

KFH Malaysia Delegation of Authority Matrix

Approved by BOD 7-2019 dated 21 November 2019
 Amendment to A.10.1 approved by BOD in February 2020
 New Additional Line - A.17.1 approved by BOD in February 2020
 Amendment to A.17.1 approved by BOD in April 2020

A	Delegation of Authority Matrix for Bankwide Operations		Reference to Policy	L2	L1	CEO	Executive Committee	Board Committee	Board	
This Delegation of Authority Matrix covers Bankwide day-to-day Operations and is to be referenced with the respective Bank's policies. This document is spread over two pages. Staff delegated to cover absences to have full authority.				L1 : Refers to the Head of Division/Department that reports directly to the CEO L2 : Refers to staff who reports to L1 group EXCOM : Executive Management Committee BCC : Board Credit Committee						
A.1	WRITE-OFF OF LOSSES - FRAUD / UNAUTHORISED TRANSACTIONS	A.1.1	All fraud committed by internal staff, external parties or collaboration between internal staff and external parties	N/A	-	up to RM10,000 Inform Division Head of Finance. Inform CEO	up to RM20,000	EXCOM approves up to RM50,000	-	Above RM50,000 Chairman to concur with notification to the Board
A.2	OPERATIONAL LOSSES	A.2.1	Penalties imposed on the Bank by the regulators (BNM, MyClear, SC)	N/A	-	Inform Division Head of Finance.	L1 informs CEO via email	EXCOM approves up to RM50,000	-	Above RM50,000 Chairman to concur with notification to the Board
		A.2.2	Charges and late penalties imposed on the Bank by the authorities, government bodies and counterparties		-	up to RM25,000 per transaction	up to RM50,000 per transaction	EXCOM approves above RM50,000 per transaction	-	Inform
		A.2.3	Error / negligence by staff relating to transaction processing		-	up to RM25,000 per transaction	up to RM50,000 per transaction	EXCOM approves above RM50,000 per transaction	-	Inform
		A.2.4	Arising from legal proceedings where the Bank loses the case i.e. Decision made by the court Legal Action Taken Against the Bank		-	Recommended by Head Legal for EXCOM approval	-	EXCOM approves	-	Inform
A.3	REGULATORY, EXTERNAL AUDITORS, AUTHORITIES AND OTHER GOVERNMENT OFFICERS CORRESPONDENCES	A.3.1	Approval for submission of all regulatory matters to authorities, including Bank Negara Malaysia (BNM), PayNet, Securities Commission, LHDN and Labuan Financial Services Authority (LFSA) shall be centralised at AML & Regulatory Compliance	N/A	-	Approve by respective L1 and Head of Compliance	-	-	-	-
		A.3.2	Approval for Submission of documents to the external auditors		-	Approve by respective L1 subject to clearance by Head of Finance	-	-	-	-
		A.3.3	Response to Insolvency Department on name search request		Retail Banking/ Corporate Banking/ Treasury/ Legal/Human Resources	Inform respective Division Head	-	-	-	-
		A.3.4	Response to name search request from law enforcement agencies or pursuant to court orders		Compliance	-	-	-	-	-
A.4	INTERNAL COMMUNICATION	A.4.1	Sending internal correspondence to 'KFH ALL' staff via KFHM Communications email	Corporate Communications Policy	Head Corporate Communications, with the exception of employee engagement to be sent by HR	-	Pre-drafted by Head of Corporate Communications or as required	-	-	
A.5	COMMUNICATIONS WITH KFH KUWAIT/ KFH GROUP	A.5.1	Approving formal written communications (signed) with KFH Kuwait/ KFH Group	N/A	-	Respective L1	Respective L1 informs CEO	-	-	
A.6	PUBLIC RELATIONS	A.6.1	Represent and speak on behalf of the bank - media related	Corporate Communications Policy	Head Corporate Communications subject to CEO approval	-	Content requires prior approval from CEO	-	-	Pre-drafted by Head of Corporate Communications or as required and approved by the CEO
		A.6.2	Social Media update (as per Corporate Communications Division procedure)		Head Corporate Communications	-	Content requires prior approval from CEO	-	-	
		A.6.3	Represent the bank in public speaking/ seminars etc		-	-	Content requires prior approval from CEO	-	-	
A.7	ADVERTISING (Content)	A.7.1	Corporate Advertising	Corporate Communications Policy	Head Corporate Communications	-	Content requires prior approval from CEO	-	-	-
		A.7.2	Corporate Banking and Treasury Product Advertising		Head Corporate Communications	Respective L1 Endorses subject to review by Shariah and Compliance	Content requires prior approval from CEO	-	-	
		A.7.3	Retail Banking Product Advertising		Retail Banking Product Marketing L2 subject to Head of Corporate Communications Approval	Respective L1 Endorses subject to review by Shariah and Compliance	Content requires prior approval from CEO	-	-	
A.8	CORPORATE SOCIAL RESPONSIBILITY	A.8.1	Corporate Social Responsibility (CSR) activities	Corporate Communications Policy and CFSC TOR	-	Review by Shariah and Compliance	-	Charity Fund & Sponsorship Committee approves	-	-
		A.8.2	Per Charity Fund Sponsorship Committee (CFSC) guidelines		-	-	-	Charity Fund & Sponsorship Committee approves up to RM30,000. EXCOM Approval for above RM30,000	-	-
A.9	GOVERNANCE	A.9.1	Establishment of new sub-committee and its Terms of Reference	N/A	-	-	-	EXCOM/ CC/ ALCO approves	-	-
		A.9.2	Revisions to Terms of Reference of existing sub-committee working group and task force	N/A	-	-	-	EXCOM/ CC/ ALCO approves	-	-
		A.9.3	Revisions to Terms of Reference of EXCOM/ CC/ ALCO	N/A	-	-	-	-	Recommendation by respective Board Committee secretary/ chairman (EXCOM is BCGC/ CC is BCC/ ALCO is BRMC)	Approves
		A.9.4	Delegation of authority matrix review	N/A	-	Respective Division Head propose changes in line with the respective policies	-	EXCOM recommends	BRMC recommends	Approves

