



CODE OF ETHICS AND CONDUCT FOR DIRECTORS OF KENANGA GROUP

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GLOSSARY

Terms	Description
BNM or Central Bank	Bank Negara Malaysia
Board	Board of Directors of Kenanga Investment Bank Berhad or its subsidiaries
CMSA	Capital Markets and Services Act 2007 or any statutory modification, amendment or re-enactment thereof for the time being in force
Code	This Code of Ethics and Conduct for Directors of Kenanga Group
Conflict of Interest	Situations where financial or other personal considerations may lead to compromise or have the appearance of compromising Directors' professional judgment in the performance of their duties.
Connected Party(ies)	<p>In line with BNM's Guidelines on Credit Transactions and Exposures with Connected Parties, "Connected Party(ies)" refers to any of the following:</p> <ul style="list-style-type: none"> (i) Director of the Group, whether as an executive director or otherwise, and whether or not receiving compensation, and his close relatives. This includes alternate directors. (ii) Controlling shareholder of the Group and his close relatives. A person shall be deemed to be a controlling shareholder if he fulfils any of the following criteria, whether individually or with other persons acting in concert with him: <ul style="list-style-type: none"> (a) Controls more than 50% of the voting rights; (b) Holds more than 50% of the issued share capital whether directly or indirectly (excluding preference shares); (c) Controls the composition of the board of directors; (d) Has the power to appoint and/or remove all or a majority of the board of directors; (e) Controls the controlling shareholder of the Group; or (f) Is a person in accordance with whose directions or instructions, a director of the Group or its holding company are accustomed to act. (iii) Executive officer of the Group and his close relatives. An executive officer is defined as a person who is a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Group and/or its subsidiaries (other than in the capacity as a director), whether or not the officer has an official title, or is entitled to salary or other compensation.

Terms	Description
Connected Party(ies) (cont'd)	<p>(iv) Officer who is responsible for or has the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and his close relatives.</p> <p>(v) Firms, partnerships, companies or any legal entities which control, or are controlled by, any person (including close relatives in the case of individuals) listed in (i) – (iv) above. ‘Control’ shall be determined with reference to the criteria set out in Para (ii) above.</p>
Director	any person who holds the position of Director in any entity within Kenanga Group irrespective of any designation used, including Alternate Director. A Director also includes both executive and non-executive directors as well as executive and non-executive chairpersons.
Senior Management	means the person appointed by the Group 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.
FSA	Financial Services Act 2013 or any statutory modification, amendment or re-enactment thereof for the time being in force
Kenanga Group <u>OR</u> the Group	Kenanga Investment Bank Berhad and its subsidiaries
Material Non-Public and Price Sensitive Information	As defined in the Group’s Chinese Wall Policy
Relative(s)	<p>As defined in the FSA, “Relative” in relation to a person means:</p> <ol style="list-style-type: none"> the spouse of the person; the brother or sister of the person; the brother or sister of the spouse of the person; any lineal ascendant or descendant of the person; any lineal ascendant or descendant of the spouse of the person; the spouse of any person referred to in paragraph (b), (c), (d) or (e); any lineal descendant of a person referred to in paragraph (b), (c) or (f); any uncle, aunt or cousin of the person or the spouse of the person; or any spouse, or any lineal ascendant or descendant of a person referred to in paragraph (h).

Terms	Description
Securities	As defined in section 2 of the CMSA, “Securities” shall include the following: a. debentures, stocks or bonds issued or proposed to be issued by any government; b. shares in or debentures or, a body corporate or an unincorporated body; c. unit trusts or prescribed investments and includes any right, option or interest in respect thereof but does not include Futures contract.
SC	Securities Commission Malaysia
MACCA 2009	Malaysian Anti-Corruption Commission Act 2009
AML/ CFT	Anti-Money Laundering and Counter Financing of Terrorism
AMLA	Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001

Where applicable, words importing the singular shall include the plural number and vice versa and reference to the male gender shall include the female and neuter genders.

References to the provisions of any law include a reference to any modification and re-enactment thereof as far as such modification or re-enactment applies or is capable of applying to any transaction entered into under or in connection with this Code.

DOCUMENT HISTORY

Version	Date Approved by Board	Effective Date of Implementation	Description
1	28 April 2016	28 April 2016	1 st version of the Code
2	28 July 2023	1 August 2023	2 nd version of the Code
3	31 July 2024	1 August 2024	3 rd version of the Code

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1. INTRODUCTION

One of the underlying keys to success in the financial service industry is earning the confidence, respect and trust of the key constituents. As Kenanga Group grows and evolves its operations, it is crucial to continue promoting a favourable and lasting impression in the minds of everyone with whom it interacts.

