



CORPORATE GOVERNANCE DISCLOSURES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

BOARD COMPOSITION

The Board of Directors ("Board") of KAF Investment Bank Berhad ("KAF IB or the Bank") currently consists of five (5) members, of which one (1) Non-Independent Non-Executive Director and four (4) are Independent Non-Executive Directors, as follows:

Dato' Saiful Bahri bin Zainuddin	Independent Non-Executive Director/ Chairman
Datuk Khatijah binti Ahmad	Non-Independent Non-Executive Director
Mr. Khoo Guan Huat	Independent Non-Executive Director
Puan Nor Rejina binti Abdul Rahim	Independent Non-Executive Director
Encik Mohd Hazran bin Abd Hadi	Independent Non-Executive Director

PROFILE OF DIRECTORS

DATO' SAIFUL BAHRI BIN ZAINUDDIN, was appointed as Chairman on 29 May 2025. He is an Independent Non-Executive Director and was appointed to the Board on 1 June 2017. He holds a degree of Bachelor of Science in Economics and Finance from Western Michigan University, USA in 1985 and has attended the Global Leadership Development Programme at Stanford University, United States of America ("USA"). He has extensive skills and experience of more than 14 years in the Malaysian stockbroking industry. He previously held various senior positions in established banking groups, including Executive Director of Affin Holdings Berhad and Affin Hwang Investment Bank Berhad. He was the Financial Adviser to the State Government of Negeri Sembilan, a member of the Negeri Sembilan State Government Think Tank, an Audit Committee Member for Universiti Sains Islam Malaysia (USIM) and currently the Executive Director of OSK Holdings Berhad.

In addition, he is the Chairman of PT KAF Sekuritas Indonesia. He also sits on the Investment Committee Board of Eastspring Investments Berhad. He was also appointed to the Board of Eastspring Investments Berhad on 20 June 2022.

DATUK KHATIJAH BINTI AHMAD, a Non-Independent Non-Executive Director, was appointed to the Board on 12 October 1974. She is the founder of KAF Group, a well-diversified Malaysian Financial services group with interests in Money Market Activities, Investment Banking, Stock Broking, Islamic Banking, Research, Investment Fund Management, Fund Advisory and Trustee services. She holds a Degree in Economics from the London School of Economics & Political Science of the University of London, United Kingdom.

Datuk Khatijah also served as director of several public listed companies including the Malaysian Conglomerate Sime Darby Berhad. In 1979, she was appointed a member of the International Commission. She was also a member of the Economic Advisory Council (1981-2003) to Tun Dr Mahathir Mohamad, former Prime Minister of Malaysia.

MR. KHOO GUAN HUAT, an Independent Non-Executive Director, was appointed to the Board on 1 June 2018. He graduated with an LLB (Hons) from the University of Malaya and commenced his legal career with the Attorney-General's Chambers in 1987, and was a pioneer member of the Arbitration Unit of the Chambers when the unit was set up in 1990. He joined Skrine and became a partner of Skrine from 1993 until January 2025. He currently practices from Khoo Chambers, Kuala Lumpur, Malaysia. His work is focused on litigation and arbitration matters.

He has sat as arbitrator and has also acted as counsel in both international and domestic arbitrations conducted under various rules of arbitration including the Asian International Arbitration Centre ("AIAC"), the Singapore International Arbitration Centre ("SIAC"), the International Chamber of Commerce ("ICC"), and UNCITRAL. He has appeared as an expert witness on Malaysian law in several arbitration and litigation matters in the U.S. and in Singapore. He is a member of the Panels of Arbitrators and Conciliators of ICSID ("the International Center for Settlement of Investment Disputes") (2021-2027).

In addition to his dispute resolution portfolio, he has advised on regulatory and compliance law issues. These include issues affecting financial services, anti-corruption and anti-money laundering, compliance, product liability and competition law.

He is an adjunct Senior Lecturer of Asia School of Business – in collaboration with MIT Sloan Management.

