

CORPORATE GOVERNANCE REPORT

STOCK CODE : 1066
COMPANY NAME : RHB Bank Berhad
FINANCIAL YEAR : December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board provides leadership on both governance and strategy in its effort to create value for all stakeholders associated with RHB Banking Group. The Board ensures the best practices along with strong governance processes are continuously practiced throughout the Group's business operations as these are integral to the Group's business strategy, long-term sustainability and alignment of decision-making processes.</p> <p>Each Board member has an obligation to act in the best interest of RHB and its stakeholders. The directors, collectively and individually, are aware of their responsibilities to shareholders and other stakeholders for the manner in which the affairs of the Company are managed. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and other stakeholders are understood and met.</p> <p>The Board is principally responsible for the following:</p> <ul style="list-style-type: none">• Strategy setting• Management of the company• Succession planning• Risk management• Integrity of internal control• Communication plan• E.S.G / E.S.S integration <p>The primary focus of the Board during Financial Year 2021 ("FY2021") can be clustered under the following categories:</p> <ul style="list-style-type: none">• Performance and Strategy<ul style="list-style-type: none">○ Reviewed and approved the Group's strategic business plan for the year○ Monitored the progress of FIT22 strategic plan |

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| | <ul style="list-style-type: none"> ○ Reviewed and approved the new strategic plan ○ Received updates from various business units locally and abroad on market conditions and business performance ○ Discussed on the challenges and opportunities faced by the Group (during the Board off-site session) ○ Received updates on the progress of Agile@Scale of working ○ Reviewed RHB's response to COVID-19 and assessed the impact of COVID-19 on the Group's business operations and financial performance ○ Received progress updates on the Group's digital banking initiatives and IT transformation <ul style="list-style-type: none"> ● Governance, Sustainability, Risk & Compliance <ul style="list-style-type: none"> ○ Approved the updated Group Anti-Bribery & Corruption Policy & Group Whistleblowing Policy ○ Reviewed the Group's risk, compliance and audit reports ○ Received various briefing/trainings to equip themselves with latest industry and regulatory developments ○ Reviewed the Group's annual Corporate Governance statutory disclosure ○ Discussed on the findings and improvement considerations deriving from the annual BEE assessment conducted by an independent consultant (external party) ○ Received update on ESG/Sustainability matters and Climate Risk Management ○ Received regular updates from supporting Board Committees ○ Reviewed half-yearly reports to Malaysian Anti-Corruption Commission ("MACC") ○ Received updates on matters relating to integrity, governance, whistleblowing and anti-corruption Approved the formation of the Group Sustainability Committee and its supporting committees ○ Approved RHB Banking Group's 5-Year (2022 - 2026) Sustainability Strategy and Roadmap ○ Received updates on RHB's AML/CFT Capabilities Enhancement (RACE) Programme ● Financial <ul style="list-style-type: none"> ○ Approved the yearly operational budget ○ Approved contents of the Integrated Report for FY2020 ○ Approved dividend payment for FY2020/2021 ○ Reviewed the impact of Moratorium to the Group's financial strategies ○ Deliberated various matters related to Moratorium for its stakeholders ○ Received updates related to economics and global financial markets ○ Deliberated capital management plan & internal targets, with updates on international & regulatory capital framework ○ Received update on Tax related matters |
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- **People and Culture**

- Discussed on talent management and succession planning
- Approved appointment of senior management personnel
- Received update on employees engagement and internal customers satisfaction surveys
- Received reports on COVID-19 impact on employees wellbeing and performance
- Reviewed and approved revision of employees' remuneration and value proposition, including Long-Term Incentive Plan (LTIP) for the Group

The Board's commitment towards supporting the management is shown by providing guidance and direction in identifying and setting the right short-term's and long-term's business strategy, along with overseeing the implementation of identified strategies.

During the year, the Board held several discussions with management on the Group's new proposed 5-year strategic plan. The Board, along with management, reviewed the objectives of the new plan along with the resources required to execute the strategic plan over the next 5 years from 2022 to 2026.

The Board also continued to focus on the risks associated with the on-going COVID-19 pandemic which resulted in the Group continues to allow its employees to work remotely from home to minimise their exposure and to ensure the safety of them and their loved ones. The Board continued to ensure there was sufficient support accorded to stakeholders to protect their associated value and to ensure the Group's strategy was agile to manoeuvre through the pandemic.

The Pandemic Working Group ("PWG") established in year 2020 remained active in overseeing and monitoring RHB's response to the pandemic, in particular, health and safety matters related to the Group's employees well-being and business operations. Particular focus was also given on cybersecurity risk with many employees working from home during this period.

The affairs of the Group are managed by the Board not only by merely subscribing to the prescribed rules and regulations, but by promoting open and transparent discussions. The corporate governance practices applied by the Group comply with the following corporate governance best practices and regulatory requirements:

- Bank Negara Malaysia's Policy Document on Corporate Governance.
- Bursa Malaysia's Main Market Listing Requirements.
- Malaysian Code on Corporate Governance.

The Board of RHB has also instituted several Board Committees to support and supplement the Board in its roles and responsibilities. This delegation of authority is clearly defined within the Terms of References of the respective Board Committees. The demarcation of responsibilities between the Board Committees and Management are outlined in the Board Charter of RHB Bank Berhad. To date, the Board has established the following key Board Committees:

- Board Audit Committee (“BAC”)
- Board Nominating & Remuneration Committee (“BNRC”)
- Board Risk Committee (“BRC”)
- Board Credit Committee (“BCC”)

In projecting our fundamental promise to our customers, the Group is guided by four pledges which are the key pillars of our brand promise, namely ‘Together We Progress’ which were approved by the Board:

- ***Being your trusted partner***
We build trust through our relationships and our desire to meet your personal and financial advisory needs.
- ***Nurturing future generations***
Cherishing the potential of today’s youth and empowering them for a sustainable and better tomorrow.
- ***Providing solutions that help achieve your goals***
Our products and services are designed to support you and your business requirements, so you can focus on what truly matters.
- ***Delivering simple, fast and seamless experiences***
Creating a seamless customer journey that crosses physical and digital boundaries.

Organisational Culture

The Board has continuously cultivated a corporate culture that embraces the right behaviours to achieve the Company’s objectives. The Board views strong culture as a key driver in ensuring the Group’s long term sustainability. A strong corporate culture leads to nurturing of clear identity and corporate/social values which further supplements the Group’s competitive advantage and brand identity. The Board views this DNA as fundamental towards sustainable long-term growth and success for RHB.

The Board ensures the Group’s operations are guided by the Group’s core values of P.R.I.D.E. (Professional, Respect, Integrity, Dynamic & Excellence) which are imbued throughout the organisation and its group of companies.

RHB's P.R.I.D.E. Core Values:

- **Professional**
We are committed to maintaining a high level of proficiency, competency and reliability in all that we do.
- **Respect**
We are courteous, humble and we show empathy to everyone through our actions and interactions.
- **Integrity**
We are honest, ethical and uphold a high standard of governance.
- **Dynamic**
We are proactive, responsive and forward thinking.
- **Excellence**
We will continuously achieve high standards of performance and service deliverables.

RHB's Culture Components

- **One RHB**
Demonstrate willingness to put the organisation's needs over personal achievement by fostering teamwork, empowerment and knowledge sharing.
- **Results Oriented**
Demonstrate commitment and drive in delivering quality work output, and treat all matters with urgency.
- **Customer First**
Demonstrate unwavering passion to engage and interact with customers to meet their needs, and create great experiences.

Board Composition

The Board is committed to improving diversity in its widest sense, including gender, ethnicity, thought, tenure, age, experience, skills, geographical expertise, educational and professional background. During the year, there are 10 directors serving on the Board of RHB Bank Berhad. In line with Bursa Malaysia Securities Berhad's Listing Requirements, which calls for 1/3 of the Board to be Independent Directors, the Board has 6 Independent Non-Executive Directors ("INED"), 3 Non-Independent Non-Executive Directors ("NINED") and one Executive Director who is the Group Managing Director/CEO throughout year 2021.

As at **15 February 2022**, the Board comprised of **10 Directors** as shown below:

| No | Director | Board Meeting Attendance |
|-----------|--|---------------------------------|
| 1 | Tan Sri Ahmad Badri Mohd Zahir <i>Non-Independent Non-Executive Director (Chairman)</i> | 17/17 |
| 2 | Tan Sri Ong Leong Huat @ Wong Joo Hwa <i>Non-Independent Non-Executive Director</i> | 17/17 |
| 3 | Dato' Mohamad Nasir Ab Latif <i>Non-Independent Non-Executive Director</i> | 17/17 |
| 4 | Tan Sri Dr Rebecca Fatima Sta Maria <i>Senior Independent Non-Executive Director</i> | 17/17 |
| 5 | Ong Ai Lin <i>Independent Non-Executive Director</i> | 17/17 |
| 6 | Lim Cheng Teck <i>Independent Non-Executive Director</i> | 17/17 |
| 7 | Sharifatu Laila Syed Ali <i>Independent Non-Executive Director</i> | 17/17 |
| 8 | Donald Joshua Jaganathan <i>Independent Non-Executive Director</i> | 17/17 |
| 9 | Datuk Iain John Lo <i>Independent Non-Executive Director</i> | 17/17 |
| 10 | Dato' Khairussaleh Ramli [^] <i>Group Managing Director/CEO</i> | 17/17 |

Note:

[^] Dato' Khairussaleh Ramli resigned from the Board and his role as Group Managing Director/Chief Executive Officer on 25 March 2022.

The full details including name, age, directorship and tenure of the Board members serving on the RHB Bank Berhad Board can be found on pages 106-110 of the RHB Bank Berhad's Integrated Report 2021.

Commitment to Conformance

The Board continues to provide its unwavering commitment to maintain the Group's exceptional standards of corporate governance and ensure its core shared values and behaviours are consistent across the business activities and operations. Emphasis placed by the Board of Directors on its fiduciary duty as guardian of public deposits, customers' investments and account holders' policies, through sustainable boardroom scrutiny, decision-making and directives, has gained more trust from its stakeholders and in return, built lasting commercial relationship with the Company's business partners.

These efforts were recognised by reputable and independent third parties' assessments which have currently positioned the Company, among others, as follows:

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| | <ul style="list-style-type: none"> • Malaysia-ASEAN Corporate Governance Awards 2020 <ul style="list-style-type: none"> ○ Financial Services Industry Excellence Award • The Pinnacle Group International’s Global Good Governance Award 2021 <ul style="list-style-type: none"> ○ Best Governed and Most Transparent Company Award – Gold Winner • Continuing Constituent of The FTSE4GOOD Bursa Malaysia For demonstrating good Environment, Social & Governance (“ESG”) practices <p>Management Committees</p> <p>To ensure effectiveness in discharging the Board’s and Board Committees’ roles and responsibilities, centralised management committees are being set up to oversee, manage and deliver the outcomes. The following management committees, among others, are established to mainly support the Group Managing Director and the Senior Management in managing various activities and operations throughout the Group:</p> <ul style="list-style-type: none"> • Group Management Committee • Group Tender Committee • Group Assets & Liabilities Committee • Group Disciplinary Committee • Group Business Continuity Committee • Group Credit Committee • Group Capital and Risk Committee • Group Human Capital Committee • Group Wholesale Business Council • Group Management Recovery Committee • Group International Business Council • Group Digital and Technology Committee • Group Technology Leadership Committee • Group Sustainability Committee • Pandemic Working Group • Information & Complaint Assessment Committee |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

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| Application | : Applied |
| Explanation on application of the practice | <p>Tan Sri Ahmad Badri Mohd Zahir ("Tan Sri Ahmad Badri", "Tan Sri") was appointed as a Non-Independent Non-Executive Director/Deputy Chairman of RHB Bank on 16 November 2020. He was then redesignated as the new Chairman of RHB Bank Berhad effective 24 March 2021.</p> <p>Tan Sri Ahmad Badri holds a Degree in Land and Property Management from MARA University of Technology, and Master in Business Administration from University of Hull, United Kingdom.</p> <p>Tan Sri Ahmad Badri started his career as a Senior Valuation Executive at C.H. Williams, Talhar & Wong Sdn Bhd prior to his appointment as the Assistant Secretary in the Finance Division of the Ministry of Finance in 1989 where he served for nearly 30 years in various capacities, the last being the Secretary General of Treasury.</p> <p>Tan Sri was also appointed as the Chairman of the Employees Provident Fund ("EPF") on 1 May 2020. He has sat on the EPF Investment Panel since 2014 and is vastly experienced in the fields of strategic investment, loan management, financial market and actuarial science.</p> <p>Tan Sri Ahmad Badri previously served on the Boards of Bank Negara Malaysia, Kumpulan Wang Persaraan (Diperbadankan), Permodalan Nasional Berhad and Tenaga Nasional Berhad, amongst others. Tan Sri's other directorship in public company includes Sime Darby Berhad.</p> <p>The following are some of his key responsibilities as the Chairman of the Board of RHB Bank Berhad:</p> <ul style="list-style-type: none">• Provide effective leadership in formulating strategic direction for the Company and the Board, as well as achieving the objectives of the Company;• Work with the Company Secretaries to schedule Board and Board Committee meetings and ensure that directors receive accurate, timely and clear information in particular about the Company's performance;• Work with the Board in establishing appropriate Board Committees' structures and charters;• Ensure the independence of the Board in discharging its duties; |

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| | <ul style="list-style-type: none"> • Ensure that the Board and individual directors fully exercise their responsibilities and fully comply with applicable laws, regulations, codes, rules, directives, policies and guidelines; • Consider and address the development needs of individual directors and the Board as a whole; • Lead the Board in establishing the performance criteria and evaluation for the Board and the senior management team’s performance; • Promote effective relationships and open communication between the Board and senior management team; and • Represent the Company and the collective views of the Board externally. <p>Detailed responsibilities of the Chairman are stipulated per RHB Bank Berhad’s Board Charter, which is available on the Group’s website at www.rhbgroup.com.</p> |
| Explanation for departure : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>During the financial year, the position of Group Managing Director ("GMD")/Chief Executive Officer ("CEO") was held by Dato' Khairussaleh Ramli, while the position of Chairman was held by Tan Sri Ahmad Badri Mohd Zahir. The responsibilities of the Chairman and GMD are clearly defined and distinguished per the Board Charter.</p> <p>Dato' Khairussaleh was first appointed as Managing Director of RHB Bank Berhad and Deputy Group Managing Director of RHB Banking Group on 13 December 2013. He was then promoted to Group Managing Director of RHB Banking Group on 5 May 2015 and continued to hold the position of Managing Director/Chief Executive Officer of RHB Bank Berhad until 25 March 2022.</p> <p>Dato' Khairussaleh holds a Bachelor of Science in Business Administration from Washington University, St. Louis and was a graduate of the Advanced Management Programme, Harvard Business School. He is also a Fellow Chartered Banker of Asian Institute of Chartered Bankers. He has more than 25 years of experience in the financial services and capital markets industries, where he held senior positions in well-established regional financial institutions. Dato' is also a Council member of The Association of Banks in Malaysia (ABM) and Asian Institute of Chartered Bankers (AICB).</p> <p>In line with Standard 11.4 of Bank Negara Malaysia's Policy Document on Corporate Governance, Dato' Khairussaleh was the only Executive Director serving on the Board of RHB Bank Berhad.</p> <p>The key roles of the Group Managing Director/CEO include, amongst others:-</p> <ul style="list-style-type: none">• To shape the Group's corporate culture;• To lead, manage and provide strategic direction to RHB Banking Group towards achieving the Group's aspiration;• To plan, develop and execute the Group's strategic initiatives towards achieving the Group's vision and strategic direction in accordance with RHB Banking Group's Business Strategy;• To oversee the internal control systems and the risk management processes and ensure these systemised processes are appropriate and effective;• To ensure value creation to shareholders through incorporation of sustainable business practices and profitable growth; |

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| | <ul style="list-style-type: none"> • To leverage on the strength of the Group and synergies across businesses and ensure collaboration amongst business entities and in doing so to ensure optimisation of resources towards achieving the Group’s targeted level of growth; • To develop and ensure execution of the Group’s communication and brand strategy; • To provide strong leadership that is, effectively communicating a vision, management philosophy and business strategy to the employees and building up a strong management team for the Group; • To create a high performance organisation that will attract, motivate and retain best talent; • To put in place an effective succession plan for key positions within the Group, leadership development programme and talent retention strategy; • To incorporate environmental, social and governance (“E.S.G.”) matters as part of the Group’s medium and long-term strategic plan; and • To maintain effective relationships between the Management, the Board and other stakeholders. |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

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| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | |
| Application : | Applied |
| Explanation on application of the practice : | <p>The Chairman of the Board, Tan Sri Ahmad Badri Mohd Zahir, does not serve as a member in any of the Group's Board Committees. The Chairman was also not invited to participate in the meeting and deliberation of the specified Board Committees mentioned in this Practice.</p> <p>The requirement for the Chairman not be involved in Board Committees' meetings has been codified in RHB Bank Berhad's Board Charter.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of RHB Bank Berhad is currently supported by an in-house qualified Secretarial department led by Mr Azman Shah Md Yaman, Company Secretary and Head, Group Legal, Secretariat and Governance.</p> <p>Mr Azman provides legal, secretarial and governance support to the Board and oversees the entire Legal, Secretariat & Governance operations. He is accountable directly to the Board, through the Chairman, on all matters to do with the formal functioning of the Board. He also leads the secretarial department to develop and maintain RHB's corporate governance policies and principles. He also acts as the Group's General Legal Counsel and the Chief Integrity and Governance Officer ("CIGO") for RHB Banking Group, heading the Group Integrity & Governance function.</p> <p>Mr Azman is a qualified Advocate & Solicitor of the High Court of Malaya with a LLB (Honors) from International Islamic University Malaysia (IIUM), a Licensed Company Secretary (LS 0006901), an affiliate of Malaysian Institute of Chartered Secretaries & Administrators and is a Certified Integrity Officer ("CeIO") accredited by the Malaysia Anti-Corruption Academy.</p> <p>The following are some of his key responsibilities as the Company Secretary:</p> <ul style="list-style-type: none">• administer all Board and Board Committee's meetings including the scheduling, taking of minutes, preparation of Board meeting materials and information supplied to the Board;• ensure information supplied to the Board such as meeting minutes are accurate, timely and adequate for the Board to carry out its function;• ensure proper record keeping of all deliberations and decisions of the Board and Board Committees;• accord the Board with regular updates and advice on changes to statutory and regulatory requirements including those related to governance matters;• facilitate a two-way communication between Senior Management and the Board to ensure Board's decisions are communicated in a timely basis; |

- facilitate continuous professional development trainings for Directors including induction programmes for newly appointed Directors (refer to Section B of this CG Report for a list of directors training programmes);
- support the Chairman in managing the Annual/Extraordinary General Meeting process;
- serve as a focal point for stakeholders’ communication and engagement on corporate governance issues;
- support the Board Nominating & Remuneration Committee (“BNRC”) by facilitating the Board Effectiveness Evaluation’s yearly exercise (refer to Practice 5.1); and
- undertake own continuous professional development.

As the Chief Integrity & Governance Officer, En. Azman’s responsibilities, amongst others, are to:

- manage the risks of corruption, abuse of power and malpractice in the organisation;
- implement the core functions of the Group Integrity & Governance division to combat bribery and corruption;
- coordinate, supervise, monitor and assess the organisation’s integrity strengthening programs;
- advise the Head of Organisation in matters involving integrity, corruption and abuse of power;
- enhance awareness on corruption, abuse of power and corporate malpractices as well as violation of integrity; and
- ensure the best governance is upheld towards strengthening the integrity of officers and staff in the organisation as well as in dealing with integrity issues, in particular those of corruption, abuse of power and malpractice.

The appointment and removal of the Company Secretary is subject to the approval of the Board. The company secretariat function for RHB Banking Group was assessed for year 2020 as part of the Board Effectiveness Evaluation exercise and scored* a respectable **4.4 out of 5**, with the Board being **satisfied** with the performance of the secretariat function.

