (1) additional Shares; and

D^* = The “value of rights attributable to one (1) existing Shares” (as defined below).

For the purpose of definition “ D^* ” above, the “value of the rights attributable to one (1) existing Share” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = C as in By-Law 21.7(c) above;

E^* = the subscription price for one (1) additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F^* = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share.

For the purpose of By-Law 21.7(c) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie or by way of issue of new Shares (not falling under By-Law 21.7(b) hereof) or other securities by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature).

Any dividend charged or provided for in the audited financial statements of the Company for any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statement of comprehensive income of the Company for any period as shown in the audited consolidated profit and loss accounts of the Company.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(d) **Capitalisation of Profits/Reserves and Rights Issue of Shares or Convertible Securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) or (3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 21.7(c)(2) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

B = B as in By-Law 21.7(b) above;

G = the aggregate number of issued Shares on the Entitlement Date;

C = C as in By-Law 21.7(c) above;

H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into Shares or rights to acquire or subscribe for Shares, as the case may be;

H* = the aggregate number of Shares under an offer or invitation to acquire or subscribe for Shares by way of rights;

I = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share, as the case may be;

I* = the subscription price of one (1) additional Share under the offer or invitation to acquire or subscribe for Shares;

T = T as in By-Law 21.7(b) above.

Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa Securities) immediately following the Entitlement Date for such issue or the closing date for the acceptance of the rights, as the case may be, for such issue.

(e) Rights Issue of Shares and Convertible Securities

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for Shares as provided in By-Law 21.7(c)(2) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Options to be issued shall be calculated as follows:-

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above;

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above;

J = the aggregate number of Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for Shares by the ordinary shareholders;

K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for one (1) additional Share; and

T = T as in By-Law 21.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(f) Capitalisation of Profits/Reserves and Rights Issue of Shares and Convertible Securities

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 21.7(b) above and also makes an offer or invitation to acquire or subscribe for Shares to its ordinary shareholders as provided in By-Law 21.7(c)(2) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for Shares as provided in By-Law 21.7(c)(3) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Options to be issued shall be calculated as follows:

$$\text{Additional number of Options} = T \times \left(\frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right) - T$$

Where:

G = A as in By-Law 21.7(d) above;

C = C as in By-Law 21.7(c) above;

H = H as in By-Law 21.7(d) above;

H* = H* as in By-Law 21.7(d) above

I = I as in By-Law 21.7(d) above;

I* = I* as in By-Law 21.7(d) above

J = J as in By-Law 21.7(e) above;

T = T as in By-Law 21.7(b) above;

K = K as in By-Law 21.7(e) above; and

B = B as in By-Law 21.7(b) above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day (or such other period as may be prescribed by Bursa) immediately following the Entitlement Date for the above transactions or the closing date for the acceptance of the rights, as the case may be, for such issue.

(g) **Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders and requiring an adjustment under By-Laws 21.7(c)(2), 21.7(c)(3), 21.7(d), 21.7(e) or 21.7(f) above) the Company shall issue either any Shares or any security convertible into new Shares or with rights to acquire or subscribe for Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than ninety percent (90%) of the Average Price for one (1) Share (as defined below) or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

L = the number of Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;

M = the number of Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and

N = the aggregate number of Shares so issued or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for Shares, the maximum number (assuming no adjustments of such rights) of Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of this By-Law 21.7(g), “**Total Effective Consideration**” shall be determined by the ESS Committee with the concurrence of the external auditors or Principal Adviser and shall be:-

- (i) in case of the issue of Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or
- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case, without any deduction of any commission, discount or expenses paid, allowed or incurred in connection with the issue thereof, and the “Total Effective Consideration per Share” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 21.7(g), “**Average Price**” of a Share shall be the average market price of one (1) Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the next Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

- (h) For the purpose of By-Laws 21.7(c), (d), (e) and (f), the current market price in relation to one (1) existing Share for any relevant day shall be the average of the last traded prices for the five (5) consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

21.8 In respect of the ESGP, any adjustment pursuant to By-Law 21.1 shall be made in such a manner as to give the Grantee a fair and reasonable ESGP Award entitlement after taking into consideration the nature and effect of the relevant alteration in the capital structure of the Company.