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A.10	POLICY DOCUMENT, PROCEDURE MANUAL & PRODUCT MANUAL	A.10.1	New Policy Documents and Revisions to existing policy documents	As per Guidelines on Approval of Policies approved by BOD on 6 February 2020 Policy with "material" changes needs BOD approval. If immaterial, to be approved by EXCOM. (Refer below for definition of material)	-	Policy owner submits for Division Heads of Risk Management, Compliance, Shariah and Legal review for Board Approval. Cross function policy to be reviewed by respective division involved	-	EXCOM recommends	Respective Board Committees, where applicable, endorse for Board Approval	Approves policy
		A.10.2	New Procedure Manuals and Revisions to existing procedure manuals or product manual	N/A	-	Head of Division of the procedure owner approves. Cross function procedure to be reviewed by respective division involved	-	-	-	-
		A.10.3	Specific Board Related Policies	N/A	-	-	-	-	Recommendation by relevant Board Committee secretary/ chairman	Approves
A.11	UNIT TRUST FUND	A.11.1	Selection of unit trust funds	N/A	-	-	-	Product and Services Committee Approves	-	-
A.12	TAKAFUL COVERAGE	A.12.1	Selection of coverage for General Takaful, Professional Indemnity, Officers and Directors Liability	N/A	-	Operations to propose for Risk Management assessment	-	EXCOM Proposes	Board Risk Management Committee Recommends	Approves
		A.12.2	Selection of Group Hospitalization, Group Term Life and Group Personal Accident Takaful coverage for employees (employee benefit)	N/A	-	Division Head of Human Resource proposes for Risk Management assessment	-	EXCOM approves	-	-
A.13	LEGAL	A.13.1	Appointment, Termination, Suspension or Removal of solicitor for Malaysia or International jurisdiction to Bank's Panel Reinstatement is subject to respective decision making committee's approval	Law Firms Policy	-	Division Head of Legal recommends for solicitor for Malaysia or International jurisdiction to Bank's Panel	CEO approves for solicitor for International jurisdiction to Bank's Panel subject to consultation with Legal Division of KFHM Kuwait	EXCOM approves for solicitor for Malaysia	-	-
		A.13.2	Signing of engagement/assignment/ letter of instruction to panel solicitor/ takaful companies/ panel valuers/ day to day work communication to panel of solicitors/ non-panel firms		Head of COAD or in his/ her absence the delegated officer of COAD	Inform Division Head of Retail Banking/ Division Head of Corporate Banking	-	-	-	-
		A.13.3	Non-disclosure agreement (NDA) & Indemnity	N/A	-	Division Head, subject to Legal Counsel review	-	-	-	-
A.14	COMPANY SECRETARIAL	A.14.1	Sending of documents to Board Committees and Board of Directors	N/A	-	Company Secretary upon CEO Approval	Approves	-	-	-
A.15	CONNECTED PARTY CREDIT TRANSACTION	A.15.1	Non-individual Entities New origination and review Non material transaction in nature up to RM 5 Mil	Credit Risk Policy Chapter 5.1 Connected Parties and Related Parties (Pg 25)	-	-	-	Credit Committee review and recommend	Approves	Notify
		A.15.2	Non-individual Entities New origination and review Above RM 5 Mil		-	-	-	Credit Committee review and recommend	-	Approves up to Bank's SCEL
		A.15.3	Individual Entities New origination and review Non material transaction in nature up to RM 5 Mil		-	-	-	Credit Committee approves	To ratify all transactions approved	Notify
		A.15.4	Fully secured by cash, gold and ICM/ securities issued by Federal Gov of Malaysia/ BNM		-	-	-	Credit Committee approves	Notify	Notify
A.16	RELATED PARTY TRANSACTION (PROCUREMENT)	A.16.1	For all "International Turnkey System" (ITS) related procurement	Policy on Related Party Transactions	-	-	-	Approves up to USD 200K	Notify Board Audit Committee (BAC)	Notify
					-	-	-	Recommends above USD 200K	BAC recommends	Approves
		A.16.2	For Non-ITS related procurement		-	-	-	Approves up to USD 100K	Notify Board Audit Committee (BAC)	Notify
					-	-	-	Recommends above USD 100K	BAC recommends	Approves
A.17	CRISIS MANAGEMENT	A.17.1	Approve expenses due to crisis	Approved by BOD 2-2020 dated 23 April 2020	-	-	Chairman of Crisis Management Team (CMT) approves up to RM 500,000 per year	-	-	-

* Definition of Material is when it falls within these criteria:

- a) Increase in risk that directly impacts Bank's financials; OR
- b) Regulator or KFHK/ Group specifically states the approval from BOD must be obtained; OR
- c) As recommended by EXCOM; OR
- d) Governance related policies.

Note : In the case where the policy is required by BNM or KFHK/ Group, it shall be approved by BOD for the first time. However during annual review, if there is no increase in risk that directly impacts Bank's financials (e.g change due to org chart), the approval for subsequent review shall be at EXCOM level only.