Note (*)

| Rating System Rating Description | |
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| 5 | Exemplary |
| 4 | Good - minor improvements required |
| 3 | Satisfactory - some improvements required |
| 2 | Below expectations – major improvements required |
| 1 | Unacceptable |

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| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Secretarial department ensures the Board(s) of RHB entities within the Group are accorded with the necessary information and documentation that are relevant for their deliberation at least 5 working days before any Board or Board Committee meetings. The meeting materials that supplement the Board's deliberations are provided in a timely, clear and accurate manner to facilitate the Board's deliberation as well as its oversight over the management.</p> <p>In facilitating timely dissemination of information to the Directors, each Board member is provided with an iPad and access to the Group's document sharing system called 'BoardPAC'. All documents are uploaded for the Board's information and retention prior to any Board meeting to ensure they are well prepared for Board and Board Committees meetings.</p> <p>The Company Secretaries are guided by the Group Secretariat Manual which provides guidance notes on their operational procedures. The Company Secretaries are a central source of information and advice for the Board and its Committees on issues relating to compliance with laws, rules, regulations and procedures affecting the Company.</p> <p>With the on-going COVID-19 pandemic, Board and Board Committees meetings were continued to be held using virtual platforms such as 'Microsoft Teams' and 'Zoom'.</p> <p>To facilitate with a clear and structured presentation of information to the Board, a standard format was adopted for the Board meeting papers. The structure includes the following:</p> <ul style="list-style-type: none">• Objective of the paper• Required action by the Board (To note, adopt, approve)• Background of the paper submitted• Recommendation for the Board's consideration• Details of the parties submitting and presenting the papers <p>The key responsibilities of the Company Secretaries have been explained per disclosure under Practice 1.5.</p> |

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| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of RHB Bank Berhad has in place a Board Charter that clearly outlines the role and responsibilities for each Board member, including the matters reserved for the Board.</p> <p>The Charter sets out the key corporate governance principles adopted by the Board of Directors (the "Board") of RHB Bank Berhad (the "Company" or "RHB Bank") for practicing high standards of corporate governance. In adhering to the responsibilities set out in this Charter, the Board members are expected to perform their duties with integrity, honesty and professionalism in accordance with the law in serving the best interest of its shareholders, employees, clients, the community and other stakeholders.</p> <p>The Board will carry out its mandate directly and through the various committees of the Board and such other committees as it appoints from time to time. These committees include amongst others, Board Audit Committee, Board Nominating & Remuneration Committee, Board Risk Committee and Board Credit Committee as the case may be.</p> <p>Matters Reserved & Delegated by the Board</p> <p>The duties and responsibilities reserved for the Company's Board and those which are delegated to the Board Committees and Senior Management are laid out per their roles & responsibilities and respective Terms of Reference. The matters of strategic importance to the Group or the Company, which are discussed and deliberated at the Board level, include the following:</p> <ul style="list-style-type: none">• Business & Operating Strategies• New or changes to existing Business Plans• New investments/divestments• Mergers & acquisitions• Expansion/entry into new markets/geographies/regions• Corporate restructuring/reorganisation |

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| | <ul style="list-style-type: none"> • Set-up of new subsidiaries • Joint ventures • Partnerships or strategic alliances • Acquisitions/disposal of significant assets • Progress of Business Strategy • Senior Officers' Appointment <p>Apart from the aforesaid principal responsibilities of the Board and matters of strategic importance to the Company/Group, the Board has also delegated specific responsibilities to several Board Committees and Management Committees. While the Board/Management Committees have the authority to examine particular issues, they will report back to the Board on the decisions made.</p> <p>The Board and each Director's performance will be assessed annually based on the expectations set out in the Board Charter. With the various positions held by each director on the Board, they are expected to meet the expectations set for each role as these are crucial to the long-term success of the Company.</p> <p>It should be noted that this Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Charter neither replace nor supersede the laws of Malaysia or the applicable regulatory frameworks. This Charter also makes reference to RHB Banking Group's Board Governance Handbook, which includes the Director's Internal Guidelines and Procedures.</p> <p>The Board Charter is periodically reviewed every 3 years or as and when required. A revision was conducted during the year to reflect latest developments.</p> |
| Explanation for departure : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure : | |
| Timeframe : | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has in place a Code of Ethics and Business Conduct for Directors to promote and inculcate ethical behaviour whilst also fostering a culture imbued with good business ethics and compliance. The Code was crafted to explicate the general standards of conduct for the Board and enhance the standard of corporate governance to achieve the following objectives:</p> <ul style="list-style-type: none">• To exercise their role and responsibilities as prescribed under Section 213 and Section 214 of the Companies Act 2016 at all times;• To establish the appropriate ethical standards for Directors based on acceptable beliefs and values;• To uphold the spirit of corporate responsibility and accountability in line with the governing laws, regulations and guidelines; and• To document and emphasise the integral obligation of each Director in performing his/her duty, to act in a manner that is lawful, honest, ethical and free from any Conflict of Interest or perceived Conflict of Interest. <p>The document also includes principles relating to general standard of conduct, insider trading, maintaining confidentiality, use of corporate assets etc. The Code of Ethics and Business Conduct for Directors is available on RHB Bank Berhad's website for reference.</p> <p>The Board has also implemented a Group Code of Ethics and Conduct ("Code") for its Employees to ensure a high standard of ethical and professional conduct is upheld in performing their duties and responsibilities. The said Code establishes the standards that govern the way employees deal with each other, our shareholders, customers, suppliers, competitors and communities.</p> |

As a financial institution which involves in multiple banking and capital market disciplines, specific codes of conducts are also established by the Company to complement the main codes of ethics for directors and employees, namely Code of Conduct for Licensed Representatives and Share Trading Officers, Code of Ethics & Guidelines for Business Conduct for Unit Trust Consultant(s) and Principles to Adopt for Users of Social Media Platforms.

The Group has put the following Key Internal Control Policies and Procedures in place to supplement the above mentioned codes of ethics:

- Group Anti-Bribery and Corruption Policy;
- Group Whistleblowing Policy;
- Group Fit & Proper Policy;
- Group Policy on Related Party Transactions;
- Group Fraud Risk Management Policy;
- Orderly & Fair Market Policy;
- Group Anti-Money Laundering & Counter Financing of Terrorism Policy;
- Group Chinese Wall and Insider Trading Policy;
- Group Corporate Sponsorship and Donation Policy; and
- Group Gifts and Hospitality Guideline.

Within these framework, all the directors, employees and its business partners/representatives are expected to exercise good judgment and be accountable for their actions. Compliance with the Codes is part of the terms and conditions of employment for every employee. The Codes continue to be revised from time-to-time to incorporate current best practices in line with the overall industry standards.

Professional ethical standards and corporate integrity which govern, among others, conflicts of interest, misuse of power, corruption, insider trading, money laundering, client confidentiality, banking secrecy and related party transactions, have been incorporated in the Board Charter, codes of ethics for directors and employees and/or in various internal policies and guidelines.

The abovementioned Company's Codes and the Key Internal Controls are meant to provide clear and transparent guidance on acceptable behaviour and practice of Directors, Senior Management, Employees and its Business Partners/Representatives.

Policy on Related Party Transactions

The Group has put in place a Policy on Related Party Transaction since 2004 (last revised and updated on 23 December 2021), which guides the review process and reporting of all related party transactions. Under this policy, all related party transactions are reviewed by Group Legal prior to independent review performed by Group Internal Audit before any submission is made to the Board Audit Committee for deliberation. The purpose of this policy is to ensure all related party transactions are conducted on an arm's length basis.

Details of these transactions are set out under Note 53 to the Financial Statements on pages 123 to 128 in the Financial Report 2021.

Group Integrity & Governance

The division is empowered to strengthen RHB Banking Group's internal controls with regards to prevention of corruption, abuse of power and other malpractices by fostering the principle of abhorring corruption through coordination of four (4) core functions, namely:

- Complaints Management
- Detection and Verification
- Integrity Strengthening; and
- Governance

The formation of this division is pursuant to top level commitment in-line with the Strategic Plan of Integrity & Governance Unit 2019-2021 and also the Guideline for the Management of Integrity and Governance Unit, both issued by the Malaysian Anti-Corruption Commission. In implementing the four core functions mentioned above, the Group Integrity & Governance will ensure adequacy of the Group's internal controls and procedures in line with the requirement of the Guidelines on Adequate Procedures issued by the Prime Minister's Department in December 2018 to combat the act of bribery and corruption by any persons associated with a commercial organisation.

Key activities undertaken by the division during year 2021:

- Recruited two additional staff to spearhead detection and verification and integrity strengthening functions.
- Established an Information & Complaints Assessment Committee to oversee complaints received by the division.
- Included Anti-Bribery and Corruption clause within RHB Bank's Terms and Conditions for Current Account and Savings Account.
- Conducted training and awareness sessions for employees within the Group, which included 47 sessions for Malaysia based employees, registering 3,323 participants and 18 sessions for the Group's regional/overseas business operations, registering 1,454 participants.

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| | <ul style="list-style-type: none"> • Conducted 10 workshops on Corruption Risk Management/ Organisational Anti-Corruption Plan for 168 Group's representatives. • Coordinated group-wide survey on integrity, governance and anti-corruption. | |
| Explanation for departure : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has in place a Group Whistleblowing Policy, last updated in 2021. The main purpose of this policy is to provide a formal mechanism and minimum standards to be adopted and adhered by the Group’s personnel (Directors, Senior Management and employees) in dealing with disclosure or reporting of questionable actions or wrong doings committed by any personnel within the Group.</p> <p>The policy provides any internal or external party with various channels and avenues to report suspected fraud, corruption, dishonest practices or other similar circumstances. This policy advocates both internal and external parties to ‘Speak up’ or report such matters in good faith, with the confidentiality of the person making such reports being protected from any reprisal in the best possible manner.</p> <p>RHB Banking Group’s primary whistleblowing avenues for both internal and external parties are through the Senior Independent Non-Executive Director (“SINED”) of RHB Bank Berhad and also via the designated email, namely speakup@rhbgroup.com. The latter channel is monitored by the Group Integrity & Governance division, which is overseen by the Chief Integrity & Governance Officer who will report on all whistleblowing matters to the Board Audit Committee. The key objectives of this policy are to:</p> <ul style="list-style-type: none">• guide all personnel within the Group when facing concerns over unlawful conducts, unethical occurrences or questionable practices which may adversely affect, to a material extent, the financial position or reputation of the Group, that has been or in the process of being committed. It also states the process for the personnel to relay any information in relation to the above that is being concealed deliberately by their colleagues, their subordinates, their supervisor, Senior Management or Non-Executive Directors within the Group.• encourage internal or external parties to raise their concerns regarding such malpractice or corporate misdeeds, which they feel the Group should know, without fear of retaliation or discrimination. |

- enable the management to be informed of any unlawful conducts, unethical occurrences, corruption or questionable practices at an early stage.
- help nurture the culture of accountability, integrity and transparency among employees within the Group.

To supplement the Group Whistleblowing Policy and promote integrity and transparency amongst the Group’s employees, the Group Anti-Bribery & Corruption Policy, Group Corporate Sponsorship & Donation Policy and the Group Gifts & Hospitality Guideline were also established.

These Policies and Guideline support the existing Group Code of Ethics and Conduct for Employees and are benchmarked against best practices for giving and receiving gifts as well as transparency and openness about gifting as it is also part of the overall anti-bribery and corruption initiative currently pursued by the Group.

The Group’s Corporate Integrity Statement also provides information to all stakeholders of RHB Banking Group on the anti-corruption practices and measures undertaken within the Group. The statement is available on RHB Bank Berhad’s corporate website.

In line with the spirit of transparency, the Group’s website provides sufficient information on awareness for staff and external stakeholders to raise their concern through the Group’s whistleblowing channel. The discreet complaints raised are investigated by the designated recipients with the support from management.

On RHB Bank Berhad’s website, there are also other channels and avenues for any whistle blower to elevate reports to the regulatory bodies and law enforcement agencies such as Bank Negara Malaysia, Securities Commission Malaysia and the Malaysian Anti-Corruption Commission (“MACC”).

The Chairman of Board Audit Committee is responsible for the following matters with regard to the Group Whistleblowing Policy:

- oversee and assess the effectiveness of the whistleblowing policy and procedures;
- ensure management reports on the whistleblowing incidents on a timely and accurate basis to the Board; and
- ensure the management develops and maintains a clear structure on reporting, recording and investigating whistleblowing reports.

For the current year under review, **28** complaints (including **17** whistleblowing reports) pursuant to the Group Whistleblowing Policy were received, investigated and pursued. All reports or complaints are filed with the designated recipients as specified in the Group Whistleblowing Policy.

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| | The Company does not condone any wrongdoings or fraudulent acts engaged by any of its Directors, employees or by those representing or acting on-behalf of the Group. The Group Whistleblowing Policy is made available on the Group's internal portal for the Group's staff's reference and also on its corporate website for external parties' reference. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board of Directors of RHB Bank Berhad shoulders the responsibility for oversight on the Group's sustainability journey and its execution, ensuring accountability and transparency of its ethical and social responsibility footprints. The Board discusses and receives regular updates on material issues, developments and progress reports on sustainability. During the year, the Board reviewed and enhanced the Group's sustainability governance structure.</p> <p>In 2021, the Group established a new 5-Year (2022-2026) Sustainability Strategy and Roadmap, which forms part of RHB's new long term corporate strategy. To better integrate and unify the Group's sustainability efforts and its strategic outlook, a Group Sustainability Committee ("GSC") was also established with the Group Managing Director / Chief Executive Officer appointed as Chairman.</p> <p>The GSC strategically drives the Group's sustainability and climate agenda, in line with the Group's strategic direction and commitments, sustainability vision, as well as prioritised United Nations' Sustainable Development Goals ("SDGs") and sustainability pillars, as guided by the Group Sustainability Framework.</p> <p>To support the GSC, four (4) Sustainability Councils were established comprising key senior leaders, sustainability champions and the existing RHB Foundation to ensure successful implementation of Group's sustainability and climate-related matters. These include:</p> <ul style="list-style-type: none">• Sustainable Banking Council;• ESG Capital Markets and Advisory Council;• Sustainable Insurance Council;• Responsible and Sustainable Practices Council. |

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| | <p>In driving the Group’s key focus areas, network of Sustainability Sponsors and Champions comprising members of the senior leadership has also been identified to lead and embed sustainability practices in their respective business and functional areas. The Sustainability Management team, Strategic Business Groups and Strategic Functional Groups are in charge of implementing the day-to-day sustainability-related tasks and initiatives. The roles and responsibilities of the Sustainability Management team are shown below:</p> <p>Group Sustainability Management</p> <ul style="list-style-type: none"> • Develop and execute the Group’s Sustainability Framework and sustainability material matters • Work closely with Sustainability Council Chairpersons, Sustainability Champions, Strategic Business Groups (“SBGs”) and Strategic Functional Groups (“SFGs”) • Monitor emerging sustainability trends and provides advice on sustainability matters • Formulate, coordinate and communicate on sustainability initiatives to better promote the Group’s sustainability efforts internally and externally <p>The Group’s Sustainability Strategy was deliberated during the Board Offsite session on ESG/Sustainability and Climate Risk Management on 1 October 2021 and subsequently refined and approved at RHB Bank Berhad Board of Directors’ Meeting on 27 October 2021.</p> <p>RHB’s notable achievements on ESG:</p> <ul style="list-style-type: none"> • Remained a constituent in the FTSE4Good Bursa Malaysia Index as at June 2021 • Top 25% by ESG Ratings among public-listed companies in FTSE Bursa Malaysia EMAS as at June 2021 • RHB Bank Berhad scored 47/100 in the 2021 S&P Global Corporate Sustainability Assessment reflecting an improvement of 4 points compared to the previous year • Maintained as AA rating (Leader) for MSCI ESG Ratings since September 2019 <p>For detailed information on RHB Bank Berhad’s sustainability journey, please refer to RHB Bank Berhad’s Integrated Report 2021 and Sustainability Report 2021. The latter describes the Group’s sustainability journey, highlighting RHB’s initiatives, achievements, challenges and key results that are underpinned by our robust Sustainability Framework.</p> |
| <p>Explanation for departure :</p> | |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure : | | |
| Timeframe : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

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| Application | : Applied |
| Explanation on application of the practice | <p>The Board continues to ensure all stakeholders are kept informed of the sustainability initiatives and development undertaken by the Group. The primary tool used by the Board is the annual statutory disclosure documents, such as the Sustainability Report ("SR"), the Integrated Report and Corporate Governance Report. Information on RHB's sustainability strategies are laid out through these reports to ensure stakeholders can capture a holistic view of the initiatives.</p> <p>RHB Banking Group's corporate website has a dedicated section on Sustainability, covering details of RHB's Sustainability Pillars, approach to sustainability, community engagements and repository of sustainability reports.</p> <p>There are mainly three Sustainability Pillars for the Group:</p> <ul style="list-style-type: none"> • Pillar 1: Sustainable & Responsible Banking, speaks of our role as a financial institution by integrating ESG considerations into our business strategies, as well as lending, advisory and investment decision-making activities; • Pillar 2: Embedding Good Practices, aims to foster sustainable practices and responsible behavior amongst our employees across the Group by injecting responsible values into our strategy and goals, policies, existing tools and processes, as well as product design and operations; and • Pillar 3: Enriching & Empowering Communities, describes our aim to create a long-term positive impact to the communities within which we operate through our community engagement initiatives spearheaded by RHB Foundation. <p>Approach to Sustainability - ESG Risk Management</p> <p>We promote sustainable financing by ensuring that our risk management processes integrate ESG considerations. The Group Risk Management Framework sets out the strategic direction for the management of risks within the Group. ESG-related guidelines and assessments have been incorporated as part of our ESG risk management processes and will be reviewed and enhanced periodically over time as we continue to strengthen our sustainability practices together with our stakeholders.</p> |

For RHB Banking Group, industry specific ESG Risk Assessment (“ERA”) have been developed for the following sectors:

| Sector | Our Approach |
|---|--|
| Palm Oil | Support sustainable palm oil in line with national and international standards: <ul style="list-style-type: none"> • For customers with plantation size of 100 acres and above: - Must be Malaysian Sustainable Palm Oil (“MSPO”) certified or in the process of obtaining certification - Customers with regional presence may opt for other sustainable certification such as Roundtable on Sustainable Palm Oil (“RSPO”) and Indonesian Sustainable Palm Oil (“ISPO”) • For palm oil estates and smallholdings: - Adherence to Malaysian Palm Oil Board’s (“MPOB”) Code of Good Agricultural Practice for Palm Oil Estates and Smallholdings • To avoid virgin forest, aboriginal or heritage land and land prone to flooding • Peatland is to be avoided, unless it is in accordance to the guidelines for best practices on peatland developed by MPOB • For palm oil mill: MPOB’s Code of Good Milling Practice |
| Oil & Gas | Proactively engage our borrowers and support their effort towards sustainable practices such as: <ul style="list-style-type: none"> • Managing Greenhouse Gases (GHG) emissions • Reduce reliance on conventional fuels and increase the share of renewable energy in the energy generation mix • Improve energy efficiency • Treating wastewater discharges • Responsible disposal methods of solid waste/sludge • Prevention of oil spills |
| Manufacturing of Iron, Steel & Other Metals | Proactively engage our borrowers and support their effort towards sustainable practices such as: <ul style="list-style-type: none"> • Managing GHG emissions • Improve energy efficiency • Treating wastewater discharges • Responsible disposal methods of solid waste/sludge • Prevent fire and explosion hazards |
| Power Producer | Proactively engage our borrowers and support their effort towards sustainable and/or responsible practices such as: <ul style="list-style-type: none"> • Manage GHG emissions from coal-fired power plants |

| | | |
|--|-------------------------|--|
| | | <ul style="list-style-type: none"> • Treating wastewater discharges • Responsible disposal methods of solid waste / sludge • Reducing reliance on conventional fuels and increase the share of renewable energy in the energy generation mix • Improving combustion and conversion efficiency |
| | Manufacturing of Cement | <p>Proactively engage our borrowers and support their effort towards sustainable and/or responsible practices such as:</p> <ul style="list-style-type: none"> • Managing GHG emissions • Treating wastewater discharges • Responsible disposal methods of solid waste / sludge • Improve energy efficiency • Water efficiency initiatives |

Approach to Sustainability – Sustainable Lending

The Group is committed to contribute and create positive impact through identified opportunities in the area of sustainable development. Our key focus is to support green activities. The Group is committed to extend RM5 billion by 2025 to support green activities and transition to a low carbon and climate resilient economy, through either lending, advisory and/or investments activities.

Additional details on RHB’s approach to Sustainability can be found on RHB Bank Berhad’s corporate website, within the Sustainability page.

Sustainability Report

The SR covers the strategies, priorities and targets of the Group. It also describes the Group’s sustainability journey, highlighting our initiatives, achievements, challenges and key results that are underpinned by our robust Sustainability Framework. Through the SR, we share how our business and operations impact our stakeholders and the planet as we strive to improve our performance to ensure long-term value creation.