PUAN NOR REJINA BINTI ABDUL RAHIM, an Independent Non-Executive Director, was appointed to the Board on 1 March 2023. She graduated with an LLB (Hons) from the University of Kent at Canterbury, United Kingdom in 1996 and is a member of Lincoln's Inns in Law. She was called to the Bar of England and Wales in 1997. She has twenty-five years of experience in the Malaysian capital market.

Her career was cultivated on pioneering new roles and businesses, from a first-ever legal officer of Pengkalen Securities Sdn. Bhd. in 1996 to the first Legal and Compliance Manager for Commerce Trust and Commerce Asset Fund Managers in 1998, to founding staff of Nomura Asset Management in Malaysia in 2006 where she grew it to one of the Top 10 biggest award-winning fund management companies in Malaysia. She was also Nomura Asset Management's first woman and non-Japanese national to head one of their overseas businesses. Currently, she is the Managing Founder of a Femtech start-up called Wahine Capital Sdn. Bhd and sits on various Boards and advisory councils.

MOHD HAZRAN BIN ABD HADI, an Independent Director, was appointed to the Board on 1 July 2025. He graduated as a Chartered Management Accountant from Accountancy Tutors College in London in 1990. He is an Associate Member of the Chartered Institute of Management Accountants, a Chartered Member of The Chartered Institute of Islamic Finance Professionals (CIIF), a Chartered Member of The Chartered Institute of Management Accountants (CIMA) and a Chartered Member of Malaysia Institute of Accountants (MIA).

He has over 32 years of experience in the banking industry, covering foreign commercial, local, and Islamic financial institutions. He has an extensive banking background that covers the areas of Finance, Treasury, Strategy, Risk Management, Operations, and previously held positions include Head of Financial Control (CFO) at Bank Simpanan Nasional, Chief Financial Officer and Head of Corporate Strategy at RHB Islamic Bank Berhad. He was a former Chief Executive Officer of Kuwait Finance House (Malaysia Berhad) from February 2020 until June 2024.

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR

There have been recent changes to the Bank's leadership and Board.

Encik Paisol bin Ahmad retired as Chairman on 4 December 2024. Dato' Saiful Bahri bin Zainuddin assumed the role of Chairman effective 9 May 2025.

The Bank also welcome Encik Mohd Hazran bin Abd Hadi, who joined the Board as an Independent Director on 1 July 2025.

FUNCTION AND CONDUCT

Roles and Responsibilities

The Board reviews and approves risk appetite, strategies, business plans and significant policies and monitors the Management's execution in implementing the approved strategies, plans and policies. The Board ensures that there are adequate controls and systems in place to facilitate the implementation of the Bank's policies.

The Board oversees the implementation of the Bank's governance framework and internal control. Consequentially, the Bank has established comprehensive risk management policies, processes and infrastructure to manage the various types of risks relevant to the Bank's operations. The Board accordingly monitors and assesses current developments in the country and globally which may affect the Bank's existing strategic plans and whether the framework would remain appropriate in light of material changes to the size, nature and complexity of the Bank's operations.

The Board reviews the adequacy and integrity of the Bank's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board promotes, together with the Management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behaviour. The Board also promotes sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies.

Frequency and conduct of Board meetings

Meetings are conducted regularly to discuss key issues of the Bank including review of the financial performance, operations, internal control and risk management of the Bank and to deliberate on matters which require the Board's decision and approval.

The agenda for every Board meeting, together with Management reports, proposal papers and supporting documents are distributed to the Directors in advance of all Board meetings, to allow time for appropriate review and to enable full discussion at the meetings. All proceedings from the Board meetings are recorded in the minutes of meetings which are properly kept.

The Board is satisfied that each Director has committed sufficient time to the Bank as evidenced by the Directors' record of attendance at Board meetings during the financial year. All current Directors complied with Bank Negara Malaysia's ("BNM") Policy Document on Corporate Governance which specifies that each Director must attend at least 75% of the Board meetings held in each financial year.

