

NOTICE OF FORTY-THIRD (43RD) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Third (43rd) Annual General Meeting (AGM) of Kenanga Investment Bank Berhad (the Company) will be held at Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5, Jalan Conlay, 50450 Kuala Lumpur, Wilayah Persekutuan, Malaysia on Thursday, 25 May 2017 at 11.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of a final dividend of 2.25 sen per share in respect of the financial year ended 31 December 2016.
- To re-elect the following Directors who retire by rotation in accordance with Article 75 of the Company's Articles of Association and being eligible, offer themselves for re-election:
 - Dato' Richard Alexander John Curtis; and
 - Mr. Luk Wai Hong, William.
- To re-elect Encik Izlan Izhah who retires in accordance with Article 81 of the Company's Articles of Association and being eligible, offers himself for re-election.
- To approve the payment of Directors' fees totalling RM1,711,038.40 in respect of the financial year ended 31 December 2016.
- To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Chairman, Non-Executive Deputy Chairman and Non-Executive Directors up to an amount of RM624,000, from 1 January 2017 until the next AGM of the Company.
- To re-appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Board of Directors to determine their remuneration.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolutions:

8. Authority to Directors to Issue Shares

"**THAT** subject always to the Companies Act, 2016, the Company's Articles of Association and approvals of the relevant governmental/ regulatory authorities, the Board of Directors be and is hereby authorised pursuant to Section 75 and Section 76 of the Companies Act, 2016, to issue shares in the Company at any time to such persons and upon such terms and conditions and for such purposes as the Board of Directors may, in its absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being and the Board of Directors be and is also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued **AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

9. Proposed Share Buy-Back Authority

"**THAT** subject to the provisions of the Companies Act, 2016, the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad's Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (Proposed Share Buy-Back Authority) as may be determined by the Board of Directors of the Company from time to time through Bursa Malaysia Securities Berhad, upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company, provided that the aggregate number of shares to be purchased pursuant to this Resolution does not exceed 10% of the total number of issued shares for the time being of the Company and an amount not exceeding the retained profits of the Company be allocated by the Company for the Proposed Share Buy- Back Authority;

THAT at the discretion of the Board of Directors, upon such purchase by the Company of its own shares, the purchased shares may be cancelled and/or retained as treasury shares or retained part of the shares so purchased as treasury shares and cancelled the remainder of the shares or distributed the shares as dividends or resold the shares on Bursa Malaysia Securities Berhad;

THAT the authority hereby given shall commence immediately upon the passing of this Resolution and shall continue in force until:

- the conclusion of the next AGM of the Company at which time it will lapse, unless by Ordinary Resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
 - the expiration of the period within which the next AGM after that date is required by law to be held; or
 - revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements or any other relevant authorities;
- AND THAT** the Board of Directors of the Company be and is hereby authorised to take all steps as are necessary or expedient to implement or to effect the Proposed Share Buy-Back Authority with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto."

- To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the shareholders' approval for the payment of final dividend of 2.25 sen per share in respect of the financial year ended 31 December 2016 (Final Dividend) under **Ordinary Resolution 1** at the Forty-Third (43rd) AGM of the Company, the Final Dividend will be paid to the shareholders on 9 June 2017. The entitlement date for the Final Dividend shall be 26 May 2017.

Shareholders of the Company will only be entitled to the Final Dividend in respect of:

- securities transferred into their securities account before 4.00 p.m. on 26 May 2017 for transfers; and
- securities bought on Bursa Malaysia Securities Berhad on cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

NORLIZA ABD SAMAD

MAICSA 7011089
Group Company Secretary

Kuala Lumpur
28 April 2017

Notes:

- Proxy**
 - Only members whose names appear in the Record of Depositors as at 19 May 2017 shall be entitled to attend, speak and vote at this AGM.
 - A member of the Company entitled to attend, speak and on a show of hands or on poll, to vote at this AGM is entitled to appoint up to two (2) proxies to attend, speak and vote in his place. There shall be no restriction as to the qualification of the proxy.
 - A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
 - Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (Omnibus Account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
 - Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
 - The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
 - Duly completed Proxy Form must be deposited at the office of the Company's share registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJJ 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof, or, in the case of a poll, not later than twenty-four (24) hours before the time appointed for the taking of the poll.