21.9 If an event occurs that is not set out in By-Law 21.7 or if the application of any of the formula set out in By-Law 21.7 to an event results in a manifest error or does not, in the opinion of the ESS Committee, achieve for any reason whatsoever the desired result of preventing the dilution or enlargement of the Eligible Person’s rights or providing a fair and reasonable entitlement, the ESS Committee may effect an adjustment in such manner deemed appropriate by the ESS Committee provided that the Eligible Persons shall be notified of the adjustment through an announcement to all Eligible Persons to be made in such manner deemed appropriate by the ESS Committee.

- 21.10 Notwithstanding the provisions of this By-Law, the ESS Committee may exercise its discretion to determine whether any adjustments to the Exercise Price, the number of Options and/or Shares (as the case may be) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price and/or the number of Options notwithstanding that no such adjustment formula has been explicitly set out in this By-Law.
- 21.11 Any adjustment to the Exercise Price shall be rounded down to the nearest RM0.01.
- 21.12 In the event that a fraction of a Share arises from the adjustments pursuant to this By-Law 21, the number of Shares comprised in an ESOS Offer or ESGP Award shall automatically be rounded down to the nearest whole number.

22. TAKE-OVER OFFER, SCHEME OF ARRANGEMENT, AMALGAMATION, RECONSTRUCTION, ETC

In the event of:

- (a) a takeover offer being made for the Company through a general offer to acquire the whole of the issued share capital (or such part of the issued share capital not at the time owned by the person making the general offer (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (b) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of Shares under the provisions of any statutes, rules and/or regulations applicable at that point of time and gives notice to the Company that it intends to exercise such right on a specific date; or
- (c) the court sanctioning a compromise or arrangement between the Company and its members for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Subdivision 2 of Division 7 of Part III of the Act or its amalgamation with any other company or companies under the Act,

then a Grantee who is holding outstanding exercisable Options shall be entitled to exercise all or any of his/her unexercised Options in accordance with By-Law 9.4, within sixty (60) days from the date of his/her receipt of the notice by the Company in respect of any of the events in paragraphs (a), (b) and (c) as above. In the event that the Grantee elects not to so exercise some or all of the Options held by him/her, the unexercised Options shall be automatically terminated and lapse by the date prescribed and be null and void and of no further force and effect.

23. DIVESTMENT FROM THE GROUP, ETC

- 23.1 In the event that a company within the Group shall be divested from the Group, a Grantee who is employed by such company:
- (a) shall not be entitled to continue to hold and to exercise all unexercised vested ESOS Options held by him/her and shall cease to be capable of being vested with any unvested Shares under the ESGP Award from the date of completion of such divestment, within a period of three (3) months from the date of completion of such divestment or the Date of Expiry, whichever expires first, and in accordance with the provisions of By-Law 9.4. In the event that the Grantee does not so exercise some or all of such Options and/or the unvested Shares, the unexercised Options and/or unvested Shares under the ESGP Award shall be automatically terminated upon the expiry of the relevant period; and
 - (b) shall no longer be eligible to participate for further ESS Awards under the Scheme as from the date of completion of such divestment, unless approved by the ESS Committee in writing.

- 23.2 For the purposes of By-Law 23.1, a company shall be deemed to be divested from the Group or disposed off from the Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act or such company ceases to form part of the Group for such reason(s) as determined by the ESS Committee as its absolute discretion.

24. WINDING UP

All outstanding ESS Awards shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise and/or vest the ESS Awards shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the ESS Awards shall accordingly be unsuspended.

PART VII

25. EFFECTIVE DATE, DURATION, TERMINATION AND EXTENSION OF SCHEME

- 25.1 The Effective Date for the implementation of the Scheme shall be such date to be determined and announced by the Board following full compliance with all relevant requirements of the Listing Requirements, including the following:

- (a) submission of the final copy of the By-Laws to Bursa Securities;
- (b) approval from Bursa Securities for the listing of and quotation for up to ten percent (10%) of the issued share capital of the Company on the Main Market of Bursa Securities;
- (c) procurement of shareholders' approval for the Scheme;
- (d) receipt of approval of any other relevant authorities, where applicable; and
- (e) fulfilment or waiver (as the case may be) of all conditions attached to the above proposals, if any.