A summary of the attendance at Board meetings during the financial year ended 30 June 2025 is set out below:

Name of Directors	No. of Meetings Attended
Encik Paisol bin Ahmad (Retired w.e.f. 04.12.2024)	3 out of 3
Dato' Saiful Bahri bin Zainuddin (Redesignated as Chairman w.e.f. 29.05.2025)	6 out of 6
Datuk Khatijah binti Ahmad	6 out of 6
Mr. Khoo Guan Huat	6 out of 6
Puan Nor Rejina binti Abdul Rahim	6 out of 6

DIRECTORS' TRAINING

The Board members attended seminars and trainings during the financial year ended 30 June 2025 to strengthen their skill sets and knowledge to effectively discharge their responsibilities and acquire a sound understanding of current issues and developments in the financial and business environments.

New Directors are to undertake the Financial Institutions Directors' Education (FIDE) Core Programme, which is set up to enhance corporate governance practice in the Board of financial institutions and to develop world-class Directors who advocate best practices and excellence in corporate governance. Upon completion of the FIDE Core Programme, Directors are eligible to attend FIDE Elective programmes that focus on Board Committee, technical and advanced issues.

Directors are also provided with opportunities to attend public programmes or seminars on areas related to the functions to keep abreast with the current developments in the market. Directors may request that training programmes on a specific subject be arranged in order to facilitate them to discharge their duties effectively. The Company Secretary and/or Group Compliance update and apprise the Directors on new policy documents and guidelines issued by the regulatory authorities and the requirements to be observed by the Bank and Directors.

In line with the Bank Negara Malaysia's Risk Management in Technology (RMiT) policy document, the Bank organised a Cyber Security Awareness Training Program for the Board of Directors of the Bank and its subsidiaries.

Additionally, training sessions were held for directors and senior management of KAF Group on Anti-Money Laundering, Countering Financing of Terrorism, and Targeted Financial Sanctions (AML/CFT/CPF), as well as on Foreign Exchange Policy Notices (FEPN).

Listed below are some of the conferences, seminars and training programmes attended by the Board members during the financial year:

- i. Board Cyber Security Awareness Training for KAF Group
- ii. FIDE Core Programme Module A & B (Bank & Insurance)
- iii. OSH Training
- iv. COP 29 Parallel Program
- v. National Corporate Governance Summit
- vi. Can SME's Really Profit from SDGs
- vii. International Social Wellbeing Conference 2025 (ISWC 2025)

COMMITTEES ESTABLISHED BY THE BOARD

The Board has established the following Board Committees to assist the Board in discharging their duties:

- i. Audit Committee;
- ii. Risk Management Committee; and
- iii. Nomination & Remuneration Committee.

Details of attendance of each Director in the Committees during the financial year ended 30 June 2025 are highlighted in the table below.

Name of Director	Audit Committee	Risk Management Committee	Nomination & Remuneration Committee
Encik Paisol bin Ahmad	2 out of 3	N/A	N/A
Datuk Khatijah binti Ahmad	3 out of 3	N/A	4 out of 4
Dato' Saiful Bahri bin Zainuddin	N/A	6 out of 6	4 out of 4
Mr. Khoo Guan Huat	6 out of 6	6 out of 6	4 out of 6
Puan Nor Rejina binti Abdul Rahim	6 out of 6	6 out of 6	N/A

AUDIT COMMITTEE

The Audit Committee comprises all Non-Executive Directors, of which two (2) Independent Directors and one (1) Non-Independent Director. The Chairman of the Audit Committee is an Independent Non-Executive Director, and no alternate Directors were appointed as members of the Audit Committee during the financial year. The Audit Committee meets at least once every quarter and reports regularly to the Board.

