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	1st Version of the TOR of the GBDITC
2	7 December 2023	7 December 2023	2nd Version of the TOR of the GBDITC

CONTENTS

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 Director[1];

b. Chief Technology Officer[2]; 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 TRMF[3] and CRF[4] 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 projects[5] 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.