The Scheme shall be in force for a duration of five (5) years from the Effective Date subject however to any extension of the Scheme as provided under By-Law 25.3 below. The date of expiry of the Scheme shall be at the end of the five (5) years from the Effective Date or, if the Scheme shall be extended, shall be the date of expiry as so extended.

- 25.2 The ESS Award can only be made during the Duration of the Scheme before the Date of Expiry.
- 25.3 On or before the Date of Expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the Duration of the Scheme provided that the initial period of the Scheme and such extension of the Scheme made pursuant to this By-Law shall not in aggregate exceed the duration of ten (10) years from the Effective Date. In the event the Scheme is extended in accordance with this provision, the ESS Committee shall furnish a written notification to all Grantees and the Company shall make necessary announcements to Bursa Securities prior to the proposed extension of the Scheme.
- 25.4 Notwithstanding anything to the contrary, all ESS Awards shall lapse on the Date of Expiry.
- 25.5 The Scheme may be terminated by the ESS Committee at any time before the Date of Expiry **PROVIDED THAT** the Company makes an announcement immediately to Bursa Securities. The announcement shall include:

- (a) the effective date of termination (“**Termination Date**”);
 - (b) the number of Options exercised under ESOS and/or Shares vested under the ESGP; and
 - (c) the reasons and justification for termination.
- 25.6 The Company may implement more than one (1) employee share scheme provided that the aggregate number of Share available under all the employee share schemes implemented by the Company is not more than ten percent (10%) of its issued share capital (excluding Treasury Shares, if any) at any one time or any other limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.
- 25.7 In the event of termination as stipulated in By-Law 25.5 above, the following provisions shall apply:
- (a) No further ESS Awards shall be made by the ESS Committee from the Termination Date;
 - (b) All ESS Awards which have yet to be accepted by Eligible Persons shall automatically lapse on the Termination Date;
 - (c) All ESS Awards which have yet to be vested in the Eligible Persons shall automatically lapse on the Termination Date; and
 - (d) All outstanding ESOS Options which have yet to be exercised by Grantees and/or vested shall be automatically terminated on the Termination Date.
- 25.8 Approval or consent of the shareholders of the Company by way of a resolution in an EGM and written consent of Grantees who have yet to exercise their Options and/or vest the unvested Shares are not required to effect a termination of the Scheme.

26. NO COMPENSATION FOR TERMINATION

No Eligible Persons shall be entitled to any compensation for damages arising from the termination of any ESS Award or this Scheme pursuant to the provisions of these By-Laws. Notwithstanding any provisions of these By-Laws:

- (a) this Scheme shall not form part of any contract of employment between the Company or any company within the Group and any Eligible Person of any company of the Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within the Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the ESS Award or consideration for the ESS Award afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (b) this Scheme shall not confer on any person any legal or equitable right or other rights under any other theory of law (other than those constituting the ESS Award themselves) against the Company or any company of the Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other theory of law against any company within the Group;
- (c) no Grantee or his/her Representative shall bring any claim, action or proceeding against any company of the Group, the ESS Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights/exercise of his/her ESS Award or his/her rights/ESS Award ceasing to be valid pursuant to the provisions of these By-Laws; and

- (d) the Company, the Board or the ESS Committee shall in no event be liable to the Grantee or his/her personal or legal representative or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company of the Group, the Board or the ESS Committee has been advised of the possibility of such damage.

27. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME

- 27.1 Subject to the compliance with the Listing Requirements and any other relevant authorities, the ESS Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its discretion think fit. The approval of the shareholders of the Company in general meeting shall not be required in respect of additions or amendments to, or modifications and/or deletions of these By-Laws **PROVIDED THAT** no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:

- (a) prejudice any rights which have accrued to any Grantee without the prior consent or sanction of that Grantee; or
- (b) increase the number of Shares available under the Scheme beyond the maximum imposed by By-Law 4.1; or
- (c) alter any matter which are required to be contained in these By-Laws by virtue of the Listing Requirements to the advantage of the Eligible Person and/or Grantee, without the prior approval of shareholders obtained at a general meeting,

unless allowed otherwise by the provisions of the Listing Requirements.