Reporting Principles of the Sustainability Report (“SR”)

The following GRI Standards Reporting Principles were applied when developing the content of the SR:

1. **Stakeholder Inclusiveness:** Re-evaluated and engaged with identified stakeholder groups to understand their concerns and respond to their expectations
2. **Sustainability Context:** Presented information in the wider context of sustainability
3. **Materiality:** Focused on issues that matter to stakeholders and impact our business
4. **Completeness:** This Report includes coverage of material topics and their boundaries, sufficient to reflect significant economic,

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| | <p>environmental and social impacts, and to enable stakeholders to assess RHB's performance in the reporting period.</p> <p>Analyst Briefing & Stakeholder Engagement The Group also holds quarterly analyst briefing and during these sessions, stakeholders are also provided insight on the Group's Sustainability related activities. In addition, stakeholders such as shareholders and regulators are kept abreast on the Group's sustainability initiatives during engagement sessions.</p> | |
| Explanation for departure : | | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board ensures continuing performance development is undertaken by each of its members. Directors of the Group are accorded relevant opportunities to keep themselves abreast on the latest developments such as legal and regulatory changes, industry developments and business development including sustainability matters amongst others.</p> <p>During the year, a special Board Offsite session on ESG/Sustainability and Climate Risk Management was conducted on 1 October 2021. During this session, the Board was updated on the Group’s Sustainability Strategy and direction moving forward. The session conducted allowed for Board and management to have an open and clear discussion on the initiatives undertaken, new opportunities arising and the required support in executing them.</p> <p>For detailed information on the training programmes attended by RHB Bank Berhad Board members, kindly refer to Section B of this report.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>In line with the requirements of the Malaysian Code on Corporate Governance and the Bank Negara Malaysia’s Policy Document on Corporate Governance, an external independent service provider, namely Messrs Ernst & Young (“EY”) was appointed to conduct the annual Board Effectiveness Evaluation (“BEE”) exercise for year 2020. Through the conduct of the BEE, the Board’s (including the Group Managing Director) commitment and level of performance on sustainability related matters were also assessed. During the assessment, it was highlighted that more effort would have to be invested to improve the Board’s oversight on ESG related matters, in-line with the BEE finding.</p> <p>During 2021, additional importance was placed top-down on sustainability related matters with the conduct of a special Board Offsite on ESG/Sustainability and Climate Risk Management held on 1 October 2021. In addition, there was also emphasis on sustainability with the introduction of the Group’s new 5-Year (2022-2026) Sustainability Strategy and Roadmap, which forms part of RHB’s new long term corporate strategy. Sustainability related evaluation is also included on the performance scorecard of the Sustainability Management team, particularly on its team leader, Pn Norazzah Sulaiman. The scorecard includes evaluation of deliverables such as the Group’s overall sustainability initiatives, production of the Group’s sustainability report and performance of RHB Bank Berhad on sustainability related Indices.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

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| <i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i> | |
| Application | : Adopted |
| Explanation on adoption of the practice | : <p>The Group's 5-Year (2022-2026) Sustainability Strategy and Roadmap is supported by the Group Sustainability Committee ("GSC"), which is chaired by the Group Managing Director ("GMD"). This committee has been empowered by the Board on decision-making and implementation of ESG considerations in the Group's business operations and activities. Among the GSC members, there are Sustainability Sponsors for the respective Focus Areas.</p> <p>The Sustainability Management ("SM") team, reports to the Group Chief Communications Officer, Pn Norazzah Sulaiman, who is also the Head of Sustainability Management. The SM team provides strategic support in the development and execution of the Group's Sustainability Framework and sustainability material matters together with Sustainability Champions and other Strategic Business Groups/Strategic Functional Groups.</p> <p>The SM team also monitors emerging sustainability trends and acts as the referral point on sustainability matters, besides formulating, coordinating and communicating on sustainability initiatives to promote the Group's sustainability efforts and raise awareness of the on-going initiatives internally and externally.</p> |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is supported by the Board Nominating & Remuneration Committee ("BNRC") to conduct annual review of its composition, assess the suitability of new candidate and to nominate shortlisted candidate that fit the appointment criteria.</p> <p>The BNRC conducts regular review of the Board to ensure it encapsulates individuals who are able to work together as a cohesive unit, foster a strong governance culture, commit the required time, possess understanding of sustainability related matter and have strong financial probity.</p> <p>The Board of RHB is heterogeneous and views diversity as a crucial component in forming the Board structure. Criteria such as gender, age, ethnicity and cultural background are considerations that are assessed as the Board strives to establish a perfect balance.</p> <p>Board Composition and Succession Planning</p> <p>The Board understands the inherent value of succession planning which ensures business continuity and long-term sustainability to the Company. As such, the Board must be prepared at all times to ensure it can evolve with a healthy combination of fresh perspective, balance and experience whilst ensuring the business remains protected and sustainable for all stakeholders.</p> <p>The BNRC is entrusted with the responsibility of ensuring members that are nominated for Board appointment are firstly identified, assessed and fulfilled all fit and proper criteria before they are shortlisted and proposed to the Board for deliberation.</p> <p>Key factors that are considered by the BNRC in conducting succession planning or appointing new members to the Board are, as follows:</p> <ul style="list-style-type: none">• The Right of Perfect Boardroom Balance <p>The BNRC assesses the Board on a yearly basis to identify the performance level of directors as well as to understand areas of improvement within the Board.</p> |

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| | <p>The BNRC uses this annual board effectiveness evaluation result to ensure candidates that are sought are able to address the gaps identified to improve the Board composition. Consideration is also given to specific skillset/experience to ensure each board member proffers something unique to the Boardroom.</p> <ul style="list-style-type: none"> • Industry Trends knowledge/expertise <p>The Board is well aware of the rapid changing in business landscape that is now under constant evolution. Directors who are appointed on the Board must be in-touch with the industry and the marketplace ensuring the Board does not lag behind its competitors.</p> <ul style="list-style-type: none"> • Tenure of Board members <p>A key consideration to the BNRC’s effort is also the tenure of Independent Non-Executive Directors (“INEDs”). In line with the best practices, the BNRC ensures potential candidates are identified to replace INEDs who encroached the 9-year tenure limit adopted by the Board.</p> <p>Candidates are usually identified and assessed when the INEDs reach the 8-year tenure to ensure orderly succession planning could take place. An INED who reaches the 9-year tenure limit will retire at the next AGM of the company or when a new incumbent is available to replace him/her, whichever is earlier.</p> <ul style="list-style-type: none"> • Stakeholder Expectation <p>Selection of potential candidates weighs heavily on the BNRC’s assessment of their experience and skill-set. As the Board plays a fiduciary role, stakeholders expect only capable individuals governing the Company.</p> <p>Stakeholders such as shareholders and regulators place high value on Board members who are industry savvy and espouse ethical values that are in-line with good governance and ethical business practices.</p> <p>Change in Board Committee Composition</p> <p>In 2021, BNRC underwent changes with regard to the composition with the appointment of Datuk Iain John Lo on 1 April 2021 and Pn Sharifatu Laila Syed Ali 1 September 2021 as its members. Datuk Iain was also appointed as a member of the Board Audit Committee on 1 April 2021.</p> |
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There were no changes to the Board composition of RHB Bank Berhad during 2021, except for the retirement of the Chairman, Tan Sri Azlan Zainol on 28 February 2021 and redesignation of Tan Sri Ahmad Badri Mohd Zahir as the new Chairman on 24 March 2021.

Annual Review of the Board i.e. Board Effectiveness Evaluation (“BEE”)

The BEE is the main mechanism used by the BNRC in conducting its annual review of the Board. The BNRC takes into consideration the current Board skill-set, the current Board composition and the prevailing legal as well as regulatory requirements. These considerations are to ensure formation of a well-balanced Board that allows for good governance and efficient management of the Group which is agile in its interaction with the evolving business environment and needs.

The BNRC also takes into consideration on the Board and Senior Management’s dynamics and balance with regards to the skills, perspective and experiences, diversity in geographic origin and professional experiences (public, private and non-profit sectors) that a potential candidate can offer to the boardroom and the organisation as a whole.

The Board proffers the same considerations in relation to the recruitment of Senior Management personnel. The Board ensures that any potential candidate for a senior management position possesses the necessary skill-set required along with the experience acquired within the industry.

Directors’ Retirement, Re-Appointment and Re-Election

Pursuant to Bank Negara Malaysia’s (“BNM”) Policy Document on Corporate Governance, RHB Bank is required to apply to BNM for the re-appointment of its Directors at least three months prior to the expiry of their terms of appointment, should the Company wish to extend their appointments. Prior to such application, the relevant Directors will be subject to assessment by the BNRC and they are required to give consent on their re-appointment prior to the recommendation being made.

In assessing the candidates, the BNRC takes into consideration their attributes, competencies, contributions in terms of discussion on business/financial performance, strategy matters, business planning, independence of views in respect of decision making, roles played and contributions to the Board and Board Committees and adequacy of training, as well as the Board Effectiveness Evaluation result.

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| | <p>Other Key activities of the BNRC during 2021:</p> <ul style="list-style-type: none"> • Reviewed the succession plan in-place for key senior officers of the Group; • Assessed and endorsed new candidates that were shortlisted for appointment of key senior positions within the Group; • Reviewed the fit & proper assessment of directors and key senior officers within the Group; • Endorsed the revision of Non-Executive Directors' remuneration for RHB Banking Group based on review conducted by independent external consultants; • Received updates on matters related to the Group's human capital management; and • Assessed and endorsed the re-appointment and re-election of retiring directors within the Group. | |
| <p>Explanation for departure :</p> | | |
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| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure :</p> | | |
| <p>Timeframe :</p> | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>During the year, the Board was comprised of Six Independent Non-Executive Directors (“INED”), three Non-Independent Non-Executive Directors and One Executive Director.</p> <p>In addition to having a Board comprised of majority INEDs, Tan Sri Dr Rebecca Fatima Sta Maria continues in her role as the Senior Independent Director, acting as a sounding Board to the Board Chairman as well as a conduit between the Chairman and the Independent Board members.</p> <p>As at 15 February 2022, below is the list of the Independent Non-Executive Directors on the Board:</p> <ul style="list-style-type: none">• Tan Sri Dr Rebecca Fatima Sta Maria (Senior Independent Non-Executive Director)• Ms Ong Ai Lin• Mr Lim Cheng Teck• Pn Sharifatu Laila Syed Ali• Mr Donald Joshua Jaganathan• Datuk Iain John Lo <p>The full profiles of RHB Bank Berhad’s Board members are available on the Group’s website @ www.rhbgroupp.com.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

| | | | |
|--|---|--------------------------------------|--|
| Application | : | Not applicable - Step Up 5.4 adopted | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

| | |
|--|---|
| <i>Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.</i> | |
| Application | : Adopted |
| Explanation on adoption of the practice | : The Board has adopted a policy where Independent Non-Executive Directors ("INEDs") may be re-appointed for a new term provided that such service tenure does not exceed a consecutive or cumulative term of 9 years. Computation of the service tenure will commence from the date of his/her appointment in the Group. For 2021, the Board has no Independent Directors who had exceeded the 9-year term limit. Information on the tenure limit of INEDs for the Group can be found in RHB Bank's Board Charter downloadable from RHB's corporate website. |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>Board Nominating & Remuneration Committee (“BNRC”) is guided by the Group’s Nomination Framework and Group Fit & Proper Policy in identifying and assessing candidates to be nominated for appointment of directors as well as for Key Senior Management positions.</p> <ul style="list-style-type: none">• Step 1 – Review the optimal Board size and mix of skills• Step 2 – Identification of candidates with the required skills• Step 3 – Selection of candidates through evaluation of time commitment and suitability.• Step 4 – Conduct of fit and proper evaluation• Step 5 – Interact with candidates• Step 6 – Deliberate potential and shortlisted candidates• Step 7 – Recommend to Board for approval <p>The Nomination Framework ensures that individuals appointed to the Board and relevant senior officer positions (independent directorship/key managerial) within the Group have the appropriate fitness and propriety to discharge their prudential responsibilities on and during the course of their appointment. This framework was developed to:</p> <ul style="list-style-type: none">• Summarise and augment the relevant processes of the BNRC in relation to the abovementioned appointments;• Provide a clear and transparent process of the nominating procedures for the benefit of the BNRC, Board and Management; and• Ensure the practices of the BNRC are consistent with and reflect the BNRC’s commitment to best practices in corporate governance. |

New nominees for directorship are assessed by the BNRC in accordance with RHB Banking Group's Fit and Proper Policy for key responsible persons. These assessments are carried out against a benchmark of documented competencies which have been prepared for each role, the self-declarations by each individual, the academic/professional qualification record and the specific vetting checks on criminal record, bankruptcy and regulatory disqualification. The Fit and Proper Policy outlines the following criteria in assessing the suitability of the candidate:

- Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind, fairness and ethical behaviour.
- Competence and capability, where the candidate must have the skills, experience, ability and commitment to carry out the role.
- Financial integrity, where the candidate must have financial soundness and be able to manage his/her debts or financial affairs prudently.

The Chairman of the BNRC (or any two members of the BNRC in the absence of the Chairman, as the case may be) conducts an interaction session with the proposed candidates and assesses them based on their skills and experience, independence (where relevant) and objectivity, track record of success, sound judgement and other relevant perspectives.

The Boards' expectations on the time commitment and contribution from the Directors will also be clearly communicated to the proposed candidates. The BNRC will evaluate the candidates' ability to discharge their duties and responsibilities as well as appropriate time commitment prior to recommending their appointment as Director to the relevant Board(s) within the Group for approval.

In addition to the BNRC's review, all new directors were vetted and approved by Bank Negara Malaysia prior to their appointment. Induction programs were conducted for newly appointed directors within 3 months of their appointment. During the induction, senior officers shared their views on the business plan, risk management, business operations and other strategic matters.

Talent Development

Talent development within RHB is a key priority to the Board in ensuring a high-performing workforce which contributes to the Company's and the Group's sustainability and competitiveness. The BNRC provides high-level oversight and direction on human resource ("HR") matters such as recommending remuneration and HR strategies on employee value propositions, retention strategies, performance management and succession planning.

| | | |
|---|---|----------|
| | <p>The BNRC also approves changes to Group HR policies in line with the HR strategy and direction set by the Board. The BNRC also continuously monitors succession planning updates presented by Group HR to ensure smooth transitions of key personnel into critical positions, and ensures that the development plans for identified successors are put in place based on their readiness to assume the critical positions.</p> <p>Other major issues deliberated by the BNRC were the salary and grading structure, retention plans and incentive schemes for key Senior Management as well as numerous proposed and existing employee value propositions.</p> | |
| <p>Explanation for departure</p> | <p>:</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| <p>Measure</p> | <p>:</p> | |
| <p>Timeframe</p> | <p>:</p> | <p>:</p> |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board views the process of identifying candidates for directorship to be very critical due to its far-reaching implications towards the performance of the Board as a cohesive unit. The Board has, in the past, often relied on the recommendation of existing Board members in identifying potential candidates.</p> <p>In exercising objectivity in the selection process, the BNRC is authorised of having access to a wide selection of candidates. Above and beyond referrals from directors, shareholders and management, the BNRC may utilise the following sources:</p> <ul style="list-style-type: none">• industry talent pool;• available directors' registry (i.e. ICDM, FIDE Forum, 30% Club);• industry and professional associations;• Group's Independent Directors' network; and• Independent search firms. <p>In assessing and appointing a Director, the BNRC is guided by the following internal documents:</p> <ul style="list-style-type: none">• Boardroom Diversity Policy• Guideline on Tenure of Appointment/Re-Appointment of Non-Executive Directors of RHB Banking Group• Code of Ethics and Business Conduct for Directors• Nomination Framework• Remuneration Framework & Policy <p>Candidates shortlisted by the BNRC will be subject to rigorous vetting and approval by Bank Negara Malaysia before they are appointed to the Board and Board Committees.</p> |
| Explanation for departure | : | |

| | | |
|--|---|--|
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

| | |
|---|--|
| Application | : Applied |
| Explanation on application of the practice | <p>The Board ensures that shareholders are kept informed on the changes to the Board and it's supporting Board Committees. Any changes to the Board with regard to its composition and structure is disclosed via the Bursa Malaysia Announcement Link within the stipulated time required by the regulators. The Company's corporate website is also promptly updated to disclose the changes to the Board composition.</p> <p>Information on directors being put up for re-election is shared with shareholders via the Notice of AGM, Integrated Report and the Corporate Governance Report. Information in these documents cover the Directors' interest, external positions or relationship that might influence or interfere with their position in RHB Bank Berhad, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of RHB as a whole.</p> <p>Directors up for re-election The following Directors shall retire at the forthcoming AGM of RHB Bank pursuant to Clause 94 of the Bank's Constitution:</p> <ul style="list-style-type: none">• Tan Sri Dr Rebecca Fatima Sta Maria• Mr Lim Cheng Teck• Puan Sharifatu Laila Syed Ali <p>Assessment Of Individual Directors For Re-Election and/or Re-appointment</p> <p>1. Tan Sri Dr Rebecca Fatima Sta Maria Tan Sri Rebecca serves as the Senior Independent Non-Executive Director of RHB Bank Berhad and is the Independent Non-Executive Director of RHB Investment Bank Berhad. She is also the Chairman of the Board Nominating & Remuneration Committee. Tan Sri also fared well during the annual BEE exercise conducted and satisfied the Boards expectations. Tan Sri has continued to demonstrate strong character, sound judgment, time commitment and exemplary independence in her service to the Group. She contributes soundly on matters related to international trades &</p> |

| | |
|---|---|
| | <p>relations and brings with her abundance of experience in the public sector. Tan Sri also continues to be a strong advocate on gender diversity at board and management level. She is also a pleasant and amicable character that works well with other board members.</p> <p>2. Mr Lim Cheng Teck Mr Lim was appointed as an Independent Non-Executive Director of RHB Bank Berhad on 28 November 2018. He also serves as a Member of the Board Credit Committee and Board Risk Committee. Mr Lim brings with him a wealth of experience as a Banker. He has deep understanding on banking & finance related matters as well as leadership & management. He actively challenges ideas and proposals at the Board and shares meaningful views. Mr Lim is also pleasant and amicable character that works well with other board members.</p> <p>3. Puan Sharifatu Laila Syed Ali Puan Sharifatu was appointed as an Independent Non-Executive Director of RHB Bank on 15 March 2019. She also serves as a Member of the Board Nominating & Remuneration Committee. Puan Sharifatu has vast experienced on capital market, investment and finance as well as asset management topics. She possesses strong analytical skills which makes her a diligent and highly participative during meetings. She also works well within the boardroom.</p> <p>The Board Is happy to endorse the re-appointment of the abovementioned Directors and put forward the resolutions for their re-election for shareholders' approval.</p> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure</p> | <p>:</p> |
| <p>Timeframe</p> | <p>:</p> |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

| | |
|---|---|
| Application | : Applied |
| Explanation on application of the practice | <p>The Board Nominating & Remuneration Committee (“BNRC”) is chaired by the Company’s Senior Independent Non-Executive Director (“SINED”), YBhg Tan Sri Dr Rebecca Fatima Sta Maria. Tan Sri Rebecca oversees the committee in carrying out the following activities:</p> <ul style="list-style-type: none">• Put in place succession plans for Board and key senior management personnel;• Review and assess the appointment/re-appointments of Directors, Board Committees’ members, Shariah Committee members and key Senior Management officers for recommendation to the respective positions/portfolios;• Advise the Boards on optimal size and mix of skills of Boards/Board Committees/Shariah Committee; and• Provide oversight and direction on key human resource (HR) matters and operations, and recommend to the Boards for approval of remuneration and HR strategies. <p>As the Chairperson of the BNRC, Tan Sri Rebecca is responsible for the following:</p> <ul style="list-style-type: none">• Lead the BNRC in its activities;• Lead the annual review of the Board, ensuring that the performance of each individual director is assessed on an objective and holistic manner;• Ensure the management provides sufficient support and cooperation in supporting the BNRC’s activities; and• Communicate with the Chairman of the Board on the BNRC’s activities such as the Board Effectiveness Evaluation (“BEE”) and identification of candidates for new directorship and senior management’s appointment. <p>Tan Sri Rebecca’s responsibilities as a Senior Independent Director are codified in the Board Charter of RHB Bank Berhad, mainly as follows:</p> <ul style="list-style-type: none">• Be available to shareholders if they have concerns relating to matters which contact through normal channels of Chairperson or CEO/MD has failed to resolve, or for which such contact is inappropriate;• Be the conduit between the Independent Directors and the Board Chairman; |