The members are as follows:

Name	Position
Puan Nor Rejina binti Abdul Rahim (Independent Non-Executive Director)	Chairman
Encik Paisol bin Ahmad (Non-Independent Non-Executive Director)	Member (Ceased to be member on 4 December 2024)
Mr. Khoo Guan Huat (Independent Non-Executive Director)	Member
Datuk Khatijah binti Ahmad (Non-Independent Non-Executive Director)	Member (Appointed as member on 4 December 2024 and ceased to be a member on 1 July 2025)
Encik Mohd Hazran bin Abd Hadi (Independent Non-Executive Director)	Member (Appointed as member on 1 July 2025)

The objective of the Audit Committee is to provide an independent oversight of the Bank's financial reporting and internal control system and ensure adequate checks and balances are put in place within the Bank.

The Audit Committee assists the Board in meeting its responsibilities in ensuring adequate and effective internal control, risk management and compliance with established policies and procedures. The Audit Committee also assists the Board in meeting the external financial reporting obligations and compliance with laws and regulations. The Audit Committee shall be directly responsible for the selection, oversight and remuneration of the external auditors.

Its principal functions are to:

- i. Provide assistance to the Board in fulfilling their statutory and fiduciary responsibilities and in monitoring its accounting and financial reporting practices;
- ii. Determine that the Bank has adequate administrative, operational and internal accounting controls and that the Bank is operating in accordance with its prescribed procedure and code of conduct;
- iii. Serve as an independent and objective party in the review of the financial information presented by Management for distribution to shareholders and the public;
- iv. Provide an independent oversight of the Bank's internal audit function and the external auditor;
- v. Review the effectiveness of internal control and risk management process, and
- vi. Review any related party transactions that may arise within the Bank.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee currently consists of three (3) members, of which all the members are Independent Directors. The Chairman of the Risk Management Committee is an Independent Non-Executive Director.

The members are as follows:

Name	Position
Mr. Khoo Guan Huat (Independent Non-Executive Director)	Chairman
Dato' Saiful Bahri bin Zainuddin (Independent Non-Executive Director)	Member
Puan Nor Rejina binti Abdul Rahim (Independent Non-Executive Director)	Member

The Risk Management Committee ensures that proper governance infrastructure, resources and systems are in place and functioning for effective risk and compliance management. The Board, through the Risk Management Committee, maintains overall responsibility for risk and compliance oversight within the Bank.

Risk Management Committee oversees the Bank's Management activities in managing credit, market, liquidity, operational, legal and other risks. Risk Management Committee also ensures that proper processes and procedures, and compliance are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

The Committee comprises only Non-Executive Directors and is chaired by an Independent Non-Executive Director. The Committee may invite any Director, executive or other person(s) to attend any meeting(s) of the Committee as it may from time to time in order to assist the Committee in the attainment of its objectives. The Committee Secretary circulates all reports and minutes of the Risk Management Committee meetings as appropriate to all Committee members.

The Committee meets with such frequency and at such times as it may determine, but in any event, not less than once every quarter. The quorum for meetings is two Non-Executive Directors, of whom one shall be an Independent Non-Executive Director. At all meetings of the Committee, the Chairman of the Committee, if present, shall preside. If the Chairman is absent, the members present at the meeting shall elect a chairman of the meeting, who shall be an Independent Non-Executive Director.

Management committees have been established with clear reporting structures and dedicated roles and responsibilities to manage major sources of risk. These committees, details of which are set out below, report to the Risk Management Committee of the Board:

- i. Treasury Management Committee to manage assets and liabilities, market and liquidity risks;
- ii. Investment Committee for market and liquidity risks; and
- iii. Credit Committee for credit risk.

Risk Management and Group Compliance have a pivotal role in providing adequate risk and compliance assurances as well as assisting the Board (through the Risk Management Committee) in exercising their appropriate risk and compliance oversights within the Bank and across the KAF Group.