As the business environment and laws continue to become more complex and impose a greater demand for reasonable competence amongst company directors, it is important for Kenanga Group to establish a standard of competence for corporate accountability which includes standards of professionalism and trustworthiness in order to uphold good corporate integrity and governance amongst its Directors.

Thus, each and every Director of Kenanga Group must ensure that they conduct the business of Kenanga Group with the highest level of ethical behaviour and in a professional manner. Hence, by the observance of this *Code of Ethics and Conduct for Directors of Kenanga Group* ("**Code**"), it is hoped that it will serve its purpose in upholding the proper working and ethical standards that is expected of Kenanga Group.

2. PURPOSE

This Code is formulated to enhance the standard of corporate governance and corporate behaviour with the intention of -

- 2.1 establishing a standard of ethical conduct for Directors based on acceptable beliefs and values one upholds; and
- 2.2 upholding the highest standard of conduct in all the Group's business dealings and its relationships with all its stakeholders, based on the core principles of integrity, honesty, transparency, trustworthiness and accountability.

The Code is not meant to be exhaustive and should be read in conjunction with the prevailing framework of relevant laws and regulations, as well as any relevant best practices and/ or standards on corporate governance and provisions of the constitutions of the companies within Kenanga Group, with the objective of the preservation of the sustainability of Kenanga Group.

3. OBJECTIVE

- 3.1 The primary purpose of this Code is to serve as a guide for the Directors in the identification of the areas and situations where public trust and confidence might be compromised or a law might be violated and to reiterate the high

standards of conduct that are associated with ethical business practices, as well as to set forth policies and guidelines governing such situations.

3.2 The policies and guidelines enumerated herein are principled on promoting best ethical conduct as follows:

- a. Avoiding conflicts of interest, or potential conflicts, between Director's personal interests and the interests of Kenanga Group, its shareholders or clients;
- b. Avoiding misuse of position of Director;
- c. Keeping Material Non-Public and Price Sensitive Information confidential and secure;
- d. Avoiding misuse of Material Non-Public and Price Sensitive Information relating to securities or other financial instruments;
- e. Ensuring completeness and accuracy of the relevant records of Kenanga Group;
- f. Properly caring for and protecting the properties and assets of Kenanga Group; and
- g. Prompting reporting of any knowledge or information about unethical business conduct and suspected commission of crimes.

4. GOVERNING LAWS AND REGULATORY REQUIREMENTS

This Code is premised on the relevant rules, circulars, directives or guidelines issued from time to time by the regulatory authorities, including but not limited to -

- Code of Ethics for Directors & Company Secretary issued by Companies Commission of Malaysia;
- Malaysian Code on Corporate Governance;
- BNM's Policy Document on Corporate Governance;
- Capital Markets and Services Act 2007;
- SC's Guidelines on Conduct of Directors of Listed Companies and Their Subsidiaries;
- Rules of Bursa Malaysia Securities Berhad; and
- International Standards of Corporate Governance such as OECD Principles of Corporate Governance and International Corporate Governance Network's Governance Principles.

5. SCOPE OF THE CODE

This Code applies to all Directors of Kenanga Group. The policies and procedures enumerated in this Code are meant to serve as a guide for proper standards of business ethics and conduct for the Directors. This Code shall not derogate, replace or restrict the matured judgment of the Director in discharging his/ her duties and responsibilities as a Director.

6. LIMITATION CLAUSE

This Code shall not be undertaken to overrule the specific laws or guidelines relevant to the businesses and operations of Kenanga Group. Where there is change to any of the laws or guidelines which subsequently contradicts with this Code, the laws or guidelines shall prevail.