| | <ul style="list-style-type: none"> • Maintain contact as required with major shareholders to have a balance understanding on their issues and concerns; • Be the focal point for internal and external parties to whistle-blow any unethical behaviours or business misconducts by internal parties (including Directors) of the Company and within RHB Banking Group; and • Lead the Independent Non-Executive Directors in conducting executive sessions with senior management without the presence of executive directors and non-independent non-executive directors. <p>The membership and attendance of the BNRC are as follows:</p> <table border="1" data-bbox="560 660 1401 920"> <thead> <tr> <th>BNRC Composition</th> <th>Attendance</th> </tr> </thead> <tbody> <tr> <td>Tan Sri Dr Rebecca Fatima Sta Maria (SINED) – Chairman</td> <td>12/12</td> </tr> <tr> <td>Dato’ Mohamad Nasir Ab Latif (NINED)</td> <td>12/12</td> </tr> <tr> <td>Datuk Iain John Lo (INED) ~</td> <td>7/7</td> </tr> <tr> <td>Pn Sharifatu Laila Syed Ali (INED)^</td> <td>9/9</td> </tr> <tr> <td>Mr Donald Joshua Jaganathan (INED)*</td> <td>8/8</td> </tr> </tbody> </table> <p>Note: ~ Datuk Iain John Lo (INED) [Appointed on 1 April 2021] ^ Pn Sharifatu Laila Syed Ali (INED) [Appointed 1 September 2021] * Mr Donald Joshua Jaganathan (INED) [Resigned on 1 September 2021]</p> | BNRC Composition | Attendance | Tan Sri Dr Rebecca Fatima Sta Maria (SINED) – Chairman | 12/12 | Dato’ Mohamad Nasir Ab Latif (NINED) | 12/12 | Datuk Iain John Lo (INED) ~ | 7/7 | Pn Sharifatu Laila Syed Ali (INED)^ | 9/9 | Mr Donald Joshua Jaganathan (INED)* | 8/8 |
|--|---|------------------|------------|---|--------------|--------------------------------------|--------------|-----------------------------|------------|-------------------------------------|------------|-------------------------------------|------------|
| BNRC Composition | Attendance | | | | | | | | | | | | |
| Tan Sri Dr Rebecca Fatima Sta Maria (SINED) – Chairman | 12/12 | | | | | | | | | | | | |
| Dato’ Mohamad Nasir Ab Latif (NINED) | 12/12 | | | | | | | | | | | | |
| Datuk Iain John Lo (INED) ~ | 7/7 | | | | | | | | | | | | |
| Pn Sharifatu Laila Syed Ali (INED)^ | 9/9 | | | | | | | | | | | | |
| Mr Donald Joshua Jaganathan (INED)* | 8/8 | | | | | | | | | | | | |
| Explanation for departure : | | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | |
| Measure : | | | | | | | | | | | | | |
| Timeframe : | | | | | | | | | | | | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The Board established and adopted a Boardroom Diversity Policy in 2013. To date, RHB Bank Berhad has three women directors, namely Tan Sri Dr Rebecca Fatima Sta Maria (the Senior Independent Non-Executive Director), Ms Ong Ai Lin and Puan Sharifatu Laila Syed Ali , all Independent Non-Executive Directors, serving on the Board. They make up 30% of the Board, in-line with the recommendation of Practice 5.9 of the Malaysian Code on Corporate Governance. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

| | |
|---|---|
| Application | : Applied |
| Explanation on application of the practice | <p>The Board has put in place a Board Diversity Policy.</p> <p>This Policy provides a framework for RHB Banking Group to achieve the following:</p> <ul style="list-style-type: none">• a diverse, skilled, industry savvy, experienced and competent Board of Directors that lead RHB Banking Group to continuous improvement in the achievement of corporate goals such as changes to the Group's business model, changes in consumer demand and new emerging market risks;• a minimum of 30% women directors on the Board as recommended by Practice 5.9 of the MCCG and the ASEAN Corporate Governance Scorecard;• adhere to the requirement of Bank Negara Malaysia's policy on Corporate Governance in relation to the Board compositions of financial institutions within RHB Banking Group;• a Board environment that values and utilises the contributions of directors with diverse backgrounds, experiences and perspectives; and• inculcate the practice of diversity within the Group where diversity is valued, respected and built upon fairness and equality for all. <p>The Policy also underlines the Group's commitments to:</p> <ul style="list-style-type: none">• accomplish the objectives with a particular focus on supporting the representation of women at the board of directors' level.• develop strategies to meet the Objectives and monitor the progress of the Objectives through the evaluation and reporting process identified below.• formulate other initiatives and strategies for achieving gender and other dimension of diversity and monitor their achievement.• conduct the Board appointment processes in a manner that promotes gender and other dimension of diversity, including establishing an approach for identifying a pool of candidates, using external resources and references where necessary. <p>The BNRC will monitor the scope, extensiveness and effectiveness of the policy on a periodic basis.</p> |

| | | |
|--|--|--|
| Explanation for departure : | | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | | | | | | | |
|--|--|---------------------------|--|---------------------------------------|---------------------------------|--|--|
| Application | : Applied | | | | | | |
| Explanation on application of the practice | : <p>The Board Effectiveness Evaluation (“BEE”) is undertaken by the Board annually with support of the Board Nominating & Remuneration Committee (“BNRC”) to assess the performance of individual directors, Independent and Non-Independent Directors and also Board Committees.</p> <p>In line with the requirements of the Bank Negara Malaysia’s Policy Document on Corporate Governance and the Malaysian Code on Corporate Governance, which call for the appointment of an external party on periodic basis to conduct an objective and independent board assessment, we appointed Ernst & Young Consulting Sdn Bhd (“EY”) to facilitate our BEE exercise for Financial Year (“FY”) 2020.</p> <p>EY undertook a comprehensive assessment of the Board, Board Committees and Individual Directors. The questionnaires for each Board Member was customized based on the Board Member’s representation of the respective entity’s Board and/or Board Committee during FY2020. The assessment also included interview sessions with selected Directors and Senior Management officers within the Group.</p> <p>The BEE questionnaires were designed based on the principles and governance practices set out in local regulatory standards and requirements, and international good practices.</p> <table border="1" data-bbox="555 1771 1407 2024"> <thead> <tr> <th colspan="2">Scope of Board evaluation</th> </tr> <tr> <th>Board of Directors & Board Committees</th> <th>Individual Directors Evaluation</th> </tr> </thead> <tbody> <tr> <td> 1. Overall Board Performance <ul style="list-style-type: none"> • Key strengths and improvement areas • Board strategic focus and engagement </td> <td> <ul style="list-style-type: none"> • Independence • Contribution and Commitment • Competency, Skills and Expertise • Strengths & Enhancement </td> </tr> </tbody> </table> | Scope of Board evaluation | | Board of Directors & Board Committees | Individual Directors Evaluation | 1. Overall Board Performance <ul style="list-style-type: none"> • Key strengths and improvement areas • Board strategic focus and engagement | <ul style="list-style-type: none"> • Independence • Contribution and Commitment • Competency, Skills and Expertise • Strengths & Enhancement |
| Scope of Board evaluation | | | | | | | |
| Board of Directors & Board Committees | Individual Directors Evaluation | | | | | | |
| 1. Overall Board Performance <ul style="list-style-type: none"> • Key strengths and improvement areas • Board strategic focus and engagement | <ul style="list-style-type: none"> • Independence • Contribution and Commitment • Competency, Skills and Expertise • Strengths & Enhancement | | | | | | |

| | | |
|--|--|--|
| | <ol style="list-style-type: none"> 2. Board Chairman Leadership 3. Boardroom Culture <ul style="list-style-type: none"> • Positive environment & dynamics, independence • Board Composition • Appropriate Board composition fit 4. Board Remuneration 5. Board Responsibilities <ul style="list-style-type: none"> • Effective Board oversight practices • Appropriate engagement with external stakeholders 6. MD/ CEO Leadership 7. Board Committees <ul style="list-style-type: none"> • Effective Board Committees supporting the Board 8. Board Operations <ul style="list-style-type: none"> • Efficient Board administration & processes 9. Board Continuous Development | |
|--|--|--|

Rating system utilised in the latest Board and Board Committee assessment:

| Rating System | |
|---------------|---|
| 5 | Exemplary |
| 4 | Good - minor improvements required |
| 3 | Satisfactory - some improvements required |
| 2 | Key improvements required - major improvements required |
| 1 | Unacceptable |

Overview of the BEE results indicated that the Board demonstrated good performance in most key areas. Key strengths displayed by the Board:

1. Positive Board culture and dynamics
 - Open deliberation, active participation and strong commitment.
 - Independent views/opinions expressed.
2. Board diversity
 - Diverse mix of experience and expertise – collectively contribute to board effectiveness.
 - Good sharing of insights and knowledge in areas of expertise.
3. Effective oversight
 - Strong oversight in areas of governance, compliance, risk management, and financial reporting.
4. Strong support from Company Secretary (“CoSec”)
 - CoSec team effectively supported the functioning of the Board.

Summary of BEE Score for Board & Board Committees:

| No | Area Assessed | Average Rating |
|----|--|--------------------------|
| 1 | Overall Board Performance | 4.2 |
| 2 | Board Chairman Leadership | 4.0 |
| 3 | Boardroom Culture | 4.1 |
| 4 | Board Composition | 4.4 |
| 5 | Board Remuneration | 3.0 |
| 6 | Board Responsibilities | 3.9 |
| 7 | GMD / GCEO Leadership | 4.3 |
| 8 | Board Committees: <ul style="list-style-type: none"> Board Audit Committee Board Risk Committee Board Nominating & Remuneration Committee Board Credit Committee | 4.3 4.3 3.9 4.4 |
| 9 | Board Operations | 4.1 |
| 10 | Board Continuous Development | 4.2 |

For the individual directors evaluation questionnaire, Directors provided the rating based on the following rating system:

| Rating System | |
|---------------|---|
| 5 | Exemplary |
| 4 | Good - behavior is observed most of the time |
| 3 | Satisfactory - behavior is often observed |
| 2 | Key improvements required - behavior is observed occasionally |
| 1 | Unacceptable - behavior is rarely observed |
| 0 | Not observed - do not have line of sight |

Overview of RHB Bank Berhad Individual Director's average score:

| | Assessment Criteria | Average Board Rating |
|---|---|----------------------|
| Independence | | 4.4 |
| 1 | Voice his/her independent opinion | 4.1 |
| 2 | Act with integrity | 4.6 |
| 3 | Declares and voids conflict of interest | 4.6 |
| 4 | Exercises independent judgement | 4.2 |
| Contribution and Commitment | | 4.2 |
| 1 | Well-prepared for meetings | 4.3 |
| 2 | Participate actively in meetings | 4.1 |
| 3 | Listens to others' opinion and challenges where required | 4.1 |
| 4 | Provides strategic guidance and resolve issues | 4.1 |
| 5 | Provides practical guidance for effective decision making | 4.1 |
| Competency, Skills and Expertise | | 4.2 |
| 1 | Offers insights and shares knowledge in area of expertise | 4.3 |
| 2 | Keeps abreast of latest development in the industry | 4.1 |
| 3 | Engages constructively with Directors and Management | 4.1 |

| | | Summary of Individual Director's Scores: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------------|--|---------------------------|----------------------------------|--|----------|---------------------|--|--|--------------|---------------------------|----------------------------------|---|---------------------|-----|-----|-----|---|------------------------|-----|-----|-----|---|---------------------------|-----|-----|-----|---|----------------|-----|-----|-----|---|--------------------|-----|-----|-----|---|---------------------|-----|-----|-----|---|------------------------------|-----|-----|-----|---|-----------------------|-----|-----|-----|---|--------------------|-----|-----|-----|----|--------------------------|-----|-----|-----|
| | | <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Director</th> <th colspan="3">Assessment Criteria</th> </tr> <tr> <th>Independence</th> <th>Contribution & Commitment</th> <th>Competency, Skills and Expertise</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tan Sri Ahmad Badri</td> <td>4.3</td> <td>3.9</td> <td>4.1</td> </tr> <tr> <td>2</td> <td>Tan Sri Ong Leong Huat</td> <td>4.5</td> <td>4.5</td> <td>4.6</td> </tr> <tr> <td>3</td> <td>Tan Sri Dr Rebecca Fatima</td> <td>4.3</td> <td>3.9</td> <td>4.1</td> </tr> <tr> <td>4</td> <td>Ms. Ong Ai Lin</td> <td>4.5</td> <td>4.2</td> <td>4.2</td> </tr> <tr> <td>5</td> <td>Mr. Lim Cheng Teck</td> <td>4.4</td> <td>4.1</td> <td>4.1</td> </tr> <tr> <td>6</td> <td>Pn. Sharifatu Laila</td> <td>4.2</td> <td>3.8</td> <td>3.9</td> </tr> <tr> <td>7</td> <td>Dato' Mohamad Nasir Ab Latif</td> <td>4.3</td> <td>4.2</td> <td>4.1</td> </tr> <tr> <td>8</td> <td>Mr. Donald Jaganathan</td> <td>4.6</td> <td>4.4</td> <td>4.4</td> </tr> <tr> <td>9</td> <td>Datuk Iain John Lo</td> <td>4.5</td> <td>4.3</td> <td>4.1</td> </tr> <tr> <td>10</td> <td>Dato' Khairusalleh Ramli</td> <td>4.3</td> <td>4.2</td> <td>4.3</td> </tr> </tbody> </table> | | | | Director | Assessment Criteria | | | Independence | Contribution & Commitment | Competency, Skills and Expertise | 1 | Tan Sri Ahmad Badri | 4.3 | 3.9 | 4.1 | 2 | Tan Sri Ong Leong Huat | 4.5 | 4.5 | 4.6 | 3 | Tan Sri Dr Rebecca Fatima | 4.3 | 3.9 | 4.1 | 4 | Ms. Ong Ai Lin | 4.5 | 4.2 | 4.2 | 5 | Mr. Lim Cheng Teck | 4.4 | 4.1 | 4.1 | 6 | Pn. Sharifatu Laila | 4.2 | 3.8 | 3.9 | 7 | Dato' Mohamad Nasir Ab Latif | 4.3 | 4.2 | 4.1 | 8 | Mr. Donald Jaganathan | 4.6 | 4.4 | 4.4 | 9 | Datuk Iain John Lo | 4.5 | 4.3 | 4.1 | 10 | Dato' Khairusalleh Ramli | 4.3 | 4.2 | 4.3 |
| | Director | Assessment Criteria | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Independence | Contribution & Commitment | Competency, Skills and Expertise | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Tan Sri Ahmad Badri | 4.3 | 3.9 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Tan Sri Ong Leong Huat | 4.5 | 4.5 | 4.6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Tan Sri Dr Rebecca Fatima | 4.3 | 3.9 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Ms. Ong Ai Lin | 4.5 | 4.2 | 4.2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Mr. Lim Cheng Teck | 4.4 | 4.1 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Pn. Sharifatu Laila | 4.2 | 3.8 | 3.9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Dato' Mohamad Nasir Ab Latif | 4.3 | 4.2 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Mr. Donald Jaganathan | 4.6 | 4.4 | 4.4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Datuk Iain John Lo | 4.5 | 4.3 | 4.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Dato' Khairusalleh Ramli | 4.3 | 4.2 | 4.3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Timeframe | : | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is mindful of fair remuneration being critical to attract, retain and motivate Directors and senior management officers with the relevant experience and expertise required to lead the Company and the Group. The Board Nominating & Remuneration Committee ("BNRC") has been entrusted with discharging the remuneration strategies, as outlined in its terms of reference, which can be referred on the Group's corporate website @ www.rhbgroup.com.</p> <p>The Board has established Remuneration Framework and Policy ("Policy") that is developed to guide the Board and the BNRC of RHB Bank Berhad ("RHB") and other main operating entities within the Group of Companies ("RHB Banking Group" or "Group") in determining the remuneration of Non-Executive Directors. The Policy is aimed at applying the general principles for the remuneration of Non-Executive Directors ("NED") to ensure that remuneration levels commensurate with the responsibilities, risks and time commitment of Boards/Board Committees.</p> <p>The quantum of remuneration reflects the level of responsibility undertaken by the particular NED concerned within the Company and the Group. It also takes into consideration practices within the industry (benchmarking) and is reviewed at least once every three years. NEDs fees are not linked directly to RHB's financial performance as this may give rise to a perceived conflict of interest. All NEDs will be paid a fixed and variable sum within the compensation scheme and will not be paid any commission or percentage out of the Company's profit.</p> |

Remuneration Structure for Non-Executive Directors (“NED”) is based on the following principles:

- **Fair**
Fair remuneration is critical to attract, retain and motivate directors with relevant industry experience and expertise.
- **Commensurate**
Remuneration proffered must commensurate with the associated responsibilities, risks and time commitment.
- **Risk-based**
The risk-based package includes fixed/variable type and unrestricted/restricted type of remuneration.
- **Market Competitive**
Sufficient to attract and retain quality people but yet not excessive.

Components of NEDs Remuneration Package:

- Base fee
- Role fee (Role as Board Chairman/Board Committee Chairman)
- Meeting attendance fees
- Allowances

The Group has also established a remuneration framework for the Senior Management, consisting of a competitive integrated pay and benefit structure, which rewards corporate and individual performance in line with contributions to the organisation, including a penalty in the final rating (overlay consideration) of staff performance for non-compliance with legal and regulatory requirements.

The existing structure for Directors’ fees and Board Committees’ allowances, was approved by the shareholders in the Annual General Meeting since 2018. Details of the remuneration structure are set out below:

| No. | Description | Non-Executive Chairman (RM) | Non-Executive Directors/ Members (RM) |
|--|---|-----------------------------|---------------------------------------|
| 1 | Annual Directors’ Fee | 200,000.00 | 175,000.00 |
| Annual Board Committees’ Allowances | | | |
| 2 | Board Audit Committee | 40,000.00 | 30,000.00 |
| 3 | Board Nominating and Remuneration Committee | 40,000.00 | 30,000.00 |
| 4 | Board Risk Committee | 40,000.00 | 30,000.00 |
| 5 | Board Credit Committee | 50,000.00 | 40,000.00 |

Directors' Remuneration (excluding Directors' fees and Board Committees' allowances) comprises the allowances and other emoluments payable to Non-Executive Directors as shown below:

| No. | Description | Non-Executive Chairman (RM) | Non-Executive Directors/ Members (RM) |
|-----|---|-----------------------------|---------------------------------------|
| 1 | Monthly Fixed Allowance (Applicable only to RHB Banking Group Chairman) | 25,000 | N/A |
| 2 | Meeting Allowance (per meeting): a. Board of the Company b. Board Committees | 1,500 | 1,500 |
| 3 | Farewell pot: NED who leaves the Group would be entitled to a one-off payment or as decided by the BNRC | RM3,000 | |
| 4 | Other Benefits: <ul style="list-style-type: none"> Chairman of RHB Bank Berhad: Club Membership. Chairman of RHB Group entities: Driver, Car and petrol allowance, personal secretary etc. All Non-Executive Directors of RHB Banking Group: Mobile Devices (e.g. iPhone and iPad), Directors & Officers Liability Insurance Coverage, Medical Benefits, Directors Business-Use Credit Card (Limit of RM30,000), Banking Benefits and air travel coverage. | | |

The remuneration structure for Non-Executive Directors ensures the remuneration level proffered by the Group commensurate with their responsibilities at the Board and Board Committee level. This Policy also ensures that the remuneration package offered remains attractive and provides the Board with the leverage to retain good calibre Directors.

Chairman on the Board and Board Committees will be accorded higher remuneration packages to reflect their role and responsibility as well as the complexity and amount of preparation required in chairing the meeting and leading the respective Boards and Board Committees.

Remuneration Review

The Group undertook a review of its Non-Executive Directors (“NEDs”) remuneration structure in 2021 with the support of an independent external consultant, namely Willis Tower Watson (“WTW”). RHB’s NEDs fees were last reviewed more than 3 years ago. WTW benchmarked the fees against comparator banks and revealed that the current fee levels are just below market median using 2021 data.