Risk Management Department is responsible for implementing and monitoring compliance with the risk policies set by the Risk Management Committee and actively supports the Risk Management Committee through identifying and recommending tools as well as measures to augment the risk management process. On the other hand, Group Compliance is entrusted to ensure the Bank's comprehensive compliance with regulatory requirements, where the Risk Management Committee is regularly updated on the Bank's compliance status vis-à-vis applicable regulatory developments and operational requirements.

Both the Head, Risk Management Department and Group Chief Compliance Officer are regular invitees to the meetings of the Risk Management Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") currently consists of three (3) members, of which two (2) committee members are Independent Directors. The Chairman of the NRC is an Independent Non-Executive Director.

The members are as follows:

Name	Position
Dato' Saiful Bahri bin Zainuddin (Independent Non-Executive Director)	Chairman (Redesignated as a member on 29 May 2025)
Datuk Khatijah binti Ahmad (Non-Independent Non-Executive Director)	Member
Mr. Khoo Guan Huat (Independent Non-Executive Director)	Member (Appointed as Chairman on 29 May 2025)

The objective of the NRC is to support the Board in carrying out its functions with regard to the appointments, removals and performance assessment of the Board and Senior Management. NRC reviews and recommends any proposed reappointment of Directors for Board approval prior to seeking approval from BNM. The NRC also manages the overall composition of the Board with respect to the appropriate size, professional diversity and balance between Executive, Non-Executive, and Independent Directors. The NRC is also responsible for all Board remuneration-related matters and periodically reviews the remuneration of Directors on the Board, particularly on whether remuneration remains appropriate to each Director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

SHARIAH COMMITTEE

The Board has established a Shariah Committee ("SC") comprises of four (4) members to assist the Board in oversight the Bank's Shariah governance. The Bank has introduced comprehensive policies and procedures in ensuring the Bank's operations and products are conducted in accordance with the Shariah principles as set out by BNM Policy Document on Shariah Governance.

While Shariah Committee has distinct responsibilities in relation to Shariah matters, the Board shall remain responsible for the direction and control of the Bank's business and risk strategies.

The members are as follows:

Name	Position
Dr. Asma Hakimah binti Ab. Halim	Chairman
YBhg Sahibus Samahah Dato' Associate Professor Dr. Miszairi bin Sitis	Member
Ustaz Muhammad Ameen bin Kamaruzaman	Member
Ustaz Ahmad Hazim bin Alias	Member

There were no changes in the composition of the Shariah Committee during the financial year.

The SC reports directly to the Board with its primary roles and responsibilities are as follows:

- (1) Advising the Board and Management and providing input to the Bank on the application of any rulings of the SAC or standards on Shariah matters to its operations, businesses, affairs and activities;
- (2) Endorsing Shariah-related policies and manuals/guidelines;
- (3) Endorsing and validating relevant documentation in the proposal of new Islamic products and services including contracts, agreements or other legal documentation used in executing Islamic Banking transactions;
- (4) Assessing the work carried out by Shariah Review, Shariah Risk, and Shariah Audit in ensuring compliance with Shariah and strengthening overall Shariah governance;
- (5) Assisting and advising related parties such as legal counsel, auditor or consultant on Shariah matters upon request;
- (6) Providing decisions or advice on matters which require a reference to be made to the Shariah Advisory Council of BNM ("SAC"), on any Shariah matters which SC is not able to decide or SAC has not made any rulings;
- (7) Deliberating and affirming Shariah Non-Compliance finding by any relevant function; and
- (8) Endorsing a rectification measure to address a Shariah non-compliance event.