7. CORPORATE GOVERNANCE

A Director, in the performance of his/ her duties, should at all times -

- 7.1 have a clear understanding of the aims and purpose, capabilities and capacity of Kenanga Group;
- 7.2 devote time and effort to attend meetings and to know what is required of the Board and each of the Directors, and to discharge those functions;
- 7.3 ensure that Kenanga Group is properly managed and effectively controlled;
- 7.4 stay abreast of the affairs of Kenanga Group and be kept informed of Kenanga Group's compliance with the relevant legislation and contractual requirements;
- 7.5 insist on being kept informed on all matters of importance to Kenanga Group in order to be effective in corporate management;
- 7.6 limit his/ her directorship of companies in accordance with the relevant regulatory requirements to ensure that he/ she can best devote his/ her time and effectiveness; each Director is his/ her own judge of his/ her abilities and how best to manage his/ her time effectively in entities within Kenanga Group in which he/ she holds directorship;

- 7.7 have access to the advice and services of the Company Secretary, who is responsible to the Board to ensure proper procedures, rules and regulations, are adhered and complied with;
- 7.8 exercise his/ her powers for a proper purpose and in good faith in the best interest of the entity where he/ she sits as a Board member;
- 7.9 disclose immediately and fully all contractual interests whether directly or indirectly with Kenanga Group;
- 7.10 neither diverts to his/ her own advantage any business opportunity that Kenanga Group is pursuing, nor may he/ she use confidential information obtained by reason of his/ her office for his/ her own advantage or that of others;
- 7.11 with utmost good faith towards Kenanga Group in any transaction and to act honestly and responsibly in the exercise of his/ her powers in discharging his/ her fiduciary duties; and
- 7.12 be willing to exercise independent judgment and, if necessary, in his/ her fiduciary duties to openly oppose if the vital interest of Kenanga Group is at stake.
- 7.13 A Director who is appointed by virtue of his/ her position as a representative of a shareholder, must act in the best interest of the Company in which he/ she sits as a Board member. In the event of any conflict between his/ her duty to act in the best interest of the Company and his/ her duty to his nominator, he/ she must not subordinate his/ her duty to act in the best interest of the Company to his/ her nominator.
- 7.14 In directing or managing the business and affairs of the Company, a Director must exercise reasonable care, skill and diligence by –
 - a. applying the knowledge, skill and experience which may reasonably be expected of a Director having the same responsibilities; and
 - b. applying any additional knowledge, skill and experience which the Director has.

8. RELATIONSHIP WITH STAKEHOLDERS

In respect of relationship with stakeholders, Directors should -

- 8.1 be conscious of the interest of the stakeholders of Kenanga Group;

- 8.2 promote professionalism and improve the competency of Management and employees; and
- 8.3 ensure adequate safety measures and provide proper protection to employees at the workplace.

9. SUSTAINABILITY

- 9.1 Directors should consider the integration of sustainability considerations in corporate strategy, governance and decision-making, to create durable and sustainable value and maintain confidence of the stakeholders.
- 9.2 Directors should ensure that the strategic plan of Kenanga Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- 9.3 Directors should ensure that the activities and operations of Kenanga Group do not harm the interest and well-being of the environment and the society at large; and
- 9.4 Directors to ensure the effective use of natural resources by Kenanga Group and continuously reducing its carbon footprint.

10. PROFESSIONAL STANDARD

- 10.1 A Director shall not compromise integrity and morality, both of Kenanga Group and his/her own personal capacity, in the name of profit or competition.
- 10.2 The Director's consideration, decision and action, both as a Director and as a member of the public, shall be made with due care, skill and diligence, and shall not be damaging to Kenanga Group's reputation, integrity and credibility.
- 10.3 A Director shall conduct all communications and dealings involving Kenanga Group in a fair, honest, and transparent manner and shall at all times ensure that these are done in the best interest of Kenanga Group and its stakeholders.

11. CONFLICT OF INTEREST

Directors must not engage directly or indirectly in any business activity that competes or conflicts with Kenanga Group's interests. These activities include, but are not limited to the following:

11.1 Outside Financial Interest

- a. A Director shall immediately and fully disclose to the Board the nature and extent of his/ her interest in a material transaction or material arrangement¹, and, if such material transaction or material arrangement is being deliberated during a Board meeting, to be absent from the meeting during such deliberations.
- b. Where a Director has a financial interest in a client, whether as a sole proprietor, partner, shareholder, creditor or debtor, such an interest shall also be disclosed immediately to the Board.
- c. Thereafter, that Director should not be directly involved in Kenanga Group's dealings with the client so long as the interest continues to exist.