The findings highlighted that the NEDs fee framework moving forward should reflect the expected role of the Board and commensurate with time, effort and complexity whilst ensuring necessary differentiation for

| | |
|---|---|
| | <p>the various role contributions. The fees should also align to the market, especially peer banks.</p> <p>Below are the Principles behind the latest RHB's NED remuneration structure:</p> <ol style="list-style-type: none"> 1. Reflective of RHB's Outlook Macro-economic events and COVID-19 have caused significant market volatility and uncertainty in the foreseeable future. Board of Directors now must frame the post crisis strategy and deliberate about where they focus their attention. 2. Recognise unique complexity, requirement and responsibility Remuneration should commensurate with time, effort and complexity where additional fee should be established for lead role positions such as Board chairperson, Board committee chairperson and senior independent non-executive director. 3. Must be justified, appropriately valued and suitably disclosed Compensation must pass the strict test of being in the shareholders and relevant stakeholders' interest and periodically reviewed to avoid obscurity. 4. Benchmark against comparable peers Periodic review against suitable and relevant peers based on comparable nature of business operations and size of organization. <p>The BNRC has endorsed the proposed revision of NEDs remuneration structure and following the Board's concurrence, the proposal on the matter will be tabled for shareholders' approval at the upcoming Annual General Meeting.</p> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure</p> | <p>:</p> |
| <p>Timeframe</p> | <p>:</p> |

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company's Board Nominating & Remuneration Committee ("BNRC") has specific remuneration roles in implementing key policies and procedures in relation to the remuneration of the Board and the Senior Management. The duties and responsibilities of the BNRC are spelled out in its Terms of Reference ("TOR") which is available on the Company's website (www.rhbgroup.com).</p> <p>As at 15 February 2022, the BNRC comprises four Non-Executive Directors ("NEDs"), of whom three are Independent Non-Executive Directors ("INEDs") and one is Non-Independent Non-Executive Director ("NINED"), representing the respective main operating entities within the Group. The BNRC is chaired by YBhg Tan Sri Dr Rebecca Fatima Sta Maria, the Senior Independent Non-Executive Director ("SINED") of RHB Bank Berhad.</p> <p>The membership of the BNRC is, as follows:</p> <p>Chairperson</p> <ol style="list-style-type: none">1. Tan Sri Dr Rebecca Fatima Sta Maria (SINED) <p>Members</p> <ol style="list-style-type: none">2. Datuk Iain John Lo (INED)3. Pn Sharifatu Laila Syed Ali (INED)4. Dato' Mohamad Nasir Ab Latif (NINED) <p>Movement of members during the year:</p> <ul style="list-style-type: none">• Datuk Iain John Lo [Appointed on 1 April 2021 replacing Pn Sharifatu Laila Syed Ali]• Mr Donald Joshua Jaganathan [Resigned on 1 September 2021]• Pn Sharifatu Laila Syed Ali [Resigned on 1 April 2021 and subsequently re-appointed on 1 September 2021 upon resignation of Mr Donald] |

| | | |
|--|--|--|
| | The composition of the BNRC complies with the Bursa Malaysia Securities Main Market Listing Requirements, Malaysian Code on Corporate Governance and Bank Negara Malaysia's Policy Document on Corporate Governance, which promulgate for the BNRC to be composed of a majority of Independent Directors. | |
| Explanation for departure | : | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

| Application | : | Applied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------------|--|-----------------------|---------|------------------|---------|--|---------|--|------------------|---|------------------|---|------------------|---|--|---------------|-------|--------|------|--------|------|-----------------------|-----|--|---------|--|---------|--|------------------|---|------------------|---|------------------|---|--|---------------|-------|---------|------|--------|------|
| Explanation on application of the practice | : | <p>The Company has in place a Remuneration Policy and Framework which guides the Board in according appropriate level of remuneration that commensurate with the directors' contribution and skill-sets.</p> <p>For detailed breakdown on the Directors' remuneration derived from the Group (comprising remuneration received and/or receivable from the Company and its subsidiaries), kindly refer to Note 43 of the Financial Statements on pages 113-115 of the Financial Report 2021.</p> <p>During the Annual General Meeting ("AGM") held in 2021, our shareholders approved the directors' latest remuneration for the Board under the following resolutions:</p> <ul style="list-style-type: none"> • Ordinary Resolution 7: Payment of Directors' Fees and Board Committees' Allowances to the Non-Executive Directors from the 55th AGM of the Company to the 56th AGM of the Company. <table border="1"> <thead> <tr> <th rowspan="2">Ordinary Resolution 7</th> <th colspan="2">For</th> <th colspan="2">Against</th> <th colspan="2">Abstain</th> </tr> <tr> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td></td> <td>3,268,129,784</td> <td>99.99</td> <td>36,904</td> <td>0.01</td> <td>43,500</td> <td>0.00</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Ordinary Resolution 8: Payment Of Directors' Remuneration (Excluding Directors' Fees And Board Committees' Allowances) of an amount up to RM1,600,000 to the Non-Executive Directors from the 55th AGM of the Company to the 56th AGM of the Company. <table border="1"> <thead> <tr> <th rowspan="2">Ordinary Resolution 8</th> <th colspan="2">For</th> <th colspan="2">Against</th> <th colspan="2">Abstain</th> </tr> <tr> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td></td> <td>3,268,083,515</td> <td>99.98</td> <td>284,115</td> <td>0.01</td> <td>43,500</td> <td>0.00</td> </tr> </tbody> </table> <p>Details of the Directors remuneration structure for the Company can be found in Section B of this report.</p> | Ordinary Resolution 7 | For | | Against | | Abstain | | Number of Shares | % | Number of Shares | % | Number of Shares | % | | 3,268,129,784 | 99.99 | 36,904 | 0.01 | 43,500 | 0.00 | Ordinary Resolution 8 | For | | Against | | Abstain | | Number of Shares | % | Number of Shares | % | Number of Shares | % | | 3,268,083,515 | 99.98 | 284,115 | 0.01 | 43,500 | 0.00 |
| Ordinary Resolution 7 | For | | | Against | | Abstain | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of Shares | % | Number of Shares | % | Number of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3,268,129,784 | 99.99 | 36,904 | 0.01 | 43,500 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ordinary Resolution 8 | For | | Against | | Abstain | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Number of Shares | % | Number of Shares | % | Number of Shares | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 3,268,083,515 | 99.98 | 284,115 | 0.01 | 43,500 | 0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|--|--|
| | <p>The details of the remuneration of the Directors received/receivable from the Bank and the Group during the financial year ended 2021 are shown in the table below:</p> |
|--|--|

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|-------------------------------------|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Tan Sri Ahmad Badri Mohd Zahir | Non-Executive Non-Independent Director | 185 | Input info here | Input info here | Input info here | 29 | 256 | 470 | 185 | Input info here | Input info here | Input info here | 29 | 256 | 470 |
| 2 | Tan Sri Ong Leong Huat | Non-Executive Non-Independent Director | 166 | 20 | Input info here | Input info here | Input info here | 54 | 240 | 317 | 20 | Input info here | Input info here | Input info here | 116 | 453 |
| 3 | Dato' Mohamad Nasir Ab Latif | Non-Executive Non-Independent Director | 166 | 15 | Input info here | Input info here | Input info here | 35 | 216 | 328 | 15 | Input info here | Input info here | 17 | 81 | 441 |
| 4 | Tan Sri Dr Rebecca Fatima Sta Maria | Independent Director | 166 | 40 | Input info here | Input info here | Input info here | 44 | 250 | 166 | 40 | Input info here | Input info here | Input info here | 44 | 250 |
| 5 | Ms Ong Ai Lin | Independent Director | 167 | 35 | Input info here | Input info here | Input info here | 54 | 256 | 295 | 35 | Input info here | Input info here | Input info here | 161 | 491 |
| 6 | Mr Lim Cheng Teck | Independent Director | 166 | 70 | Input info here | Input info here | Input info here | 108 | 344 | 166 | 70 | Input info here | Input info here | Input info here | 108 | 344 |
| 7 | Pn Sharifatu Laila Syed Ali | Independent Director | 167 | 12 | Input info here | Input info here | Input info here | 36 | 215 | 242 | 12 | Input info here | Input info here | Input info here | 93 | 347 |
| 8 | Mr Donald Joshua Jaganathan | Independent Director | 166 | 65 | Input info here | Input info here | Input info here | 79 | 310 | 294 | 65 | Input info here | Input info here | Input info here | 139 | 498 |
| 9 | Datuk Iain John Lo | Independent Director | 167 | 23 | Input info here | Input info here | Input info here | 37 | 227 | 261 | 23 | Input info here | Input info here | Input info here | 94 | 378 |
| 10 | Datuk Khairussaleh Ramli | Executive Director | Input info here | Input info here | 2,765 | 2,100 | 23 | 1,792 | 6,680 | Input info here | Input info here | 2,765 | 2,100 | 23 | 1,792 | 6,680 |
| 11 | Tan Sri Azlan Zainol | Non-Executive Non-Independent Director | 32 | Input info here | Input info here | Input info here | 4 | 56 | 92 | 60 | Input info here | Input info here | Input info here | 4 | 58 | 122 |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

| | | | | | | | | | | | | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 15 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| | | | |
|--|---|--|--|
| Application | : | Applied – the company discloses the remuneration of members senior management who are not members of the board | |
| Explanation on application of the practice | : | <p>The Board has in place a remuneration framework which sets the standard and guides the Board on the remuneration level for Senior Management personnel. The framework includes a competitive integrated pay and benefit structure which aligns performance with rewards based on the contribution made towards the organisation.</p> <p>In line with the framework, the Key Senior Management personnel's yearly Balanced Scorecard, Performance Appraisal, Performance Reward and Salary Increment are tabled to the Board, with BNRC's recommendation, for approval to assess their performance ensuring they are fairly remunerated. The Non-Executive Directors of the Company review and scrutinise the remuneration package of each Key Senior Management personnel ensuring they are aligned with the remuneration framework.</p> <p>The five Key Senior Management personnel's remuneration (in RM) including their salary, bonus, benefits-in-kind and other emoluments, in the bands of RM50,000, are shown in the table below:</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

| No | Name | Position | Company | | | | | |
|----|--|---|---------------------|-----------------|---------------------|-----------------|---------------------|---------------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Dato' Khairussaleh Ramli [^] | Group Managing Director ("GMD"), RHB Banking Group; MD/Chief Executive Officer ("CEO"), RHB Bank Berhad | 2,750,001-2,800,000 | Choose an item. | 2,100,001-2,150,000 | 0-50,000 | 1,750,001-1,800,000 | 6,650,001-6,700,000 |
| 2 | Dato' Adissadikin Ali | Head, Group Shariah Business, RHB Banking Group; MD/CEO, RHB Islamic Bank Berhad | 1,250,001-1,300,000 | Choose an item. | 1,350,001-1,400,000 | 0-50,000 | Choose an item. | 2,650,001-2,700,000 |
| 3 | Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil [*] | Group Chief Financial Officer (CFO), RHB Banking Group | 1,650,001-1,700,000 | Choose an item. | 950,001-1,000,000 | 300,001-350,000 | Choose an item. | 2,450,001-2,500,000 |
| 4 | Mr Ganesh Sabaratnam [~] | Head, Group Investment Banking, RHB Banking Group, MD/CEO, RHB Investment Bank Berhad | 1,350,001-1,400,000 | Choose an item. | 300,001-350,000 | 0-50,000 | Choose an item. | 1,400,001-1,450,000 |
| 5 | Mr Kong Shu Yin ^{**} | Head, Group Insurance, RHB Banking Group, MD/CEO, RHB Insurance Berhad | 1,150,001-1,200,000 | Choose an item. | 550,001-600,000 | 0-50,000 | Choose an item. | 1,700,001-1,750,000 |

Note(s):

[^] Dato' Khairussaleh Ramli resigned as Group Managing Director / Chief Executive Director on 25 March 2022.

^{*} Nik Rizal Kamil Tan Sri Nik Ibrahim Kamil was appointed as the Group's Chief Financial Officer on 2 February 2021.

[~] Ganesh Sabaratnam was appointed as the Managing Director/Chief Executive Officer of RHB Investment Bank on 1 July 2021. He replaced Mr Robert Huray, who resigned as Chief Executive Officer of RHB Investment Bank Berhad on 28 February 2021.

^{**} Mr Kong Shu Yin resigned as Managing Director / Chief Executive Officer of RHB Insurance on 21 February 2022.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

| No | Name | Position | Company ('000) | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 2 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 3 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 4 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 5 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Audit Committee ("BAC") is led by Ms Ong Ai Lin, an Independent Non-Executive Director who is not the Chairman of RHB Bank Berhad. The Chairman of the Board is Tan Sri Ahmad Badri Mohd Zahir. Ms Ong, as the Chair of the BAC provides monthly updates to the Board on the activities undertaken by the committee to ensure best corporate governance and transparency are practiced.</p> <p>The chair of the BAC holds a Bachelor of Arts (Honours) in Economics from the University of Leeds, United Kingdom. Ms Ong is an Associate of The Institute of Chartered Accountants in England & Wales and a Member of the Malaysian Institute of Accountants. Additionally, she is also a Certified Information System Auditor and a Certified Business Continuity Professional.</p> <p>Ms Ong has over 30 years of experience in providing Business Continuity Management, Governance, Risk and Compliance, Information Security, Cyber Security, Technology Risk and Governance, and Data Privacy services in the United Kingdom, Singapore, Indonesia, Thailand, Vietnam, Philippines, Sri Lanka, Cambodia and Malaysia.</p> <p>The full profile of the BAC members is available on pages 108-110 of the Integrated Report 2021 and on RHB's corporate website at www.rhbgroup.com. The attendance of BAC meetings is disclosed on page 146 of the Integrated Report 2021 and Practice 9.4 (Step-up).</p> <p>Role & Responsibility of the BAC</p> <p>The BAC provides independent oversight of RHB Banking Group's financial reporting and internal control system, ensuring checks and balances for entities within the Group. The BAC also continuously reinforces the independence of the external auditors and provides a line of communication between the Board and the external auditors.</p> <p>The BAC reviews the integrity and reliability of the Company's and the Group's financial statements on a quarterly basis, prior to recommending the same for the Board's approval and issuance to stakeholders. During the reviews, the Group Chief Financial Officer provides assurance to the BAC that:</p> |

- Adequate processes and controls are in place for an effective and efficient financial statement close process;
- Appropriate accounting policies have been adopted and applied consistently; and
- The relevant financial statements give a true and fair view of the state of affairs of the Company and the Group in compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016.

The BAC met with the external auditors without the presence of the Group's Management and Executive Directors to enable the external auditors to discuss on matters with the committee members privately twice during the year on the following dates:

- 25 January 2021
- 22 July 2021

The BAC also emphasises the importance of internal audit function by increasing the objectivity and independence of the internal auditors and provides a forum for discussion in absence of the Management.

Additionally, the BAC reviews the quality of the audits conducted by internal and external auditors as well as the Group's financial condition and performance. This enhances the perceptions held by stakeholders (including shareholders, regulators, creditors and employees) of the credibility and objectivity of the financial reports. Detailed disclosures on BAC's governance structure and primary activities are available in the BAC Report on pages 146-150 of the Integrated Report 2021.

The BAC also oversees RHB's integrity and anti-corruption matters by:

- reviewing the effectiveness of the Group Integrity and Governance ("GIG") division in carrying out its core functions;
- overseeing issues of corruption, integrity and whistleblowing within the Group;
- assisting the Board of RHB Bank Berhad, being the holding company, to effectively discharge its responsibility on anti-corruption, institutional integrity and good governance for the Group;
- receiving updates on outcome of investigations relating to corruption and other unethical behaviors within the Group;
- recommending to the Board of RHB Bank Berhad the half-yearly reporting to the Malaysian Anti-Corruption Commission prepared by GIG; and
- monitoring GIG's performance through periodic reporting on efforts undertaken to deter, detect and prevent acts of corruption, fraud, malpractices and unethical behaviours within the Group.

| | | |
|--|--|--|
| Explanation for departure : | | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>None of the Board Audit Committee ("BAC") members are former key engaging and concurring partners of RHB's external auditors.</p> <p>The practice of appointing a former key audit partner (within the definition of BNM's Policy) as a member of the Board/BAC without observing 2 years cooling-off period is a breach and non-compliance of Standard 10.5 of Bank Negara Malaysia's Policy on Corporate Governance. As such, this practice is observed and reflected in the Board Charter and also embedded within the nomination process for potential candidates of the Board/BAC.</p> <p>The latest requirement to observe a cooling period of 3 years (instead of 2 years) requirement has also been reflected within the Board Charter of RHB Bank Berhad.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board Audit Committee ("BAC") conducts annual assessments on the external auditors. The assessments cast a net over a wide spectrum of matters such as performance, suitability, independence and objectivity in accordance with Bank Negara Malaysia (BNM)'s Guidelines on External Auditors.</p> <p>The BAC undertakes an assessment of the suitability and independence of the external auditors, based on qualifying criteria for the appointment of auditors and terms of audit engagements. Among the criteria set are that the auditors are registered auditors with professional competence, their objectivity/independence are not impaired, their background are free from criminal dishonesty acts and disciplinary actions taken by the Malaysian Institute of Accountants, and also their tenure of appointment as engagement partner not exceeding 5 continuous years with the Company. For the current financial year, the engagement partner and the concurring partner of the external auditors are in consistent with the regulatory requirement.</p> <p>Relevant policy and procedures to assess the suitability, independence and performance of external auditors have been established, mainly in accordance with BNM Guidelines on External Auditors and based on feedback and comments gathered from the management.</p> <p>The non-audit services rendered by the external auditors and the related fees are reviewed by the BAC prior to recommending to the Board for approval.</p> <p>A report on non-audit fees is also presented to the BAC on quarterly basis taking into consideration the fees threshold established under the Group policy to ensure the external auditors' independence and objectivity are not compromised.</p> <p>During the financial year, the external auditors acknowledged via written assurance that they maintained their independence throughout the audit process of the Group's financial statements as well as for all the non-audit engagements undertaken, in accordance with the</p> |

| | <p>provisions of the By-Laws on Professional Independence of the Malaysian Institute of Accountants.</p> <p>In addition, the performance of the external auditors is assessed via feedback and comments collated through questionnaire/survey with responses from management based on their interaction and dealings with the external auditors throughout the financial reporting year. The questionnaire/survey covers areas such as quality of audit work, coordination, planning and execution of audit work, technical accounting and business knowledge, timeliness, relationship management and staff continuity.</p> <p>Having satisfied itself with their performance and fulfilment of criteria as set out in BNM's Guidelines, the BAC will recommend the re-appointment of the external auditors to the Board, upon which the shareholders' approval will be sought at the general meeting. The tenure of the External Auditor is for one year, subject to approval by the shareholders if the retiree offers to continue its service (at the next general meeting) upon the completion of one-year service.</p> <p>Further details on the assessments made on the external auditors' suitability and independence are set out per BAC activities disclosed under the BAC Report on pages 146-150 of the Integrated Report 2021. A detailed pay out to the external auditors for their audit and non-audit works engaged in 2021 is illustrated, as follows:</p> <table border="1" data-bbox="560 1122 1409 1290"> <thead> <tr> <th rowspan="2">No.</th> <th rowspan="2">Type of External Auditors' Fee</th> <th colspan="2">RM('000)</th> <th colspan="2">Out of Total Fees (%)</th> </tr> <tr> <th>Company</th> <th>Group</th> <th>Company</th> <th>Group</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Audit Fees</td> <td>3,989</td> <td>6,565</td> <td>90.9%</td> <td>93.2%</td> </tr> <tr> <td>2</td> <td>Non-Audit Fees</td> <td>400</td> <td>482</td> <td>9.1%</td> <td>6.8%</td> </tr> <tr> <td colspan="2">Total Fees</td> <td>4,389</td> <td>7,047</td> <td>100.0%</td> <td>100.0%</td> </tr> </tbody> </table> <p>Details of the above information on audit and non-audit fees are set out under Note 42 of the Financial Statements on page 113 in the Financial Report 2021.</p> | No. | Type of External Auditors' Fee | RM('000) | | Out of Total Fees (%) | | Company | Group | Company | Group | 1 | Audit Fees | 3,989 | 6,565 | 90.9% | 93.2% | 2 | Non-Audit Fees | 400 | 482 | 9.1% | 6.8% | Total Fees | | 4,389 | 7,047 | 100.0% | 100.0% |
|---|--|--------------|--------------------------------|---------------|---------------|-----------------------|--|---------|-------|---------|-------|---|------------|-------|-------|-------|-------|---|----------------|-----|-----|------|------|------------|--|--------------|--------------|---------------|---------------|
| No. | Type of External Auditors' Fee | | | RM('000) | | Out of Total Fees (%) | | | | | | | | | | | | | | | | | | | | | | | |
| | | Company | Group | Company | Group | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Audit Fees | 3,989 | 6,565 | 90.9% | 93.2% | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Non-Audit Fees | 400 | 482 | 9.1% | 6.8% | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Fees | | 4,389 | 7,047 | 100.0% | 100.0% | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Explanation for departure</p> | <p>:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Measure</p> | <p>:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Timeframe</p> | <p>:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| Application | : | Adopted | | | | | | | | | | |
|--|------------|---|-----------------|------------|--------------------------------|-------|------------------------------------|-------|----------------------------|-------|-------------------------------------|-----|
| Explanation on adoption of the practice | : | <p>As at 15 February 2022, the Board Audit Committee ("BAC") has 3 Independent Non-Executive Directors ("INEDs") ensuring the Committee is comprised solely of INEDs.</p> <p>Composition of BAC: Chairperson 1. Ms Ong Ai Lin (INED) Members 2. Datuk Iain John Lo (INED) 3. Mr Donald Joshua Jaganathan (INED)</p> <p>The attendance record for the BAC for FY2021 is shown below:</p> <table border="1"><thead><tr><th>BAC Composition</th><th>Attendance</th></tr></thead><tbody><tr><td>Ms Ong Ai Lin (INED)– Chairman</td><td>15/15</td></tr><tr><td>Mr Donald Joshua Jaganathan (INED)</td><td>15/15</td></tr><tr><td>Datuk Iain John Lo (INED)~</td><td>10/10</td></tr><tr><td>Pn Sharifatu Laila Syed Ali (INED)^</td><td>5/5</td></tr></tbody></table> <p>Note (Movement of members during the year): ^ Pn Sharifatu Laila Syed Ali [Resigned on 1 April 2021] ~ Datuk Iain John Lo [Appointed on 1 April 2021]</p> | BAC Composition | Attendance | Ms Ong Ai Lin (INED)– Chairman | 15/15 | Mr Donald Joshua Jaganathan (INED) | 15/15 | Datuk Iain John Lo (INED)~ | 10/10 | Pn Sharifatu Laila Syed Ali (INED)^ | 5/5 |
| BAC Composition | Attendance | | | | | | | | | | | |
| Ms Ong Ai Lin (INED)– Chairman | 15/15 | | | | | | | | | | | |
| Mr Donald Joshua Jaganathan (INED) | 15/15 | | | | | | | | | | | |
| Datuk Iain John Lo (INED)~ | 10/10 | | | | | | | | | | | |
| Pn Sharifatu Laila Syed Ali (INED)^ | 5/5 | | | | | | | | | | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | All members of the BAC are financially literate, competent and able to understand all matters under their purview including financial reporting processes. The full profiles of the BAC members along with their professional and educational background are disclosed on page 108 to 110 of the Integrated Report 2021. Detailed training information of the BAC members are furnished under Section B of this report. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board recognises the importance of a sound system of risk management and internal control to ensure we align our risk appetite to meet the evolving operating environment. The Board, with the support of the senior management, works to instil a risk-aware culture throughout the Group to ensure we undertake measures to proactively enhance our risk management capabilities including practice of good corporate governance to safeguard shareholders' investments, as well as the Company's and the Group's assets.</p> <p>With the on-going COVID-19 pandemic, the Group's risk management has been proactive, ensuring our mitigation strategies were in-place and effective. RHB Bank Berhad has a Group Risk Management Framework established to provide a holistic overview of the risk and control environment of the Group.</p> <p>Detailed disclosures on the features, adequacy and effectiveness of this framework are available in the Statement on Risk Management & Internal Control on pages 154 - 163 of the Integrated Report 2021.</p> <p>Board Oversight</p> <p>The Board Risk Committee ("BRC") provides oversight and governance of risks for the Group to ensure that the Group's risk management processes are functional and effective. The BRC also oversees Senior Management's activities in managing risk, ensuring that the risk management process in each of the Group's entities functions in accordance with a risk-return performance management framework. Furthermore, the BRC supports and leads the Senior Management in driving the appropriate Risk Culture and Risk Ownership in the Group. Additional BRC's duties and functions, among others, include the following:</p> <ul style="list-style-type: none">• To provide oversight to ensure that the Group's risk management framework, processes and systems are functioning; commensurate with its nature, scale, complexity of activities and risk appetite.• To deliberate and assess the nature and materiality of risk exposures, potential risks and impact on capital and the Group's sustainability. |