- 27.2 For the purpose of complying with the provisions of the Listing Requirements, By-Laws 4, 5, 6, 8.4, 10, 11.3(b), 12.1, 14, 15, 16, 21 and 25.1 shall not be amended or altered in any way whatsoever for the advantage of Eligible Persons without the prior approval of shareholders obtained at a general meeting and subject to any applicable laws.

- 27.3 Upon amending and for modifying all or any of the provisions of the Scheme, the Company shall within five (5) Market Days after the effective date of the amendments, cause to be submitted to Bursa Securities the amended By-Laws and a confirmation letter that the said amendment and/or modification complies and does not contravene any of the provisions of the Listing Requirements in relation to the Scheme.

PART VIII

28. ADMINISTRATION AND TRUST

- 28.1 The Scheme shall be administered by the ESS Committee. The ESS Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall think fit and with such powers and duties as are conferred upon it by the Board. The decision of the ESS Committee shall be final and binding, unless the Board determines otherwise.
- 28.2 In implementing the Scheme, the ESS Committee may in its absolute discretion, after taking into consideration, amongst others, factors such as prevailing market price of the Shares, funding considerations and dilutive effects on the Company's capital base, future returns and cash requirements of the Group, decide that the Shares to be awarded under the ESGP shall be satisfied by any of the following methods:

- (a) Issuance of new Shares;
- (b) Acquisition and transfer of existing Shares (including Treasury Shares);
- (c) Any other methods as may be permitted by the Act, as amended from time to time and any re-enactment thereof; or
- (d) A combination of any of the above.

28.3 For the purposes of facilitating the implementation and administration of the Scheme, the Company and/or the ESS Committee may (but shall not be obliged to) establish a trust to be administered by trustee(s) consisting of such trustee appointed by the Company from time to time (“**Trustee**”), if required, for the purposes of

- (a) subscribing for new Shares;
- (b) acquiring existing Shares from the Main Market of Bursa Securities; and/or
- (c) acquiring or receiving Treasury Shares from the Company,

and transferring them to Grantees at such times as the ESS Committee shall direct (“**Trust**”).

28.4 To enable the Trustee to subscribe for new Shares and/or acquire or receive existing Shares for the purpose of the Scheme and to pay expenses in relation to the administration of the Trust, the Trustee will, to the extent permitted by law, be entitled from time to time to accept funding and/or assistance, financial or otherwise, from the Company and/or its subsidiaries or any third party for the aforesaid purposes including to:

- (a) subscribe for Shares on behalf of the Grantees;
- (b) acquire existing Shares from the Main Market of Bursa Securities; and/or
- (c) acquire or receive Treasury Shares from the Company,

and (if/where applicable) to:

- (i) hold all the assets under the Trust (including the Shares acquired by the Company for purposes of or in connection with the Trust and any income accruing to the Shares held under trust (by way of dividends or otherwise) and from any sources whatsoever) to be dealt with in accordance with the provisions of the Trust Deed;
- (ii) receive funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries or any third party, for purposes of or in connection with the ESS;
- (iii) acquire Shares including Treasury Shares from the Company and/or Shares from the Main Market of Bursa Securities and/or subscribe for new Shares upon receipt of sufficient funds from the Company pursuant to By-Law 28.4(i) above, and hold the same pursuant to the terms of the Trust Deed;
- (iv) sell such number of Shares on the Main Market of Bursa Securities, and hold the proceeds of the same in accordance with the instructions of the ESS Committee;
- (v) transfer dividends or distributions in respect of the Trust Shares, or the proceeds from the sale of dividends or distributions in respect of the Trust Shares (in the event that the dividends or distributions are in a form other than cash) to the Company;