During the financial year ended 30 June 2025, the attendance of each Shariah Committee member is as follows:

Name	Position	No. of Meetings Attended
Dr. Asma Hakimah binti Ab Halim	Chairman	7 out of 7
YBhg Sahibus Samahah Dato' Associate Professor Dr. Miszairi bin Sitis	Member	6 out of 7
Ustaz Muhammad Ameen bin Kamaruzaman	Member	7 out of 7
Ustaz Ahmad Hazim bin Alias	Member	7 out of 7

INTERNAL CONTROL FRAMEWORK

Risk Management and Compliance

At KAF, our Board and Risk Management Committee (RMC) are deeply committed to fostering a strong compliance culture. We maintain robust internal policies and procedures, regularly reviewing them to ensure they effectively guide our Bank's conduct within legal and regulatory frameworks. Group Compliance, reporting directly to the RMC and Board, leads our comprehensive compliance management with unimpeded access to the Board for independent compliance reports and potential regulatory incidents for immediate rectifications and closure. This group-wide oversight aligns with regulatory expectations, boosting our strategic alignment, operational efficiency, and overall compliance risk management. Our subsidiaries' Compliance functions work in tandem with Group Compliance, ensuring a unified approach.

With a strong mandate given and direct reporting to the RMC and Board, Group Compliance is well positioned to drive the overall management of the Bank's compliance. This would have a positive impact on elevating the principle of good corporate governance. The group-wide compliance oversight underpins comprehensive compliance management in line with regulatory expectations and supplements the Bank's role in ensuring effective strategic alignment, operational efficiency and enhanced compliance risk management. The subsidiary's' respective Compliance functions will complement the role of Group Compliance. The subsidiary's' Compliance will complement the role of Group Compliance.

As compliance is a journey, Group Compliance emphasises a close working relationship and engagement with the Board, Senior Management and officers of the business on the requirements of various regulators. This is to ensure the officers to remain vigilant while carrying out the Bank's businesses. Assessments are done from time to time to ensure a satisfactory level of compliance performance within the Bank. The expected compliance conduct of all stakeholders is manifested in the Group Code of Ethics and Professional Conduct ("GCOE").

In supporting BNM broader prudential toolkits to maintain monetary and financial stability as well as to facilitate the competitiveness of the Malaysian economy, the Bank is fully committed to adhering to the Foreign Exchange Policy Notices (FEPN) at all levels of the organisation, including directors, management, and employees. To strengthen this commitment, the Bank has further enhanced its policy framework by developing detailed guidance and procedures for monitoring and mitigating risks in collaboration with internal and external stakeholders. These enhancements demonstrate the Bank's proactive approach to maintaining strong governance standards. This is further enunciated with comprehensive training programs and awareness initiatives to ensure contemporary understanding and

implementation of FEPN requirements, hence maintaining the integrity and accountability of our foreign exchange practices.

The Bank is committed to maintaining the highest ethical standards, transparency and integrity and has adopted a zero-tolerance approach towards all forms of bribery and corrupt practices. To instill a culture of integrity, all directors, management, and employees are required to comply with the Anti-Bribery and Corruption (ABC) Guide, which outlines the principles and procedures to address bribery and corruption risks.

The ABC Guide was formalized and adopted across the Group on June 17, 2020, as part of the GCOE. As part of KAF's commitment to strengthening our governance framework, we engaged an external consultant in January 2025 to spearhead a comprehensive review of our anti-corruption measures. This initiative led to the successful completion of a Corruption Risk Assessment and the development of a new Organizational Anti-Corruption Plan. The project resulted in a significant overhaul of our internal policies and procedures, which now includes two new standalone policies: a dedicated Anti-Bribery and Corruption (ABC) Policy and a Whistleblowing Policy. These enhancements represent a major step in reinforcing our defenses against corruption and promoting a culture of integrity across the organization.

The Bank also strongly advocates the prevention of money laundering and terrorism financing as part of the overall Financial Crime Compliance (FCC) and Ethics portfolio. This is reflected in the Group Anti-Money Laundering, Countering Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) Policy, where the Bank's clients are rigorously screened against a comprehensive database for eventual reporting to the regulator(s). This control mechanism is also supplemented with adequate due diligence, risk management and monitoring processes in support of an effective AML/CFT/CPF framework. The newly expanded scope of the FCC and Ethics portfolio which includes fraud monitoring, further embodies stringent internal processes and assessments to ensure the Bank's clients and their transactions remain clear of the prohibitive AML/CFT/CPF elements. The continuous reporting of institutional AML/CFT/CPF risk assessment to the Executive Committee and Board RMC signifies the Bank's initiative of ensuring consistent, transparent and timely reporting of risks as well as reflecting a robust governance framework for the conduct of AML/CFT/CPF controls.