11.2 Entertainment and Gift

- a. Directors shall not accept costly entertainment from a client (including potential client) or supplier unless the expense is mutually paid or the Director is able to reciprocate (i.e., by providing in return, something of a similar cost), either through his/ her personal expense or by obtaining reimbursement from Kenanga Group through actual receipts.
- b. Directors shall not accept gifts in the form of cash, bonds, negotiable securities, personal loans, airline tickets, use of vacation property in any circumstance or any other items of a significant monetary value.
- c. A Director shall not indirectly do what he/ she is directly prohibited from doing as specified in clauses 11.2(a) and (b) above, for example, arranging for gifts or entertainment for his/ her Relatives.
- d. The prohibitions stipulated from clause 11.2(a) and (b) above shall be applicable whether such entertainment or gift was obtained via "quid pro quo" exchange (i.e., as a gratuity) or as a reward for preferential action or service rendered by the Director.
- e. A Director is prohibited, directly or indirectly, from asking for or receiving, or consenting or agreeing to receive as a consideration for procurement of credit or other facilities:

¹ A transaction or an 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/ her cannot be reasonably expected to derive a benefit or suffer detriment from the transaction or arrangement in a way that will place the Director in a position of conflict.

- i. any gifts, commission, emolument, gratuity, money, property, token or thing of value; or
- ii. any service, facility or other tangible benefit,

whether for his/ her own personal benefit or advantage or for the benefit or advantage of any other person.

- f. The Board, however, reserves the absolute right to require the Director to surrender any gift accepted from the client or supplier and to decide on how to handle or dispose of such gift.

11.3 Credit Transaction and Exposure with Connected Party

- a. Where applicable, Directors shall comply with BNM's Guidelines on Credit Transactions and Exposures with Connected Parties and policies and procedures adopted by Kenanga Group to extend credit and make investments in the ordinary course of business to/ in Connected Parties.
- b. Kenanga Group shall ensure due care in entering into credit transactions with the Connected Parties to ensure that the transactions are on an arm's length basis.
- c. The Connected Party shall abstain from participating directly or indirectly in the deliberation and decision-making process involving a credit transaction and management of credit exposures.

12. MISUSE OF POSITION

- 12.1 Directors shall not use Kenanga Group's name or facilities for personal advantage in political, investment or retail purchasing transactions, or in similar types of activities.
- 12.2 Directors and their relatives shall not use their connection with Kenanga Group to borrow from or become indebted to clients or prospective clients. The use of position to obtain preferential treatment, such as in purchasing goods, shares and other securities, is prohibited.
- 12.3 Further, Directors shall not use Kenanga Group's facilities and influence for speculating in commodities, gold, silver, foreign exchange or securities, whether acting personally or on behalf of friends or Relatives.
- 12.4 Directors of entities which are under BNM's purview shall not use his/ her position or influence to obtain preferential treatment or personal benefit or

mutual benefits or enter into any arrangement with the Directors of other financial institutions for mutually beneficial transactions in return for similar facilities, designed to circumvent ethical guidelines specified in the Code.

12.5 A Director must not accept a benefit from or provide a benefit to a third (3rd) party by reason only of –

- a. him/ her being a Director; or
- b. him/ her doing something or refraining from doing anything as a director;

unless he/ she is permitted to do so by the Company's constitution or the Code and it is not contrary to any written law.

13. MISUSE OF INFORMATION

13.1 Directors shall not deal in the securities of any company listed or pending listing on a stock exchange at any time when he is in possession of information, obtained as a result of his/ her appointment by, or his/ her connection with Kenanga Group which is not generally available to shareholders of that company and the public, and which, if it were so available, would likely bring about a material change in the market price of the shares or other securities of the company concerned.

13.2 A Director shall not remove, copy or make use of any information obtained in the course of discharging his/ her function, in which Kenanga Group has proprietary rights, for his/ her direct or indirect benefit or of other persons.

13.3 Insider Trading

- a. A Director shall ensure proper understanding and compliance with the regulatory rules and regulations and internal policies and procedures on Insider Trading as detailed in the Group Chinese Wall Policy.
- b. A Director shall not deal in securities of a company listed or pending listing on Bursa Securities at any time when he is in possession of Material Non-Public and Price Sensitive Information obtained as a result of his/ her appointment or his/ her connection with Kenanga Group.
- c. A Director who possesses Material Non-Public and Price Sensitive Information shall also not use it to -

- i. influence any client or any third (3rd) party in dealing in any transaction; or
- ii. communicate such information to any client, for the benefit of himself or herself or other persons.

14. INTEGRITY OF RECORDS AND TRANSACTIONS

Accounting records and reports must be complete and accurate. Directors should never make entries or allow entries to be made for any account, record or document of Kenanga Group that are false or would obscure the true nature of the transaction, as well as to mislead the true authorisation limits or approval by the relevant authority of such transactions.