- (vi) transfer such number of Shares determined by the ESS Committee to the relevant Grantee, whether pursuant to the ESOS or ESGP, at such times as may be specified by the ESS Committee;
 - (vii) open bank accounts and to retain on current or deposit accounts, at any bank, any money which it considers proper for purposes solely of facilitating the implementation and administration of the ESS and to make regulations for the operation of these bank accounts;
 - (viii) open and maintain a CDS Account for purposes of recording the Shares which are acquired by or transferred to the Trustee or which are disposed or transferred by the Trustee;
 - (ix) maintain records relating to the CDS Account and furnish reports setting out the details relating to the same, as and when requested by the Company and/or ESS Committee;
 - (x) do all things or take such actions, measures or steps as may be notified by the ESS Committee in writing from time to time subject always to the consent of the Trustee, such consent not being unreasonably withheld. For the avoidance of doubt, the Trustee shall give effect to any instructions provided by the Company and/or the ESS Committee if required for the purposes of facilitating and implementing the ESS; and/or
 - (xi) generally, do all acts and things which the Trustee considers necessary or expedient for the administration, maintenance and preservation of the Trust and in performance of its obligations under this Trust Deed (as defined in By-Law 28.5 below).
- 28.5 The Trustee if and when a Trust is established shall administer the Trust in accordance with the terms of the trust deed to be entered into between the Company and the trustee constituting the trust (“**Trust Deed**”). For the purpose of administering the Trust, the Trustee shall do all such acts and things and enter into any transactions, agreements, deeds, documents or arrangements and make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the ESS Committee may in its sole and absolute discretion direct for the implementation and administration of the Trust.
- 28.6 The Company or ESS Committee shall have power from time to time, at any time, to appoint or rescind/terminate the appointment of any Trustee as it deems fit in accordance with the provisions of the Trust Deed. The ESS Committee shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.
- 28.7 Without limiting the generality of By-Law 28.1, the ESS Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any errors in an ESS Award, execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its discretion consider to be necessary or desirable for giving effect to the Scheme.
- 28.8 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the ESS Committee as it shall deem fit.

29. DISPUTES AND LIABILITY

- 29.1 In case any dispute or difference shall arise between the ESS Committee and an Eligible Person or a Grantee or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the ESS Committee during the Duration of the Scheme. The ESS Committee shall then determine such dispute or difference by a written decision (without the obligation to give any reason therefor) given to the Eligible Person and/or Grantee, as the case may be, PROVIDED THAT where the dispute is raised by a member of the ESS Committee, the said member shall abstain from voting in respect of the decision of the ESS Committee in that instance. In the event the Eligible Person or Grantee, as the case may be, shall dispute the same by written notice to the ESS Committee within fourteen (14) days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, provided that any Director of the Company who is also in the ESS Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws.

Under no circumstances shall a dispute or difference be brought to a court of law. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the ESS Committee shall be borne by such party.

- 29.2 Notwithstanding the foregoing provisions of By-Law 29.1 above, matters concerning adjustments made pursuant to By-Law 21 shall be referred to external auditors of the Company or Principal Adviser, who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.
- 29.3 The ESS Committee and/or the Company shall not be liable (whether in tort or contract or otherwise) for any loss damage or costs the Eligible Persons and/or Grantee may suffer or incur due to, as a consequence of or in connection with the failure of such electronic system or any inaccuracies, any fault with web browsers or other relevant software, operating system or other software, viruses or other security threats, and/or problems occurring during data transmission which may delay or affect in any way whatsoever the implementation of the Scheme.
- 29.4 The Eligible Persons and/or Grantee shall safeguard any and all user names, passwords or other access codes, provided by the ESS Committee and/or the Company, and the ESS Committee and/or the Company may rightfully assume that any person using the electronic system with the Eligible Persons' and/or Grantee's user name and password is either Eligible Persons and/or Grantee or is so authorised to act for the Eligible Persons and/or Grantee. In this regard, the Eligible Persons and/or Grantee agrees that no claims shall be made by the Eligible Persons and/or Grantee or on its behalf in respect to any losses, costs and expenses incurred by the Eligible Persons and/or Grantee as a result of such unauthorised usage. All notifications executed upon or done by the Company pursuant to such notice shall be binding on the Eligible Persons and/or Grantee. The ESS Committee and/or the Company hereby reserves the right to deactivate or revoke the Eligible Persons' and/or Grantee's access to and use of the electronic system if the ESS Committee and/or the Company suspects or has reason to believe that the instructions issued using the Eligible Persons' and/or Grantee's user name and/or password are or have not been duly authorised by the Eligible Persons and/or Grantee and the ESS Committee and/or Company shall not be liable for any losses arising from the deactivation or revocation of the Eligible Persons' and/or Grantee's access to and use of the electronic system.