2. Audited Financial Statements for the Financial Year Ended 31 December 2016

The audited financial statements under Agenda 1 are for discussion only, as they do not require the shareholders' approval under the provision of Section 340 (1)(a) of the Companies Act, 2016. Hence, Agenda 1 will not be put for voting.

3. Final Dividend

With reference to Section 131 of the of the Companies Act, 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 6 March 2017, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the disbursement is made on 9 June 2017 in accordance with the requirements under Section 132(2) and (3) of the Companies Act, 2016.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

Ordinary Resolution 9

4. Re-election of Directors who retire in accordance with Article 75 of the Company's Articles of Association (AA)

Article 75 of the AA provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. Pursuant thereto, two (2) Directors of the Company, namely Dato' Richard Alexander John Curtis and Mr. Luk Wai Hong, William shall retire in accordance with Article 75 of the AA.

5. Re-election of Director who retire in accordance with Article 81 of the Company's AA

Article 81 of the AA provided amongst others, that the Board shall have the power to appoint any person to be a Director to fill a casual vacancy or as an addition to the existing Board, and that any Director so appointed shall hold office until the next following AGM and shall then be eligible for re-election.

Accordingly, Encik Izlan Izhah who was appointed as an Independent Non-Executive Director of the Company on 8 September 2016, shall hold office until the Forty-Third (43rd) AGM and shall then be eligible for re-election pursuant to Article 81 of the AA.

6. Directors' Remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors agreed that the shareholders' approval shall be sought at the Forty-Third (43rd) AGM on the Directors' remuneration in two (2) separate resolutions as follows:

- Ordinary Resolution 5** on payment of Directors' fees in respect of the preceding year 2016; and
- Ordinary Resolution 6** on payment of Directors' remuneration (excluding Directors' fees) in respect of the current year 2017 until the next AGM.

7. Directors' Fees

Kenanga Group had on 1 November 2016, completed an internal reorganisation of its corporate structure, whereupon, certain identified assets and liabilities and businesses were transferred from K & N Kenanga Holdings Berhad (KNKH) to the Company (Internal Reorganisation). On 2 November 2016, KNKH transferred its listing status on the Main Market of Bursa Malaysia Securities Berhad to the Company and hence, the Company became the primary operating and listed entity of Kenanga Group.

Pursuant to the above, the Group Nomination & Remuneration Committee (NRC) had deliberated and reviewed the Company's Non- Executive Directors' (NEDs) remuneration framework given the additional accountability, as well as responsibility of the Directors in view of the highly regulated operating environment of the Company, being a listed investment bank upon completion of the Internal Reorganisation in November 2016.

Further, the NRC was also of the view that the remuneration framework should be enhanced to make it more attractive and competitive for purposes of attracting future talents to be on the Board of Directors of the Company.

In view of the above, the NRC had recommended and the Board had approved for the proposed revision in the Directors' fees for financial year (FY) 2016 to be tabled to the shareholders for approval at the Forty-Third (43rd) AGM.

	FY2015 (RM)	FY2016 (RM) ^a
Non-Executive Chairman	220,000	440,000~
Non-Executive Deputy Chairman	195,000	390,000^
NEDs	170,000	270,000*
Board Committee Chairman *	40,000	40,000
Board Committee Member *	30,000	30,000

@ Effective from 2 November 2016

The Board Committees are Audit Committee, NRC and Group Board Risk Committee

~ Consolidating the fees paid under KNKH of RM220,000

^ Consolidating the fees paid under KNKH of RM195,000

* Consolidating fees paid under KNKH of RM100,000

The payment of the fees to the Non-Executive Chairman, Non-Executive Deputy Chairman and NEDs in respect of FY2016 will only be paid if the proposed **Ordinary Resolution 5** is passed at the Forty-Third (43rd) AGM pursuant to Article 85 of the AA and Section 230(1)(b) of the Companies Act, 2016.

8. Directors' Remuneration (Excluding Directors' Fees)

The Directors' remuneration (excluding Directors' fees) comprises the allowances and other emoluments payable to the Chairman of the Board, Deputy Chairman, members of the Board, Board Committees and Boards of subsidiaries of the Company. The current Directors' remuneration framework is as set out below.