| | | |
|--|--|--|
| | <ul style="list-style-type: none"> • To review and approve proposed changes to Delegated Lending (Financing) Authorities/Discretionary Powers/Powers of Attorney, limits for business and operations. • To review and approve changes to policies and frameworks (excluding HR related policies and framework), risk methodologies/models and other significant risk management matters, in line with the approved risk strategy. • To review and approve new/existing products with material variations in product features. | |
| Explanation for departure : | | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The components of the Company's risk management and internal control framework, as well as the framework's adequacy and effectiveness are scribed in the Statement of Risk Management and Internal Control ("SORMIC") on pages 154 to 163 of the Integrated Report 2021. The SORMIC also provides the mitigating factors that are put in place by those responsible in managing the risks within RHB Banking Group. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

| Application | : | Adopted | | | | | | | | | | |
|--|--------------|---|-----------------|------------|--|--------------|----------------------|--------------|--------------------------|--------------|-----------------------------|--------------|
| Explanation on adoption of the practice | : | <p>The Board Risk Committee ("BRC") comprises solely of Independent Directors to oversee the Group's risk management framework and process. The board committee comprises of three Independent Non-Executive Directors ("INEDs") who represent the respective major operating entities within the Group.</p> <p>The BRC met 23 times during the financial year 2021. The composition of the BRC and the attendance of members at the committee meetings, held in 2021, are as follows:</p> <table border="1"><thead><tr><th>BRC Composition</th><th>Attendance</th></tr></thead><tbody><tr><td>Mr Donald Joshua Jaganathan (INED) – Chairman</td><td>23/23</td></tr><tr><td>Ms Ong Ai Lin (INED)</td><td>22/23</td></tr><tr><td>Mr Lim Cheng Teck (INED)</td><td>23/23</td></tr><tr><td>Mr Chin Yoong Kheong (INED)</td><td>23/23</td></tr></tbody></table> <p>The full profiles of the Mr Donald, Ms Ong and Mr Lim is made available on pages 108-109 of the RHB Bank Berhad Integrated Report 2021. Mr Chin's profile is available at https://www.rhbgroup.com/others/about-us/board-of-directors.html.</p> | BRC Composition | Attendance | Mr Donald Joshua Jaganathan (INED) – Chairman | 23/23 | Ms Ong Ai Lin (INED) | 22/23 | Mr Lim Cheng Teck (INED) | 23/23 | Mr Chin Yoong Kheong (INED) | 23/23 |
| BRC Composition | Attendance | | | | | | | | | | | |
| Mr Donald Joshua Jaganathan (INED) – Chairman | 23/23 | | | | | | | | | | | |
| Ms Ong Ai Lin (INED) | 22/23 | | | | | | | | | | | |
| Mr Lim Cheng Teck (INED) | 23/23 | | | | | | | | | | | |
| Mr Chin Yoong Kheong (INED) | 23/23 | | | | | | | | | | | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group Internal Audit (“GIA”) function operates under an audit charter mandated by the Board of RHB Bank Berhad that defines the purpose, authority and responsibility of the internal audit function. The GIA reports directly to the Board Audit Committee (“BAC”) on all its activities as stipulated in Paragraph 15.27 of Bursa Securities Listing Requirements.</p> <p>The BAC reviewed and approved the GIA’s annual audit plan and the risk assessment methodology as well as reviewed GIA’s staffing requirements and audit activities. The BAC appraised the performance of the Group Chief Internal Auditor (“CIA”) and approved the performance rewards for the Group CIA in accordance with the distribution matrix approved by the Board. The BAC also reviewed the appraisals of senior staff members of GIA.</p> <p>The BAC reviewed and deliberated on the minutes of the Management Audit Committee meetings, the internal audit reports, investigation reports and inspection/examination reports issued by the regulatory authorities.</p> <p>The internal audit function is assessed by an internal independent Quality Assurance Review (“QAR”) team based on the approved QAR plan for the year and is also assessed by an external qualified independent reviewer once every five years to ensure its effectiveness and identify opportunities for continuous improvement.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose—

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

| | |
|---|---|
| Application | : Applied |
| Explanation on application of the practice | <p>Group Internal Audit (“GIA”) reports directly to the Board Audit Committee (“BAC”) and is independent from business and functional activities it audits. Its objectives, scope of authority and responsibilities are defined in the Internal Audit Charter which is approved by the Board.</p> <p>Based on the annual audit plan approved by the BAC, GIA reviews the adequacy and effectiveness of the Group’s risk management, internal control and governance processes implemented by the Management. Further details of the GIA’s activities and functions are set out in the BAC Report on pages 146 to 150 of the Integrated Report 2021.</p> <p>Audit reports, containing identified issues, audit recommendations and corrective action plans, are reported to the Senior Management and BAC as well as the Board, where necessary. Follow-up on the status of actions taken by Management as per the auditors’ recommendations are carried out via various Management Audit Committees (“MAC”), established at the entity level within the Group. Control issues raised by the external auditors are also tabled to the respective MACs to ensure that all issues are duly addressed by the Management.</p> <p>There were 162 auditors within GIA as at 31 December 2021. The GIA’s auditors are independent of the business operations and activities they audit as well as free from any relationships or conflicts of interest situations.</p> <p>GIA is currently headed by Mr Alex Tan Aun Aun as the Group Chief Internal Auditor. He has more than 25 years of multifaceted experience in the banking business with more than 10 years’ experience in internal auditing. He holds a Bachelor of Commerce (Finance) degree from the University of Toronto and is a professional member of The Institute of Internal Auditors Malaysia.</p> |

| | | |
|---|--|--|
| | <p>The internal audit function is carried out in line with its Internal Audit Charter and the requirements of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing ("ISPPA") and Bank Negara Malaysia's Guidelines on Internal Audit Function of Licensed Institutions.</p> <p>For the financial year ended 31 December 2021, the total internal audit cost incurred amounted to RM 32.5 million (2020: 27.1 million).</p> | |
| Explanation for departure | : | |
| | | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

| | | |
|---|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is committed to ensuring all stakeholders are treated fairly. This includes ensuring there is effective, transparent and regular communication with all our stakeholders to cultivate positive relationship between all parties.</p> <p>The Board is cognisant that stakeholders form an important part of the Group's ecosystem, thus the Board along with the management of RHB, continues to monitor and implement enhancement to the level of disclosures whilst also complying with the legal and regulatory promulgation that govern the Company.</p> <p>The following are the methods of communication utilised by the Group to communicate with our stakeholders:</p> <p>General Meeting(s)</p> <p>The Board ensures shareholders are able to exercise their rights in attending and participating the Company's Annual General Meeting ("AGM") as well as other meetings as called by the Company or its shareholders. The Board provides the platform for shareholders to raise their concerns or queries and ensures all matters that are raised warrant a response. To ensure shareholders were accorded sufficient time to prepare for the AGM, the Notice of the AGM held in 2021 was provided 28 days in advance to shareholders.</p> <p>Pursuant to the Companies Act 2016, shareholders of RHB Bank Berhad have the right to, among others, the following:</p> <ul style="list-style-type: none">• vote on resolutions at general meetings;• call for general meeting(s);• propose resolutions in the meeting agenda;• appoint and remove directors;• approve the fee and benefits for directors; and• approve the fee or removal of auditors. |

Corporate Website (www.rhbgroup.com)

The Group's corporate website is an important communication tool. The Website provides information on the Group's products & services, dividend, capital & debt instruments, credit rating, announcements released to media and Bursa Malaysia website, integrated/annual reports, financial reports, corporate structure, corporate governance report, notice of general meetings and minutes of general meetings on RHB Bank and its main operating subsidiaries which are publicly accessible.

The website also provides information on the following:

- Company's Constitution
- Board Charter
- Group Anti-Bribery & Anti-Corruption Policy
- Group Whistleblowing Policy
- Terms of Reference for Board Committees
- RHB's Sustainability journey
- Corporate Integrity Statement
- Information on historical general meeting documentation

Whilst the corporate website primarily functions as a customer touch point and an important platform to promote the Group's branding and image, our intranet, on the other hand, is an essential internal communication channel for staff and a landing platform for knowledge repository within the Group.

The Group has in place a Group Document Repository that allows all employees' access to relevant Policies/Guidelines and Manuals that provide support and guidance on relevant matters. In addition, the Group Operations & Methods department updates all employees within the Group regarding any changes to relevant policy/guidelines and manuals on a weekly basis to ensure departmental operations are in-line with the relevant changes.

Engagement with investment community (Investor Relations)

The Group Managing Director and the Group Chief Financial Officer are the official spokespersons of the Group. They hold briefings with industry analysts on the Group's performance after the respective announcement to Bursa is completed as well as analyst briefings on a quarterly basis. The briefings are conducted to facilitate timely release of information towards the investment community and other stakeholders of RHB Bank Berhad.

Media briefings are often conducted to update stakeholders on the latest promotion and partnerships undertaken by RHB. Press releases are made via print and virtual media on all significant business activities and developments to ensure the investing community is edified of the Group's various business ventures and performance.

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| | <p>Further details on RHB’s investor relations activities such as roadshows, analyst briefings and media briefings can be found on page 142 to 145 of the Integrated Report 2021. Historical analyst/media briefings and press releases can be viewed on the RHB’s corporate website @ www.rhbgroup.com.</p> <p>Disclosures via Bursa Announcement LINK In order to facilitate a structured and effective communication platform, a Group Corporate Communications Operations Manual has been established to guide all staff of RHB with regards to its corporate disclosures towards the Bank’s stakeholders.</p> <p>The Company also has a Group Secretariat Manual that provides guidance on the relevant means of disclosures via submissions to be made through the Bursa LINK as well as to other relevant regulatory bodies in a timely and accurate manner.</p> <p>Quarterly Reporting Timely announcements are made in line with the Listing Requirements on RHB’s financial performance on a quarterly basis via the Bursa announcement LINK and RHB’s Corporate Website.</p> <p>Compliance with Financial Reporting Standards The Board ensures that shareholders are provided with a clear, balanced and meaningful assessment of the Company’s and the Group’s financial performance, position and future prospects through the Annual Audited Financial Statements, quarterly reports and corporate announcements on significant events affecting the Company in accordance with the Bursa Malaysia’s Main Market Listing Requirements and in compliance with relevant Financial Reporting Standards.</p> |
| <p>Explanation for departure :</p> | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |
| <p>Measure :</p> | |
| <p>Timeframe :</p> | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Company has published its 3 rd Integrated Report 2021 for its annual corporate reporting based on the International Integrated Reporting Council (“IIRC”)’s <IR> Framework. | |
| Explanation for departure | : | | |
| | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board views the Annual General Meeting (“AGM”) as a significant event that has far reaching implications towards the Group and its stakeholders. As such, clear and timely communication with its shareholders is essential to ensure smooth proceedings.</p> <p>Shareholders are briefed on the proceedings of the day via the issuance of the Notice of AGM (“the Notice”), accompanied by the issuance of the Integrated Report, Financial Report and Corporate Governance Report, at least 28 days before the said meeting. The Notice ensures information on resolutions being tabled are clear and encapsulates necessary information for shareholders to make a clear decision on their voting.</p> <p>A typical RHB Bank Berhad’s Notice of AGM would include the following key information on resolutions to be approved by the shareholders:</p> <ul style="list-style-type: none">• Information on the venue, date and time of the AGM;• Voting rights and procedures;• Re-election and re-appointment of Directors (including profile);• Appointment/re-appointment of auditors;• Material mergers, acquisitions and divestments exercises (only Extraordinary General Meetings); and• Dividend payments. <p>The notice of the 55th AGM for the last meeting held in 2021 was provided 28 days to shareholders. The announcement as well as the notice were distributed to the shareholders on 27 April 2021 while the AGM was held on 25 May 2021.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>All Directors attended the fully virtual Annual General Meeting (“AGM”) held on 25 May 2021 at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur (“Broadcast Venue”) and via the Boardroom Smart Investor Portal at www.boardroomlimited.my. The need for all Board members to be present during the AGM is also codified in the Company’s Board Charter.</p> <p><u>Directors Present</u></p> <ul style="list-style-type: none">• YBhg Tan Sri Ahmad Badri Mohd Zahir – Chairman• YBhg Tan Sri Dr Rebecca Fatima Sta Maria – Senior Independent Non-Executive Director (vide video conferencing)• YBhg Tan Sri Ong Leong Huat @ Wong Joo Hwa (vide video conferencing)• Ms Ong Ai Lin (vide video conferencing)• Mr Lim Cheng Teck (vide video conferencing)• Puan Sharifatu Laila Syed Ali (vide video conferencing)• YBhg Dato' Mohamad Nasir Ab Latif (vide video conferencing)• Mr Donald Joshua Jaganathan (vide video conferencing)• YBhg Datuk Iain John Lo (vide video conferencing)• YBhg Dato' Khairussaleh Ramli – Group Managing Director <p><u>Also in attendance</u></p> <ul style="list-style-type: none">• Encik Azman Shah Md Yaman - Head of Group Legal, Secretariat & Governance/Group Company Secretary• External Auditors: Messrs PricewaterhouseCoopers PLT• Advocators & Solicitors: Messrs Zaid Ibrahim & Co (vide video conferencing) and Messrs Kadir Andri & Partners• Share Registrar/Poll Administrator: Boardroom Share Registrars Sdn Bhd• Scrutineers: Messrs KPMG PLT <p>A record of proceedings of this AGM can be found at https://www.rhbgroup.com/investor-relations/overview/index.html.</p> |
| Explanation for departure | : | |

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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

| | | |
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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Fifty-Fifth Annual General Meeting (“AGM”) of RHB Bank Berhad was conducted fully virtual on 25 May 2021. The entire proceeding was broadcasted live and shareholders were allowed to participate remotely and vote in absentia. The broadcast venue was in RHB Bank Berhad’s corporate headquarters in compliance with the Standard Operational Procedures in-place in view of the enforcement of the Conditional Movement Control Order (CMCO) during the Covid-19 pandemic.</p> <p>The Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Directors’ and Auditors’ Reports thereon were received and duly tabled at the 55th AGM under Agenda 1.</p> <p>All resolutions were voted on a poll via Remote Participation and Voting (RPV) facilities at the Virtual Meeting Portal in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. The detailed poll results were verified by the Independent Scrutineer, Messrs KPMG PLT.</p> <p>A total of 1,489 Members (comprising shareholders, proxies and corporate representatives) for a total of 3,268,579,659 shares representing approximately 81.51% of the total shareholdings have registered for the Company’s 55th AGM (“the Meeting”) through Remote Participation and Electronic Voting (“RPEV”) facilities as per the Attendance Record.</p> <p>A record of proceedings of this AGM can be found at https://www.rhbgroup.com/investor-relations/overview/index.html.</p> |
| Explanation for departure | : | |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure : | | |
| Timeframe : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

| | |
|--|---|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The Chairman introduced the members of the Board of Directors ("the Board") (most of whom participated remotely), the Group Company Secretary as well as the representative(s) from the external auditors, share registrar/poll administrator and scrutineers of the Company who were present at the Broadcast Venue for the benefit of all shareholders.</p> <p>The Chairman then informed members that Boardroom Share Registrars Sdn Bhd were appointed as the Poll Administrator to conduct the poll by way of electronic polling, and Messrs KPMG PLT was appointed as independent Scrutineers to validate the poll results.</p> <p>On behalf of the Board, the Chairman recorded his appreciation to YBhg Tan Sri Azlan Zainol, the previous Chairman of the Company who had left RHB Banking Group ("the Group") effective 28 February 2021 following 16 years of service since he joined the Group in 2005. He informed the Meeting that YBhg Tan Sri Azlan Zainol had steered the Group with discipline and commitment, and over the course of his tenure, the Group had achieved many significant milestones while generating solid returns for the Company's shareholders. The Board recognised YBhg Tan Sri Azlan Zainol's great contributions to the Company over the past years and wished him all the best in his journey ahead.</p> <p>A short video presentation by Boardroom Share Registrars Sdn Bhd was screened to demonstrate to the Members who were present at the Meeting on the process for online voting via the Boardroom Smart Investor Portal.</p> <p>The Group Managing Director ("GMD") then proceeded to continue with the Highlights of the Group's financial performance and the proposed Dividend Reinvestment Plan ("DRP") and covered questions posed by the Minority Shareholder Watch Group ("MSWG").</p> |

| | | |
|--|---|--|
| | <p>The Chairman then highlighted that the Company had received questions from the Members through various medium and invited the GMD to address the said questions. The Chairman then proceeded to open the question and answers session with members. Response to the questions were provided by the GMD.</p> <p>The complete list of questions (including the names of the members) received prior to and during the 55th AGM together with the answers for the same was attached as Attachment 2 and Attachment 3 to the minutes of AGM posted on RHB Bank Berhad’s corporate website @ https://www.rhbgroup.com/investor-relations/overview/index.html.</p> | |
| Explanation for departure | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | | |
| Timeframe | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

| | |
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| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : At the start of the 55 th Annual General Meeting (“AGM”) the Chairman informed the Members who were present that this was the Company’s 2 nd fully virtual AGM. The Meeting was convened in a fully virtual manner to safeguard the wellbeing of Members, directors and employees of the Company due to the on-going COVID-19 pandemic. The Chairman further informed the Members that the convening of the Meeting is in compliance with Section 327 of the Companies Act 2016 which stipulate that the Chairman shall be at the main venue of the AGM, and also in accordance with Clause 50 of the Company’s Constitution which allowed the AGM to be held at more than one venue using any instantaneous telecommunication device that allows Members to participate in the meeting. The Meeting was also convened in accordance with the Securities Commission Malaysia’s Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuer. The Chairman ensured members were accorded with opportunity to ask questions and receive meaningful response from Board and management present. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |

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|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The full minutes of the General Meetings, including the recorded webcast are posted on the Company's corporate website no later than 30 business days after the meeting. A copy of the AGM minutes and webcast can be found at https://www.rhbgroup.com/investor-relations/overview/index.html . |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

In line with the disclosure requirements per Bank Negara Malaysia (“BNM”) Policy on Corporate Governance (“Policy”) issued on 3 August 2016, RHB Bank Berhad (“the Company”) has disclosed its corporate governance (CG) practices in the following disclosure documents:

- Integrated Report (“IR”);
- Financial Report (“FR”);
- Corporate Governance Report (“CG Report”);
- Sustainability Report (“SR”); and
- RHB Banking Group’s corporate website (www.rhbgroup.com).