30. COSTS AND EXPENSES

All fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment and/or transfer of the Shares pursuant to the ESS Award, shall be borne by the Company. Notwithstanding this, the Grantee shall bear any fees, costs and expenses incurred in relation to his/her acceptance and exercise of the Options under the Scheme.

31. CONSTITUTION/ARTICLES OF ASSOCIATION

In the event of a conflict between any of the provisions of these By-Laws and the Constitution/Articles of Association of the Company, the Constitution/Articles of Association of the Company shall at all times prevail.

32. NOTICE

32.1 Subject to By-Law 32.3, any notice or request which the Board, the Company, the ESS Committee and/or the Trustee is required to give, or may desire to give, to any Eligible Person or the Grantee pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given:

- (a) if it is sent by ordinary post by the Company to the Eligible Person or the Grantee at the last address known to the Company as being his/her address, such notice or request shall be deemed to have been received three (3) Market Days after posting;
- (b) if it is delivered by hand to the Eligible Person or the Grantee, such notice or request shall be deemed to have been received on the date of delivery;
- (c) if it is sent by electronic media, including but not limited to electronic mail, to the Eligible Persons or the Grantee, such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent; and
- (d) if it is communicated by other digital means, including through an electronic system, on the Market Day immediately following the day on which such communication is effected or otherwise upon confirmation or notification received after the sending of notice or request by the Company.

Any change of address of the Eligible Person or the Grantee shall be communicated in writing to the Company.

32.2 Subject to By-Law 32.3, any notice which the Grantee and/or the Eligible Persons is required to give, or desired to be given to or served upon the Board, the Company, the ESS Committee and/or the Trustee, pursuant to the Scheme shall be given, or made in writing and shall be deemed to be sufficiently given:

- (a) if it is sent to the registered office of the Company or such other office which the Company, the ESS Committee or the Trustee may have stipulated for a particular purpose by hand (with acknowledgement of receipt) or registered letter; and
- (b) if it is sent by electronic mail, to such e-mail address specified by the Company (if to be given to or served upon the Board, the Company, the ESS Committee and/or the Trustee) such notice or request shall be deemed to have been served by the Eligible Person or the Grantee upon the ESS Committee and/or the Company and/or Trustee on the Market Day immediately following the day on which the electronic mail is sent.

32.3 Any ESOS Offer to be made and acceptances thereof, and normal correspondence under the Scheme to be given to or served upon the Board, the ESS Committee, Eligible Person, Grantee and/or the Trustee, as the case may be, shall be given, served or made in writing and delivered:

- (a) by electronic mail to such e-mail address specified by the Company (if to be given to or served upon the Company, the Board, the ESS Committee or the Trustee) or to such e-mail address of the employee provided by the Company (if to be given to or served upon the Eligible Person or Grantee); or such communication by other digital means as may be prescribed by the Board, the Company, the ESS Committee and/or the Trustee, and shall be deemed to have been received by the recipient (in the case of electronic mail) on the Market day immediately following the day on which the electronic mail is dispatched; or
- (b) in the case of communication by other digital means (including through an electronic system) on the Market Day immediately following the day on which such communication is effected.

- 32.4 Without prejudice to the generality of the foregoing, in relation to notice given by way of electronic media or any other digital means (including through an electronic system), records stored in the transaction log of the computer system of the Company of any notice or communication sent through any electronic means shall be sufficient proof of such notice or communication being sent.
- 32.5 Where any notice which the Company or the ESS Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the Grantee (as the case may be) pursuant to or under the Scheme, the Company or the ESS Committee may give such notice through an announcement to all employees of the Group to be made in such manner deemed appropriate by the ESS Committee (including via electronic media, other digital means or via an electronic system). Upon the making of such an announcement, the notice to be made under By-Law 32.1 or By-Law 32.3 (as the case may be) shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or Grantee, as the case may be.