The Bank stands alongside regulators, associations and peers in the fight against rising trends such as increasing mule and fraud crime. Along with other reporting institutions in Malaysia, KAF Group continues to be committed to completing its submission of reports under the Foreign Account Tax Compliance Act (FATCA), in addition to fulfilling its annual reporting obligation under the Common Reporting Standard (CRS), to the Inland Revenue Board of Malaysia as an additional mechanism to facilitate our FCC regime. Our efforts to further solidify regulatory compliance center on three key areas: integrating climate-related

principles and responsible banking, upholding a stringent framework for outsourcing and third-party risk management, and aligning our controls with current data security and data protection regulations. Our vigilance in data protection is further reinforced with the appointment of a dedicated Data Protection Officer with the necessary stature, resources and support.

With a strong internal governance framework, competent officers and continuous cooperation and reporting to the regulator(s) as well as law enforcement agencies, the Bank is confident in ensuring a sustainable compliance culture for implementation across the Bank.

Internal Audit

The Audit Committee is supported by an adequately resourced Internal Audit Department to provide an independent review and assessment of the adequacy and reliability of the Bank's internal controls. The review covers financial, risk management processes, compliances with control and risk policies and regulatory requirements.

Senior Management

The Executive Committee ("EXCO") is a decision-making body responsible for the strategic direction and day-to-day management of the Bank's business operations. The EXCO makes collective decisions on strategies, business initiatives, and operational matters.

The current members of the EXCO are the Chief Executive Officer, Chief Operating Officer and Head of Treasury.

In order to preserve the quality and independence of the control functions, the relevant heads of the control functions report to the various Board Committees, namely the Audit Committee and Risk Management Committee. The clear segregation of duties and responsibilities amongst the Senior Management provides a check and balance system for the Bank's operations.

Internal Policies and Procedures

Clearly documented policies and procedures which are easily accessible by the staff serve as a day-to-day operational guide to ensure compliance with the internal controls and the applicable laws and regulations. At a minimum, annual reviews are conducted to ensure that the policies and procedures are kept up-to-date with the practices embraced in ensuring operational efficiency and effectiveness and to take into account the changing regulatory requirements, risk and external environment to continuously strengthen internal controls.

REMUNERATION

The NRC is in charge of developing and implementing the remuneration policy for the Directors and Senior Management of the Bank. The Remuneration Policy is designed to align with the Bank's overall objectives and strategies. This enables the Bank to attract, reward and retain talents with a competitive remuneration package.

Directors' Remuneration

The remuneration of Directors is reviewed and recommended by the NRC for the approval of the Board, and shall be in line with the level of contribution and responsibilities as a Director of a financial institution. The Directors are paid an annual fee for their service on the Board.

The remuneration of Directors are as follows:

Non-Executive Director Remuneration (Per annum)	
Chairman	RM110,000
Member	RM90,000

Components of Remuneration

The Bank embraces a rewards package that focuses on providing the right remuneration and benefits for our employees. It involves the integration of total rewards key elements that are outlined in our Appraisal Policy and Procedure and Remuneration Policy to create motivated, sustainable and productive employees. This outcome will create the desired business performance for sustainable growth.

The Bank's remuneration policy is approved by the Board, and it is subject to periodic/yearly monitoring and review. The remuneration policy reinforces a high-performance culture to attract, motivate and retain our human capital through market competitive and differentiated pay.

The Bank's rewards principles are delivered holistically including fixed pay, variable pay, and benefits.