15. CONFIDENTIALITY

- 15.1 Directors must treat confidential, and Material Non-Public and Price Sensitive Information ("**Inside Information**"), obtained in the course of their directorship with Kenanga Group, in strictest of confidence, not disclose such information to any unauthorised persons and take all the necessary precautionary measures to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it is intended for, except when disclosure is authorised or legally required.
- 15.2 The obligation to preserve Kenanga Group's Inside Information shall be ongoing even after an individual ceases to be a Director of Kenanga Group.

16. FAIR AND EQUITABLE TREATMENT

- 16.1 All business dealings on behalf of Kenanga Group with current and potential clients, and with all those who may have cause to rely upon Kenanga Group, should be conducted fairly and equitably.
- 16.2 Directors must not be influenced by friendship or association, either in meeting a client's requirements, or in recommending that they be met. Such decisions must be made on a strictly arm's length business basis.

17. ANTI-CORRUPTION AND BRIBERY

Directors should refrain themselves from offering, soliciting, giving or receiving any gifts, donations (including political donations), sponsorship and any other form of benefits (in kind, cash, advantages, travels, entertainments and/ or favour and etc.) from persons or entities who deal with Kenanga Group where the gift would reasonably be expected to influence the fulfilment of the Director's duties in any aspect.

17.1 Corporate Liability

- a. Directors shall ensure that Kenanga Group have established an adequate procedure which can be used to reasonably protect Kenanga Group and its Senior Management from the liabilities arising from Section 17A of the MACCA 2009;
- b. Directors shall ensure that Kenanga Group –
 - (i) practices the highest level of integrity and ethics;
 - (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption;
 - (iii) effectively manages the key corruption risks of the organization;
 - (iv) puts in place the appropriate controls and contingency measures that are reasonable and proportionate to the nature and size of Kenanga Group, in order to address any corruption risks arising from weaknesses in its governance framework, processes and procedures;
 - (v) conducts corruption risk assessments periodically to identify, analyse, assess and prioritise the internal and external corruption risks of Kenanga Group;
 - (vi) conduct regular reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme and ensure the programme is enforced; and
 - (vii) ensures that Kenanga Group's anti-corruption policy be made publicly available.

17.2 Anti-Money Laundering and Counter Financing of Terrorism

- a. To prevent Kenanga Group from risk of being exposed to AML/ CFT activities, Directors shall ensure that Kenanga Group -
 - (i) adopts policies and procedures set out under AMLA and the Guidelines;
 - (ii) conduct Kenanga Group business in conformity with high ethical standards to ensure that laws and regulations are adhered ; and
 - (iii) remain vigilant against undertaking and business transaction that is or may be connected with or may facilitate money laundering/ terrorism financing.

18. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

In discharging his/ her duties, a Director shall comply with all applicable laws, rules and regulations issued by the relevant regulatory authorities, as well as the constitutions of the entities of Kenanga Group, where applicable.

19. COMPANY ASSETS

- 19.1 Every Director has a duty to safeguard the assets of Kenanga Group, including physical premises, equipment and facilities, as well as records and information or data, both in physical and digital forms.
- 19.2 Assets of Kenanga Group shall only be used in an ethical and lawful manner and shall not be used for pursuing improper personal gain or benefit.

20. FAIR DEALING AND ANTI-COMPETITION

A Director shall act impartially, honestly and responsibly in dealing with all stakeholders, including regulators and the public where he/ she shall not –

- 20.1 compete or assist other competitors to compete with Kenanga Group; and
- 20.2 take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

21. COMPLIANCE WITH THE CODE

In the event of any violation of this Code by any Director, the Board shall determine the appropriate actions to be taken after considering all relevant information and circumstances.

22. REPORTING OF VIOLATION OF THE CODE

- 22.1 Directors must immediately report any concern on possible/ actual breaches of the Code by any Director to the Chairman and strictly observe the relevant internal document i.e., the Group Whistleblowing Policy.
- 22.2 A Director making such a report must have reasonable and probable grounds and merits and must undertake such reporting in good faith and in the best interest of Kenanga Group.

23. REVIEW OF THE CODE

This Code shall be reviewed by the Board every three (3) years or as and when required or necessary to be in line with the latest relevant internal and/ or regulatory requirements or best practices.

24. ADDITIONAL INFORMATION

Any questions relating to the interpretation of this Code should be forwarded to the Office of the Group Company Secretary.