33. SEVERABILITY

Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

34. GOVERNING LAW AND JURISDICTION

- 34.1 These By-Laws shall be governed and construed in accordance with the laws of Malaysia and the Eligible Person and/or Grantee shall subject to the provisions of By-Law 29 submit to the exclusive jurisdiction of the courts of Malaysia in all matters connected with the obligations and liabilities of the parties hereto under or arising out of these By-Laws.
- 34.2 Any proceeding or action shall subject to the provisions of By-Law 29, be instituted or taken in Malaysia and the Eligible Person and/or Grantee irrevocably and unconditionally waives any objection on the ground of venue or forum non-convenience or any other grounds.
- 34.3 Any notice/process required to be given to or served upon the Grantee and/or Eligible Persons by the Board, the Company or the ESS Committee shall be given/ shall be deemed to be sufficiently given, served or made if it is given, served or made:
- (a) by hand;
 - (b) by facsimile transmission; and/or
 - (c) by letter sent via ordinary post,

addressed to the Grantee and/or Eligible Persons, at his last facsimile transmission number known to the Company, or to his last-known address.

Any notice/process served by hand, by facsimile, by post as aforesaid shall be deemed to have been received at the time when such notice:

- (a) if by hand is received and duly acknowledged;
- (b) if by facsimile transmission is transmitted with a confirmed log print-out for the transmission indicating the date, time and transmission of all pages; and
- (c) if by letter via ordinary post on the day the letter containing the same is posted and in proving such service by post, it shall be sufficient to prove that the letter containing the notice or documents was properly addressed, stamped and posted.

- 34.4 Any notice/process required to be given to or served upon the Company, the Board or the ESS Committee by an Eligible Person shall be given, served or made in writing and delivered by hand or by registered post to the registered office of the Company (or such other office or place which the ESS Committee may have stipulated for this purpose). Any notice/process served by hand, or post as aforesaid shall be deemed to have been received at the time when such notice (if by hand) is received and duly acknowledged and (if by post) five (5) Market Days after postage.
- 34.5 In order to facilitate the offer of any ESS Award (and/or the benefit thereof) under this Scheme, the ESS Committee may provide for such special terms to the Eligible Persons who are employed by any corporation in the Group in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the ESS Committee may consider necessary or appropriate for the purposes of complying with differences in local law, tax, policy or custom of that jurisdiction. The ESS Committee may further approve such supplements to or amendments, restatements or alternative versions of the Scheme as it may consider necessary or appropriate for such purposes without affecting the terms of the Scheme as in effect for any other purpose, and the secretary of the Company or any other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as the Scheme. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Scheme, as then in effect unless this Scheme has been amended to eliminate such inconsistency. Notwithstanding the above, any ESS Award offered to such Eligible Person pursuant to the Scheme shall be valid strictly in Malaysia only unless specifically mentioned otherwise by the ESS Committee in the ESS Award.
- 34.6 No action has been or will be taken by the Company to make an ESS Award valid in any country or jurisdiction other than Malaysia or to ensure compliance of the ESS Award with all applicable laws and regulations in any other country or jurisdiction other than Malaysia. No action has or will be taken also by the Company to ensure compliance by the Eligible Person to whom an ESS Award is offered, with all applicable laws and regulations in such other country or jurisdiction in which the Eligible Person accepts the ESS Award or will exercise the ESOS Option or be vested the Shares under the ESGP Award.
- 34.7 Any Eligible Person to whom an ESS Award is offered is required to ensure that they comply with all applicable laws and regulations in each country or jurisdiction in or from which they accept the ESS Award or exercise the ESOS Option or be vested the Shares under the ESGP Award. By their acceptance of an ESS Award, each Grantee has represented, warranted and agreed that they have and will continue to observe all applicable laws and regulations in the jurisdiction in which they accept the ESS Award and/or will exercise the ESOS Option or be vested the Shares under the ESGP Award.

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