For easy reference, below is the cross-reference of the Company’s disclosures made pursuant to Appendix 4 of the Bank Negara Malaysia (“BNM”) Policy on Corporate Governance:

Board of Directors - Composition

In relation to CG disclosures per **Appendix 4** of the BNM Policy, disclosure on the composition of RHB Bank Berhad’s Board of Directors includes the following:

Name and designation of each director

The disclosure is made on page 105 to 110 of the Integrated Report 2021 as well as on the RHB Group’s corporate website at www.rhbgroup.com.

Key personal details and background of directors

The disclosure is made on page 105 to 110 of the Integrated Report 2021 as well as on the RHB Group’s corporate website at www.rhbgroup.com.

Chairman and members of each board committee

The disclosure on the main Board Committees is made in the following sections:

| Committee | Reference Document | Page/Section |
|---|------------------------|---------------------------|
| Board Audit Committee | Integrated Report 2021 | Pg 108 to Pg 110 & Pg 146 |
| | CG Report 2021 | Practice 9.4 (Step-up) |
| Board Nominating & Remuneration Committee | Integrated Report 2021 | Pg 108 to Pg 110 |
| | CG Report 2021 | Practice 5.8 |
| Board Risk Committee | Integrated Report 2021 | Pg 108 to Pg 109 |
| | CG Report 2021 | Practice 10.3 (Step-up) |

Disclosure on the remaining Board-level Committees shared within RHB Banking Group are made as follows:

Board Credit Committee (“BCC”) – Membership

- **Dato’ Abd Rahman bin Dato’ Md Khalid (Chairman)**
Profile: Dato’ Abd Rahman bin Dato’ Md Khalid is the Senior Independent Non-Executive Director (“INED”) of RHB Islamic Bank. He also serves as the Chairman of RHB Islamic Bank’s Risk Management Committee.
- **Tan Sri Ong Leong Huat**
Profile: Tan Sri Ong Leong Huat is the Non-Independent Non-Executive Director of HB Bank Berhad and the Non-Independent Non-Executive Chairman of RHB Investment bank berhad
- **Mr Lim Cheng Teck**
Profile: Mr Lim is an Independent Non-Executive Director of RHB Bank Berhad. He also a member of Board Risk Committee

Responsibility

The BCC is responsible to affirm, veto or include additional conditions on all types of credit applications (including understock/futures broking) and all types of underwriting applications for amounts above the defined thresholds of the Group Credit Committee (“GCC”) and the Group Investment & Underwriting Committee (“GIUC”), both which reside at the management level.

Investment Committee (RHB Insurance Berhad) - Membership

- **Shaifubahrim Bin Mohd Saleh (Chairman)**
Profile: Encik Shaifubahrim Mohd Saleh is an Independent Non-Executive Director of RHB Insurance Berhad. He also serves as a Member of the Board Risk Committee of RHB Insurance Berhad.
- **Wong Pek Yee**
Profile: Ms Wong Pek Yee is the Senior Independent Non-Executive Director of RHB Insurance Berhad.
- **Dato’ Darawati Hussain**
Profile: Dato’ Darawati is an Independent Non-Executive Director of RHB Asset Management Sdn Bhd.

Responsibility

The Investment Committee mainly oversees the investment aspects of RHB Insurance Berhad.

Investment Committee (RHB Asset Management Sdn Bhd and RHB Islamic International Asset Management Berhad) – Membership

- **Yap Chee Meng (Chairman)**
Profile: Mr Yap Chee Meng is an Independent Non-Executive Chairman of RHB Asset Management Sdn Bhd
- **Dato’ Darawati Hussain**
Profile: Dato’ Darawati is an Independent Non-Executive Director of RHB Asset Management Sdn Bhd.
- **Sharifatu Laila Syed Ali**
Profile: Puan Sharifatu is an Independent Non-Executive Director of RHB Bank Berhad. She also serves as a Member of the Board Nominating & Remuneration Committee.

Responsibility

The Investment Committee mainly oversees the investment aspects of RHB Asset Management Sdn. Bhd. and RHB Islamic International Asset Management Berhad.

Shariah Committee (“SC”) - Membership

- **Dr Ahmad Basri Ibrahim (Chairman)**
- **Mohd Fadhly Md Yusoff**
- **Dr Kamaruzaman Noordin**
- **Wan Abdul Rahim Kamil Wan Mohamed Ali**
- **Shabnam Mohamad Mokhtar**
- **Dr Md. Nurdin bin Ngadimon**

The full profile of the Shariah Committee members can be found on page 112 to 113 of the Integrated Report 2021.

Responsibility

The SC is responsible to provide advice on all Shariah matters to ensure business operations comply with Shariah Principles, where applicable. The Committee consults BNM’s Shariah Advisory Council (“SAC”) on any Shariah matters which have not been resolved or endorsed by the SAC. The SC also has an oversight role on Shariah matters related to the institution’s business operations and activities.

Islamic Risk Management Committee (“IRMC”) - Membership

- **Dato’ Abd Rahman Dato’ Md Khalid (Chairman)**
Profile: Dato’ Abd Rahman bin Dato’ Md Khalid is the Senior Independent Non-Executive Director (“INED”) of RHB Islamic Bank. He also serves as the Chairman of RHB Islamic Bank’s Risk Management Committee.
- **Dato’ Foong Chee Meng**
Profile: Dato’ Foong is the Independent Non-Executive Director (“INED”) of RHB Islamic Bank.
- **Ms Ong Ai Lin**
Profile: Ms Ong is an Independent Non-Executive Director of RHB Bank Berhad. She also serves as the Chairperson of the Board Audit Committee and a Member of the Board Risk Committee.

Responsibility

The IRMC provides risk oversight and guidance to ensure that the management of risk exposures in RHB Islamic Bank are aligned to the principles of Islamic Banking as guided by the relevant regulatory authority, as well as to ensure that core risk policies are consistent with the Group’s Shariah Governance framework. The IRMC also oversees the execution of risk policies and related decisions by RHB Islamic Bank’s Board, and provides oversight for major risk categories which are unique to Islamic finance. These include displaced commercial risk, withdrawal risk, rate of return risk, fiduciary risk and Shariah non-compliance risk.

Audit Committee (RHB Asset Management Sdn Bhd - "ACRHBAM") - Membership

- **Chin Yoong Kheong (Chairman)**
Profile: Mr Chin Yoong Kheong is an Independent Non-Executive Director of RHB Asset Management Sdn Bhd.
- **Dato' Darawati Hussain**
Profile: Dato' Darawati is an Independent Non-Executive Director RHB Asset Management Sdn Bhd.
- **Datuk Seri Dr Govindan Kunchambo**
Profile: Datuk Govindan is an Independent Non-Executive Director of RHB Asset Management Sdn Bhd.

The full profile of the ACRHBAM members can be found on the corporate website.

Responsibility

The ACRHBAM is responsible to provide independent oversight of RHBAM's financial reporting and internal control system, ensuring checks and balances for entities within the Company.

Risk Committee (RHB Insurance Berhad - "BRCI") - Membership

- **Shaifubahrim Bin Mohd Saleh**
Profile: Encik Shaifubahrim Mohd Saleh is an Independent Non-Executive Director of RHB Insurance Berhad.
- **Wong Pek Yee (Chairman)**
Profile: Ms Wong Pek Yee is the Senior Independent Non-Executive Director of RHB Insurance Berhad.
- **Jahanath Muthusamy**
Profile: Mr Jahanath is an Independent Non-Executive Director of RHB Insurance Berhad.

The full profile of the BRCI members of RHB Insurance Berhad can be found on the corporate website.

Responsibility

The Risk Committee provides oversight and governance of risks for the Company to ensure that the risk management processes are functional and effective.

Meeting attendance of Directors

The detailed information on the meeting attendance for Board and Board Committees can be referred on the following section:

| Board & Board Committee | Reference Document | Page/Section |
|---|------------------------|---------------------------|
| RHB Bank Berhad Board | Integrated Report 2021 | Pg 106 to Pg 110 |
| | CG Report 2021 | Practice 1.1 |
| Board Audit Committee | Integrated Report 2021 | Pg 108 to Pg 110 & Pg 146 |
| | CG Report 2021 | Practice 9.4 (Step-up) |
| Board Nominating & Remuneration Committee | Integrated Report 2021 | Pg 108 to Pg 110 |
| | CG Report 2021 | Practice 5.8 |
| Board Risk Committee | Integrated Report 2021 | Pg 108 to Pg 109 |
| | CG Report 2021 | Practice 10.3 (Step-up) |

Movement of directorship in RHB Bank Berhad during the past financial year

During FY2021, the Board underwent changes as part of its long-term succession planning. The following directors were appointed / retired from the Board:

- YBhg Tan Sri Azlan Zainol, the previous Chairman of the Company left RHB Banking Group (“the Group”) effective 28 February 2021 following 16 years of service having joined the Group in 2005.
- Tan Sri Ahmad Badri was elevated to the new role as Chairman of the Group following Tan Sri Azlan’s retirement.

Board Training and Development – Induction Programme

The Board has established Standard Procedures on Directors’ In-House Orientation and Continuous Education Programme for all Directors within the RHB Banking Group. New Directors appointed to the Group are required to attend and complete the induction programme immediately upon their appointment. Besides the induction programme, directors are also encouraged to continue their professional development by attending training and development programmes to equip themselves in their capacity as a Director.

The induction programme conducted to ensure Directors are accorded with a better understanding of the nature of business, corporate strategy, risks of the business, financial overview, risk management strategy, legal requirements, duties, responsibilities and rights from the legal viewpoint, moral and ethical obligations as well as good corporate governance in the ever-changing economic climate, on an ongoing basis in assuring them to duly perform their duties and address issues that may arise therefrom.

Directors’ Continuous Development

The Board emphasises the importance of continuing education and training for its Directors to ensure they keep up with the latest developments in the areas related to their duties. A budget for Directors’ training is provided each year by RHB Bank. The Board, as part of the Board Effectiveness Evaluation (“BEE”) exercise, assesses the training needs of each Director annually. The training and development of Directors are detailed in the Group’s Standard Procedures on Directors’ In-house Orientation and Continuing Education Programme for the RHB Banking Group.

The Non-Executive Directors (“NED”) of the Company and the Group are encouraged to attend local and/or overseas training programmes organised by credible training organisations including the Board High Performance Programme. This latter programme is intended to equip the Directors with the necessary knowledge and tools to effectively discharge their duties and responsibilities as well as provide the Directors with global business perspectives and skills that engender organisational excellence.

The Company Secretaries facilitate the organisation of internal training programmes and Directors’ attendance of external training programmes, and keep a complete record of the training conducted and attended by the Directors. The training needs of the Directors are assessed on a yearly basis by the BNRC to ensure the directors are accorded the appropriate training required.

During 2021, the Directors of RHB Bank Berhad attended the following training/programmes:

| No | Directors | Topic | Venue / Organisation | Training Scope & Description |
|----|--------------------------------|--|---|---|
| 1. | Tan Sri Ahmad Badri Mohd Zahir | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story • Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> • Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond • The areas in which analytics is currently being used across the Group • Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> • Introduction to cybersecurity • Current trends / the cybersecurity landscape (Global, APAC and Malaysia) • Presentation of relevant case studies • Cybersecurity ‘simulation’ questions: What would you do in XYZ scenario? |
| | | BNM- FIDE FORUM Dialogue: The Role of Independent Director | FIDE FORUM | <ul style="list-style-type: none"> • Discussion on substantive matters that concern financial institutions’ Boards with respect to the current and future developments in the economy and financial services industry. |
| | | Raising Defences: Section 17A, MACC Act | Iclif Executive Education Centre (FIDE) | <ul style="list-style-type: none"> • An Overview on Corruption • Definition of Corruption • Corporate Liability Provision • Principles of Adequate Procedure • National Anti-Corruption Plan (NACP) |
| | | Invitation from BNM and SC Malaysia to participate in the JC3 Flagship Conference: #FinanceForChange | BNM and SC Malaysia | <ul style="list-style-type: none"> • Sustainability as a business strategy for financial institutions • JC3 outcomes and implications for financial institutions • Sustainable finance for the private sector |

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| | | BNM-FIDE FORUM Dialogue on Risk Management in Technology (RMiT): Insights 1 year on. | FIDE FORUM | <ul style="list-style-type: none"> • Progress of the RMiT Policy implementation in the financial services industry • Challenges faced by the industry • Key focus areas moving forward |
| | | Fraud Detection in eKYC and Digital Onboarding | Malaysian Investment Banking Association (MIBA) | <ul style="list-style-type: none"> • Review the key digital ID & eKYC regulatory models and approaches adopted internationally, and assess the pros and cons associated with each. • Analyze BNM's e-KYC Policy Document, Bursa Malaysia and Identity Digital Nasional (MyKAD) KYC/Customer Due Diligence requirements for online account opening and activities in the context of investment banking and capital markets and explore the practical issues and challenges from an industry perspective. • Review eKYC, digital ID and fraud prevention processes and key components and apply key international standards and best practices in onboarding activities. • Assess the types of digital ID and eKYC fraud and financial crime risks that occur during the eKYC process and establish mitigating measures to manage such risks. • Develop an effective eKYC and fraud prevention risk management compliance programme |
| | | BNM-FIDE FORUM Dialogue: Risk-Based Capital Framework for Insurers and Takaful Operators. | FIDE FORUM | <ul style="list-style-type: none"> • Intended outcome of the review of RBC/T; • Key milestones of the multi-phased RBC/T review; and • Enhancements proposed in the Discussion Paper and key considerations including Shariah. |
| | | In-House Training on "Internal Capital Adequacy Assessment Process (ICAAP)" | Stamford Advisory | <ul style="list-style-type: none"> • Introduction to the Basel Pillar 2 and ICAAP • Evolution of Basel capital rules and BNM requirements • Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment • Risk appetite in financial institutions – Risk limits, controls and monitoring • Stress Testing • Capital planning and management • Corporate governance for ICAAP |
| | | BFF 2021 - Transformative Innovation Reshaping Business Realities in Extraordinary Times | SIDC | <ul style="list-style-type: none"> • Assess the impact of global economic developments towards building a resilient tomorrow • Analyze the revolution of technology innovation on decision making and future business practices • Evaluate how business leaders continue to push the boundaries within agile environment • Discuss the ethical issues and digital trust surrounding the proliferation of technology in business spectrum • Discuss the design and redesign of future workforce upskilling and reskilling |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance' | RHB Bank Berhad | <ul style="list-style-type: none"> • Transformation through digitalisation • Great performance from digitalisation to smart technology (fintech) • Shariah compliance and fintech: Do they talk to each other? • Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) • "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |

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| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 2. | Dato' Mohamad Nasir Ab Latif | In House Training on "Section 17A and Adequate Procedures" by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> What is corruption? Gratification Individual Corporate Liability Illustration/case studies Penalties for corruption Guideline on adequate procedures Money laundering |
| | | The Financial Institutions Directors' Education (FIDE) Core Program Module B: Bank. | Iclif Executive Education Center | <ul style="list-style-type: none"> Deepen boards' understanding of principles of sound governance, and to translate these into practice; lessons from within best-in-class organisations, and how they inculcate values throughout the organization and promote organisational values and effectiveness. Encourage the adoption of more structured and robust processes for the selection of board members and ongoing assessments of board effectiveness to achieve an optimal board mix. Heighten awareness of the impact of internal conflicts and effects of dominant influences associated with controlled companies. Provide an understanding of the key issues in financial reporting and help boards to discharge their responsibilities effectively for ensuring the integrity of financial reports. Examine the impact of differing accounting treatments and provide an understanding of financial analysis needed when considering reports and proposals. Examine the heightened expectations and responsibilities of the audit committee, and help boards consider how best to organise audit committees to ensure independence and achieve overall effectiveness. Equip boards with the know-how to set or review strategy that creates value for the organisation, and to be able to identify when strategies need to be adapted in response to changing business and market conditions. Help boards identify and avoid common pitfalls in strategy execution. |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> MFRS 17: definition and scope Separation Level of aggregation MFRS 17: measurement and disclosure General measurement model Premium allocation approach Presentation & disclosures Transition Impacts and changes Impact on profit emergence KPIs and the investor story Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond The areas in which analytics is currently being used across the Group Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> Introduction to cybersecurity Current trends / the cybersecurity landscape (Global, APAC and Malaysia) Presentation of relevant case studies Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |

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| | | In-House Training on "Internal Capital Adequacy Assessment Process (ICAAP)" | Stamford Advisory | <ul style="list-style-type: none"> • Introduction to the Basel Pillar 2 and ICAAP • Evolution of Basel capital rules and BNM requirements • Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment • Risk appetite in financial institutions – Risk limits, controls and monitoring • Stress Testing • Capital planning and management • Corporate governance for ICAAP |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance' | RHB Bank Berhad | <ul style="list-style-type: none"> • Transformation through digitalisation • Great performance from digitalisation to smart technology (fintech) • Shariah compliance and fintech: Do they talk to each other? • Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) • "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> • Update on the National Budget for 2022. |
| 3. | Tan Sri Dr Rebecca Fatima Sta Maria | In House Training on "Section 17A and Adequate Procedures" by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> • What is corruption? • Gratification • Individual Corporate Liability • Illustration/case studies • Penalties for corruption • Guideline on adequate procedures • Money laundering |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story • Challenges |
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| | | KPMG's Asia-Pacific Board Leadership Centre webinar "Board and Audit Committee Priorities 2021" | KPMG | <ul style="list-style-type: none"> • Importance of human rights management in reducing its risks and impacts on businesses • KPMG's strategic seven (7)-step approach for businesses to enhance and prioritize their management of human rights risk • Adopting local and regional human rights laws and regulations |
| | | Fraud Detection in eKYC and Digital Onboarding | Malaysian Investment Banking | <ul style="list-style-type: none"> • Review the key digital ID & eKYC regulatory models and approaches adopted internationally, and assess the pros and cons associated with each. • Analyze BNM's e-KYC Policy Document, Bursa Malaysia and Identity Digital Nasional (MyKAD) |

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| | | | Association (MIBA) | <p>KYC/Customer Due Diligence requirements for online account opening and activities in the context of investment banking and capital markets and explore the practical issues and challenges from an industry perspective.</p> <ul style="list-style-type: none"> Review eKYC, digital ID and fraud prevention processes and key components and apply key international standards and best practices in onboarding activities. Assess the types of digital ID and eKYC fraud and financial crime risks that occur during the eKYC process and establish mitigating measures to manage such risks. Develop an effective eKYC and fraud prevention risk management compliance programme |
| | | In-House Training on "Internal Capital Adequacy Assessment Process (ICAAP)" | Stamford Advisory | <ul style="list-style-type: none"> Introduction to the Basel Pillar 2 and ICAAP Evolution of Basel capital rules and BNM requirements Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment Risk appetite in financial institutions – Risk limits, controls and monitoring Stress Testing Capital planning and management Corporate governance for ICAAP |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance' | RHB Bank Berhad | <ul style="list-style-type: none"> Transformation through digitalisation Great performance from digitalisation to smart technology (fintech) Shariah compliance and fintech: Do they talk to each other? Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 4. | Donald Joshua Jaganathan | The Financial Institutions Directors' Education (FIDE) Core Program Module A: Bank | Iclif Executive Education Centre (FIDE) | <ul style="list-style-type: none"> Emphasise and reinforce a clear understanding of the role of the board and the fiduciary responsibilities of individual directors to all stakeholders. Deepen boards' understanding of principles of sound governance, and to translate this into practice; lessons from within best-in-class organisations, and how they inculcate values throughout the organisation and promote organisational values and effectiveness. Equip directors with tools and strategies that can be applied to build a dynamic and sustainable management team. Emphasise the principal responsibility of the board for promoting a strong risk control culture and sound ethical standards throughout the organisation. Create a heightened awareness of the changing dimensions of risk. Explore plausible and extreme stress scenarios and how boards can ensure the organisation's ability to withstand shocks. Examine the link between risk and capital management, exploring what capital adequacy really means. Help boards appreciate their oversight role in risk management and the adoption of key risks and organisational structures for managing risk. |

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| | | “Section 17A and Adequate Procedures” by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> • What is corruption? • Gratification • Individual Corporate Liability • Illustration/case studies • Penalties for corruption • Guideline on adequate procedures • Money laundering |
| | | The Financial Institutions Directors’ Education (FIDE) Core Program Module B: Bank. | Iclif Executive Education Centre (FIDE) | <ul style="list-style-type: none"> • Deepen boards’ understanding of principles of sound governance, and to translate these into practice; lessons from within best-in-class organisations, and how they inculcate values throughout the organization and promote organisational values and effectiveness. • Encourage the adoption of more structured and robust processes for the selection of board members and ongoing assessments of board effectiveness to achieve an optimal board mix. • Heighten awareness of the impact of internal conflicts and effects of dominant influences associated with controlled companies. • Provide an understanding of the key issues in financial reporting and help boards to discharge their responsibilities effectively for ensuring the integrity of financial reports. • Examine the impact of differing accounting treatments and provide an understanding of financial analysis needed when considering reports and proposals. • Examine the heightened expectations and responsibilities of the audit committee, and help boards consider how best to organise audit committees to ensure independence and achieve overall effectiveness. • Equip boards with the know-how to set or review strategy that creates value for the organisation, and to be able to identify when strategies need to be adapted in response to changing business and market conditions. • Help boards identify and avoid common pitfalls in strategy execution. |
| | | Rethinking Our Approach to Cyber Defence in FIs | FIDE FORUM | <ul style="list-style-type: none"> • Key potential cyber threats to FIs in 2021 and the future, especially in the ASEAN region? • What must FIs do differently to better mitigate such threats? • What key metrics can FIs use to better gauge their organisations’ cyber defence preparedness? • How can the Board Committee overseeing Technology Risk/Strategy play a stronger, more direct, role in this regard without micro-managing given that most Board Members are not technology experts? • What are some of the key questions that the Board of Directors should be asking Senior Management on this matter? • What conversations must take place between the Board of Directors and Senior Management to determine the company’s level of preparedness to face a potential cyber-attack? |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story |