Fixed Pay	<ul style="list-style-type: none"> ▪ Consist of base salary and fixed allowances. ▪ Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels.
Variable Pay	<ul style="list-style-type: none"> ▪ Payable annually through cash bonus. ▪ Reinforced pay-for-performance, not guaranteed and adherence to Bank culture and value. ▪ Based on overall bank performance, business function as well as individual performance. ▪ Performance is measured via appraisal/merit approach.

Linkage between Performance and Remuneration

The Bank remuneration policy is a mixture of fixed and variable pay which is designed to align with long-term performance goals and objectives of the Bank. The policy provides a balance approach between fixed and variable components that change according to individual performance, department performance, bank performance as well as individual level and accountability.

The Bank has a proper internal governance on performance and remuneration of control functions which are measured and assessed independently based on the functions they are attached to avoid any conflict of interest.

As part of the overall corporate governance framework, the Bank has a significant role to align the remuneration policy with the governance requirement under the Policy Document on Corporate Governance set out by BNM. From a risk management perspective, remuneration policy is supported by strong governance and sensitive to risk outcomes.

Employee rewards are reviewed on an annual basis and are consistent with business performance and prudent risk management. Involvement by the relevant Senior Management is sufficiently embedded to provide an independent and objective assessment of the remuneration principles and practices which are pre-requisites for executing a complete remuneration policy. An individual's performance bonus may be further adjusted based on audit and non-compliance findings or due to disciplinary action.

Our focus going into 2026 revolves around enhancements to the remuneration framework which is directly linked to the achievement of key strategic objectives, including those related to climate-related principles where a portion of our performance-based incentives is tied to specific climate-related metrics, ensuring that our compensation structure drives accountability and long-term value creation for all stakeholders.

Remuneration packages of the EXCO members are reviewed by the NRC. The Head, Group Internal Audit, Group Chief Compliance Officer and Head, Risk Management are assessed by the NRC for recommendations to the Board for approval.

Summary of Remuneration for the Financial Year Ended 30 June 2025

Below is the summary of compensation outcome for the financial year ended 30 June 2025.

Table 1: Breakdown of CEO's remuneration

Total value of remuneration for the financial year	CEO	
	Unrestricted	Deferred
Fixed Remuneration		-
▪ Cash based	857,000.00	
▪ Shares and share-linked instruments		-
▪ Other		-
Variable Remuneration		-
▪ Cash based	630,000.00	
▪ Shares and share-linked instruments		-
▪ Other		-

Table 2: Remuneration for Senior Officers

Total value of remuneration for the financial year	Senior Officers			
	Unrestricted		Deferred	
	Headcount	RM	Headcount	RM
Fixed Remuneration			-	
▪ Cash based	5	1,925,000.00		
▪ Shares and share-linked instruments	-		-	
▪ Other	-		-	
Variable Remuneration			-	
▪ Cash based	5	1,250,000.00		
▪ Shares and share-linked instruments	-		-	
▪ Other	-		-	

* Remuneration of Senior Officer disclosed is for Deputy Chief Executive Officer, Chief Operating Officer, Head, Group Internal Audit, Group Chief Compliance Officer and Head, Risk Management.

Table 3: Remuneration for Other Material Risk Takers

Total value of remuneration for the financial year	Other Material Risk Taker			
	Unrestricted		Deferred	
	Headcount	RM	Headcount	RM
Fixed Remuneration				
▪ Cash based	8	2,567,576.34	-	
▪ Shares and share-linked instruments	-		-	
▪ Other	-		-	
Variable Remuneration				
▪ Cash based	8	2,333,000.00	-	
▪ Shares and share-linked instruments	-		-	
▪ Other	-		-	

* Other Material Risk Takers are defined as employees whose responsibilities have a material impact on the Bank and its risk profile, and employees whose responsibilities require them to take on material risk exposures on behalf of the Bank.

Focus for the Financial Year Ending 30 June 2026

In compliance with BNM's Policy Document on Corporate Governance, the Bank is committed to strengthening its governance framework and practices. Our key focus for the financial year ending 30 June 2026 will be promoting a culture of integrity and accountability.