Description	Chairman	Deputy Chairman	Board Members
Benefits (applicable to the Company only)	Club membership, leave passage, medical coverage, driver, vehicle and other claimable benefits	Club membership, vehicle and other claimable benefits	Nil

Type of Meeting Allowance (per meeting)	Chairman	NED/ Member
Board of the Company	RM1,000	RM1,000
General Meeting of the Company	RM1,000	RM1,000
Board Committees *	RM1,000	RM1,000
Board of subsidiary	RM1,000	RM1,000

* The Board Committees are Audit Committee, NRC, Group Board Risk Committee and Wealth Management Project Oversight Committee.

Payment of the said remuneration (excluding Directors' fees) is made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed **Ordinary Resolution 6** is passed at the Forty-Third (43rd) AGM. The Board of Directors is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after discharging their responsibilities and rendering their services to the Company and its subsidiaries throughout the current year 2017 and until the next AGM.

9. Re-appointment of Auditors

The Board of Directors had at its meeting on 26 January 2017 approved the recommendation of the Audit Committee on the re-appointment of Messrs. Ernst & Young as Auditors of the Company to be further recommended to the shareholders for approval, after having considered several factors including the adequacy of experience and resources of the firm and the professional staff assigned to the audit.

Pursuant to Section 67(2) of the Financial Services Act, 2013, Bank Negara Malaysia has, on 24 February 2017, approved the Company's application for the re-appointment of Messrs. Ernst & Young as Auditors of the Company.

10. Special Business

10.1 Ordinary Resolution 8 - Authority to Directors to Issue Shares

The proposed Ordinary Resolution 8 is a new general mandate, if passed, will give powers to the Board of Directors to issue ordinary shares in the share capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company for the time being. This general mandate, unless revoked or varied at a general meeting, will expire at the next AGM.

The general mandate from shareholders is to provide the Company the flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment project, working capital and/or acquisitions, as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis and thereby reducing the administrative time and costs associated with the convening of additional shareholders' meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board of Directors considers it to be in the best interest of the Company.

10.2 Ordinary Resolution 9 - Proposed Share Buy-Back Authority

The proposed Ordinary Resolution 9, if passed, will empower the Board of Directors to allocate an amount not exceeding the retained profits of the Company for the purpose of and to purchase such amount of ordinary shares in the Company from time to time on the market of Bursa Malaysia Securities Berhad upon such terms and conditions as the Board of Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

The shareholders' mandate for the Proposed Share Buy-Back Authority is subject to renewal on an annual basis.

Further information on the Proposed Share Buy-Back Authority is set out in the Circular to Shareholders dated 28 April 2017 which is dispatched together with the Annual Report of the Company for the financial year ended 31 December 2016.

11. Abstention from Voting

11.1 Any NED referred to in Ordinary Resolutions 2, 3 and 4 who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the Forty-Third (43rd) AGM. In this respect, Dato' Richard Alexander John Curtis, who is a shareholder of the Company, will abstain from voting on Ordinary Resolution 2.

11.2 Any NEDs of the Company who are the shareholders of the Company will abstain from voting on Ordinary Resolution 5 and Ordinary Resolution 6 concerning the Directors' fees and Directors' remuneration (excluding Directors' fees) at the Forty-Third (43rd) AGM. In this respect, Dato' Richard Alexander John Curtis and Mr. Luigi Fortunato Gniardello, who are the shareholders of the Company, will abstain from voting on Ordinary Resolution 5 and Ordinary Resolution 6.

12. Poll Voting

Pursuant to Paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by poll.

13. Publication of AGM Notice on the Company's Website

Pursuant to Section 320 of the Companies Act, 2016, the Notice of the Company's Forty-Third (43rd) AGM is also available on the Company's website www.kenanga.com.my throughout the period beginning from the date of notice until the conclusion of the Forty-Third (43rd) AGM.

STATEMENT ACCOMPANYING NOTICE OF FORTY-THIRD (43RD) ANNUAL GENERAL MEETING

NAMES OF DIRECTORS STANDING FOR RE-ELECTION

The Directors who are retiring pursuant to Article 75 and Article 81 of the Articles of Association of the Company and seeking re-election at the forthcoming AGM are as follows:

Article 75

- Dato' Richard Alexander John Curtis;
- Mr. Luk Wai Hong, William; and

Article 81

- Encik Izlan Izhah.

Details of the above Directors are set out in the Directors' Profiles section and their shareholdings in the Company, where applicable, are set out in the Analysis of Shareholdings section appearing on page 236 of the Company's Annual Report..