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| | | | <ul style="list-style-type: none"> Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad <ul style="list-style-type: none"> Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond The areas in which analytics is currently being used across the Group Continued capability development efforts in 2021 |
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| | | BNM-FIDE FORUM Dialogue: Risk-Based Capital Framework for Insurers and Takaful Operators. | FIDE FORUM <ul style="list-style-type: none"> Intended outcome of the review of RBC/T; Key milestones of the multi-phased RBC/T review; and Enhancements proposed in the Discussion Paper and key considerations including Shariah. |
| | | Internal Capital Adequacy Assessment Process (ICAAP) | Stamford Advisory <ul style="list-style-type: none"> Introduction to the Basel Pillar 2 and ICAAP Evolution of Basel capital rules and BNM requirements Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment Risk appetite in financial institutions – Risk limits, controls and monitoring Stress Testing Capital planning and management Corporate governance for ICAAP |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance' | RHB Bank Berhad <ul style="list-style-type: none"> Transformation through digitalisation Great performance from digitalisation to smart technology (fintech) Shariah compliance and fintech: Do they talk to each other? Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| | | Islamic Finance for Board of Directors Training Programme | ISRA <ul style="list-style-type: none"> Enhance Director's appreciation on the dynamics of Shariah principles in shaping different offerings of Islamic banking business. Equip Directors with practical understanding on the value propositions of Islamic finance Provide Directors with diverse perspectives from within and beyond the Islamic banking community on contemporary issues in the industry. |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad <ul style="list-style-type: none"> Update on the National Budget for 2022. |

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| 5. | Datuk Iain John Lo | The Financial Institutions Directors' Education (FIDE) Core Program Module A: Bank | Iclif Executive Education Centre (FIDE) - Virtual | <ul style="list-style-type: none"> • Emphasise and reinforce a clear understanding of the role of the board and the fiduciary responsibilities of individual directors to all stakeholders. • Deepen boards' understanding of principles of sound governance, and to translate this into practice; lessons from within best-in-class organisations, and how they inculcate values throughout the organisation and promote organisational values and effectiveness. • Equip directors with tools and strategies that can be applied to build a dynamic and sustainable management team. • Emphasise the principal responsibility of the board for promoting a strong risk control culture and sound ethical standards throughout the organisation. • Create a heightened awareness of the changing dimensions of risk. • Explore plausible and extreme stress scenarios and how boards can ensure the organisation's ability to withstand shocks. • Examine the link between risk and capital management, exploring what capital adequacy really means. • Help boards appreciate their oversight role in risk management and the adoption of key risks and organisational structures for managing risk. |
| | | "Section 17A and Adequate Procedures" by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> • What is corruption? • Gratification • Individual Corporate Liability • Illustration/case studies • Penalties for corruption • Guideline on adequate procedures • Money laundering |
| | | The Financial Institutions Directors' Education (FIDE) Core Program Module B: Bank. | Iclif Executive Education Centre (FIDE) | <ul style="list-style-type: none"> • Deepen boards' understanding of principles of sound governance, and to translate these into practice; lessons from within best-in-class organisations, and how they inculcate values throughout the organization and promote organisational values and effectiveness. • Encourage the adoption of more structured and robust processes for the selection of board members and ongoing assessments of board effectiveness to achieve an optimal board mix. • Heighten awareness of the impact of internal conflicts and effects of dominant influences associated with controlled companies. • Provide an understanding of the key issues in financial reporting and help boards to discharge their responsibilities effectively for ensuring the integrity of financial reports. • Examine the impact of differing accounting treatments and provide an understanding of financial analysis needed when considering reports and proposals. • Examine the heightened expectations and responsibilities of the audit committee, and help boards consider how best to organise audit committees to ensure independence and achieve overall effectiveness. • Equip boards with the know-how to set or review strategy that creates value for the organisation, and to be able to identify when strategies need to be adapted in response to changing business and market conditions. • Help boards identify and avoid common pitfalls in strategy execution. |

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| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story • Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> • Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond • The areas in which analytics is currently being used across the Group • Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> • Introduction to cybersecurity • Current trends / the cybersecurity landscape (Global, APAC and Malaysia) • Presentation of relevant case studies • Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |
| | | <p>Module 1 - Directors as Gatekeepers of Market Participants</p> <p>Module 2A - Business Challenges and Regulatory Expectations (Equities & Futures Broking)</p> <p>Module 2B - Business Challenges and Regulatory Expectations (Fund Management)</p> <p>Module 4 - Current and Emerging Regulatory Issues in the Capital Market</p> | SIDC | <ul style="list-style-type: none"> • Directors as Gatekeepers of Market Participants • Business Challenges and Regulatory Expectations? What Directors Need to Know (Equities and Futures Broking) • Business Challenges and Regulatory Expectations? What Directors Need to Know (Fund Management) • Risk Oversight and Compliance? Action Plan for Board of Directors • Current and Emerging Regulatory Issues in the Capital Market |
| | | Internal Capital Adequacy Assessment Process (ICAAP) | Stamford Advisory | <ul style="list-style-type: none"> • Introduction to the Basel Pillar 2 and ICAAP • Evolution of Basel capital rules and BNM requirements • Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment • Risk appetite in financial institutions – Risk limits, controls and monitoring • Stress Testing • Capital planning and management • Corporate governance for ICAAP |
| | | FIDE Elective - Risk Management Committee – Banking Sector | Iclif Executive Education Centre (FIDE) | <ul style="list-style-type: none"> • Risk Management Oversight • Lessons from Financial Failures & Regulations • Risk-Based Supervisory Framework • Integrated Risk Management Framework – A Directors' Toolkit |
| | | CMDP: Module 3: Risk Oversight and Compliance – Action | SIDC | <ul style="list-style-type: none"> • Review a framework that identifies, assesses and manages key strategic and operational risks associated with the conduct of licensed intermediaries; |

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| | | Plan for Board of Directors | | <ul style="list-style-type: none"> Explain the importance of risk oversight, ethical and compliance programmes and the consequences of failures in such programmes; and Discuss how to exercise judgement appropriately in dealing with issues of risk oversight and compliance brought to the board's attention. |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 6. | Sharifatu Laila Syed Ali | "Section 17A and Adequate Procedures" by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> What is corruption? Gratification Individual Corporate Liability Illustration/case studies Penalties for corruption Guideline on adequate procedures Money laundering |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> MFRS 17: definition and scope Separation Level of aggregation MFRS 17: measurement and disclosure General measurement model Premium allocation approach Presentation & disclosures Transition Impacts and changes Impact on profit emergence KPIs and the investor story Challenges |
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| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> Introduction to cybersecurity Current trends / the cybersecurity landscape (Global, APAC and Malaysia) Presentation of relevant case studies Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |
| | | Invitation from BNM and SC Malaysia to participate in the JC3 Flagship Conference: #FinanceForChange | BNM and SC Malaysia | <ul style="list-style-type: none"> Sustainability as a business strategy for financial institutions JC3 outcomes and implications for financial institutions Sustainable finance for the private sector |
| | | Fraud Detection in eKYC and Digital Onboarding | Malaysian Investment Banking Association (MIBA) | <ul style="list-style-type: none"> Review the key digital ID & eKYC regulatory models and approaches adopted internationally, and assess the pros and cons associated with each. Analyze BNM's e-KYC Policy Document, Bursa Malaysia and Identity Digital Nasional (MyKAD) KYC/Customer Due Diligence requirements for online account opening and activities in the context of investment banking and capital markets and explore the practical issues and challenges from an industry perspective. Review eKYC, digital ID and fraud prevention processes and key components and apply key international standards and best practices in onboarding activities. Assess the types of digital ID and eKYC fraud and financial crime risks that occur during the eKYC process and establish mitigating measures to manage such risks. Develop an effective eKYC and fraud prevention risk management compliance programme |

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| | | FIDE FORUM's Webinar: "The Board's Roles and Responsibilities in Crisis Communications" | FIDE FORUM | <ul style="list-style-type: none"> The Board's role in crisis communications; Communications - before, during and after a crisis; Key indicators to measure the company's performance in crisis communications; and Key questions that the board should be asking management. |
| | | FIDE FORUM's Engagement Session on Board Leadership Framework (Session B) | FIDE FORUM | <ul style="list-style-type: none"> What are the key challenges that financial services industry faces, now and in the near future? What kind of cultural environment would drive the financial services industry over the next 5 years? What critical leadership competencies should an INED have? What traits do FIs look for when identifying INEDs to join their Boards? What are the expectations from regulators' perspectives? |
| | | Internal Capital Adequacy Assessment Process (ICAAP) | Stamford Advisory | <ul style="list-style-type: none"> Introduction to the Basel Pillar 2 and ICAAP Evolution of Basel capital rules and BNM requirements Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment Risk appetite in financial institutions – Risk limits, controls and monitoring Stress Testing Capital planning and management Corporate governance for ICAAP |
| | | Corporate Governance Talk on 'Intentional Integrity' by Robert Chesnut and Dr. Zeti Akhtar Aziz | FIDE | <ul style="list-style-type: none"> Impact of misconduct practiced and the greedy behaviour at some of the world's highest profile companies that have contributed not only to major financial setbacks but also to an erosion of trust and confidence in the institutions on which our communities depend. |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance | RHB Bank Berhad | <ul style="list-style-type: none"> Transformation through digitalisation Great performance from digitalisation to smart technology (fintech) Shariah compliance and fintech: Do they talk to each other? Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| | | FIDE FORUM : The 2050 Net Zero Carbon Emissions Target: Finance's Role | FIDE FORUM | <ul style="list-style-type: none"> Major barrier to net zero finance lies in the structure of financial markets. Benchmarking is a way of discovering what is the best performance being achieved. Mapping the ongoing good practices and examples, enabling environment drivers as well as key institutions. Net zero finance poses opportunities and risks that Boards should be aware of and address. |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 7. | Lim Cheng Teck | Section 17A and Adequate | RHB Bank Berhad | <ul style="list-style-type: none"> What is corruption? Gratification Individual Corporate Liability Illustration/case studies |

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| | | Procedures by MACC | | <ul style="list-style-type: none"> Penalties for corruption Guideline on adequate procedures Money laundering |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> MFRS 17: definition and scope Separation Level of aggregation MFRS 17: measurement and disclosure General measurement model Premium allocation approach Presentation & disclosures Transition Impacts and changes Impact on profit emergence KPIs and the investor story Challenges |
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| | | Internal Capital Adequacy Assessment Process (ICAAP) | Stamford Advisory | <ul style="list-style-type: none"> Introduction to the Basel Pillar 2 and ICAAP Evolution of Basel capital rules and BNM requirements Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment Risk appetite in financial institutions – Risk limits, controls and monitoring Stress Testing Capital planning and management Corporate governance for ICAAP |
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| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 8. | Ong Ai Lin | Webinar - Rethinking Our Approach to Cyber Defence in FIs | FIDE FORUM - Webinar | <ul style="list-style-type: none"> Key potential cyber threats to FIs in 2021 and the future, especially in the ASEAN region? What must FIs do differently to better mitigate such threats? What key metrics can FIs use to better gauge their organisations' cyber defence preparedness? How can the Board Committee overseeing Technology Risk/Strategy play a stronger, more direct, role in this regard without micro-managing given that most Board Members are not technology experts? What are some of the key questions that the Board of Directors should be asking Senior Management on this matter? What conversations must take place between the Board of Directors and Senior Management to determine the company's level of preparedness to face a potential cyber-attack? |

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| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story • Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> • Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond • The areas in which analytics is currently being used across the Group • Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> • Introduction to cybersecurity • Current trends / the cybersecurity landscape (Global, APAC and Malaysia) • Presentation of relevant case studies • Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |
| | | BNM- FIDE FORUM Dialogue: The Role of Independent Director | FIDE FORUM - Webinar | <ul style="list-style-type: none"> • Discussion on substantive matters that concern financial institutions' Boards with respect to the current and future developments in the economy and financial services industry. |
| | | MIA International Accountants Conference 2021 | Malaysian Institute of Accountants (MIA) - Virtual | <ul style="list-style-type: none"> • The Post-Pandemic Global Economy: What to Expect • Reimagining the Profession • Fortifying Cyber Defences Against Rising Cyber Crime • Planning for Disruption: Optimising Business Continuity and Disaster Recovery • Inclusive and Innovative with Islamic Finance Digitalisation • COVID-19 – Driving the Reconstruction of the Malaysian Tax System • Evolution or Revolution: Finance Function Transformation During the Pandemic • Climate Change and ESG: Meeting Investors' Expectations • Dealing with Insolvency: Restructuring Strategies & Tax and Legal Considerations • MyDIGITAL: Accountants Playing Crucial Role in the Malaysia's Digital Transformation • Strengthening Integrity, Reclaiming Trust |
| | | SIDC Conference Invitation: SRI 2021 Conference - Paving the Way for Profitability through Sustainability | Securities Industry Development Corporation (SIDC) | <ul style="list-style-type: none"> • Help business leaders and policy makers recognise the challenges and opportunities posed by unprecedented changes in global market developments and to work together to further new ideas and actions towards a more sustainable and responsible business and markets that could make a positive long-term impact on the society and the environment. • Progress and development made with future plans following the launch of SC's five-year roadmap that comprises five overarching strategies. • Known as 5i-Strategy, it includes widening the range of SRI instruments, increasing the SRI investor base, building a strong SRI issuer base, instilling a strong internal governance culture and designing information architecture in the SRI ecosystem. |

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| | | BNM-FIDE FORUM Dialogue on Risk Management in Technology (RMiT): Insights 1 year on | FIDE FORUM | <ul style="list-style-type: none"> Progress of the RMiT Policy implementation in the financial services industry Challenges faced by the industry Key focus areas moving forward |
| | | In-House Training on "Internal Capital Adequacy Assessment Process (ICAAP)" | Stamford Advisory | <ul style="list-style-type: none"> Introduction to the Basel Pillar 2 and ICAAP Evolution of Basel capital rules and BNM requirements Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment Risk appetite in financial institutions – Risk limits, controls and monitoring Stress Testing Capital planning and management Corporate governance for ICAAP |
| | | Digital Transformation in Islamic Finance Towards Shariah Compliance | RHB Bank Berhad | <ul style="list-style-type: none"> Transformation through digitalisation Great performance from digitalisation to smart technology (fintech) Shariah compliance and fintech: Do they talk to each other? Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| | | Webinar on Climate Change, Reporting And Sustainability Trends: The Inter-Links Towards Addressing Sustainable Development Goals And Climate Change | MICG | <ul style="list-style-type: none"> Climate change - Basics of climate change science. Global warming. Greenhouse gases and consequences. Non-financial reporting Understand the need for transparency and disclosures in sustainability reporting. Understand mandatory and voluntary reporting frameworks on sustainability. Sustainability trends Major long-term sustainability trends to watch out. Future-proof your organization, transitioning to sustainable and scalable business models that build competitive advantage and deliver superior financial results. |
| | | Briefing on 'Federal Budget 2022' by Ernst and Young | RHB Bank Berhad | <ul style="list-style-type: none"> Update on the National Budget for 2022. |
| 9. | Tan Sri Ong Leong Huat @ Wong Joo Hwa | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond The areas in which analytics is currently being used across the Group Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> Introduction to cybersecurity Current trends / the cybersecurity landscape (Global, APAC and Malaysia) Presentation of relevant case studies Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |
| | | Invitation from BNM and SC Malaysia to participate in the JC3 Flagship Conference: #FinanceForChange | BNM and SC Malaysia | <ul style="list-style-type: none"> Sustainability as a business strategy for financial institutions JC3 outcomes and implications for financial institutions Sustainable finance for the private sector |

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| | | In-House Training on "Internal Capital Adequacy Assessment Process (ICAAP)" | Stamford Advisory | <ul style="list-style-type: none"> • Introduction to the Basel Pillar 2 and ICAAP • Evolution of Basel capital rules and BNM requirements • Risks in financial institutions – Financial and non-financial risks, Risk identification, measurement and assessment • Risk appetite in financial institutions – Risk limits, controls and monitoring • Stress Testing • Capital planning and management • Corporate governance for ICAAP |
| | | Corporate Governance Talk on 'Intentional Integrity' by Robert Chesnut and Dr. Zeti Akhtar Aziz | FIDE | <ul style="list-style-type: none"> • Impact of misconduct practiced and the greedy behaviour at some of the world's highest profile companies that have contributed not only to major financial setbacks but also to an erosion of trust and confidence in the institutions on which our communities depend. |
| | | In-house training on 'Digital Transformation in Islamic Finance Towards Shariah Compliance' | Group Shariah Business | <ul style="list-style-type: none"> • Transformation through digitalisation • Great performance from digitalisation to smart technology (fintech) • Shariah compliance and fintech: Do they talk to each other? • Building a water-proof Shariah compliance via Shariah compliance algorithm monitoring (in addition to human supervision and audit) • "In Shariah Board we seek guidance, in Smart Tech we seek complete compliance" |
| 10. | Dato' Khairussaleh Bin Ramli | Section 17A and Adequate Procedures by MACC | RHB Bank Berhad | <ul style="list-style-type: none"> • What is corruption? • Gratification • Individual Corporate Liability • Illustration/case studies • Penalties for corruption • Guideline on adequate procedures • Money laundering |
| | | Briefing on MFRS17: Insurance Contract | RHB Insurance Berhad | <ul style="list-style-type: none"> • MFRS 17: definition and scope • Separation • Level of aggregation • MFRS 17: measurement and disclosure • General measurement model • Premium allocation approach • Presentation & disclosures Transition • Impacts and changes • Impact on profit emergence • KPIs and the investor story • Challenges |
| | | Briefing on "Data Analytic Strategy Implementation Progress Update" | RHB Bank Berhad | <ul style="list-style-type: none"> • Where we are in our Big Data Analytics Journey and our targets for 2021 and beyond • The areas in which analytics is currently being used across the Group • Continued capability development efforts in 2021 |
| | | Briefing on Defending Your Company & Keeping Up To Date With Key Cybersecurity Risks | RHB Bank Berhad | <ul style="list-style-type: none"> • Introduction to cybersecurity • Current trends / the cybersecurity landscape (Global, APAC and Malaysia) • Presentation of relevant case studies • Cybersecurity 'simulation' questions: What would you do in XYZ scenario? |
| | | Islamic Finance for Board of Directors Programme | ISRA International Consulting Sdn Bhd | <ul style="list-style-type: none"> • Enhance Director's appreciation on the dynamics of Shariah principles in shaping different offerings of Islamic banking business • Equip Directors with practical understanding on the value propositions of Islamic finance and its |

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| | | | | specificities vis-à-vis conventional banking with the aim of enhancing business potential <ul style="list-style-type: none"> • Provide Directors with diverse perspectives from within and beyond the Islamic banking community on contemporary issues in the industry |
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Function and conduct

The roles and responsibilities of each Board Committee and its respective Chairperson have been disclosed in their respective Terms of References (“ToR”), Board Charter of RHB Bank Berhad as well as the Integrated Report 2021 and this CG Report.

Internal control framework - Overview

The Company also discloses the main features of its internal control framework, any reviews and assessments conducted on the framework during the financial year and also all the current key policies and procedures of the framework within the Statement of Risk Management and Internal Control on page 154 to 163 in its Integrated Report 2021 and under Practice 10.1 to Practice 10.3 (Step-up) of the CG Report 2021.

Key Internal Control Policies and Procedures

The Group is committed to ensuring responsible behaviour by the Company and its employees both in the workplace and marketplace. The Company takes full responsibility for the effect of its practices and internal policies/procedures/guidelines while continues to strengthen and embed robust corporate governance and risk management practices throughout its business operations.

All the internal control documents need to follow appropriate delineation process and approval matrix. These documents are kept in the centralized repository for employees’ reference and controlled by a dedicated functional unit namely Operations and Methods for maintaining quality assurance purpose. While these internal control documents/measures are implemented to mitigate conflicts of interest, abuses of position, regulatory breaches and consumer facades, such efforts also promote investors’ confidence, boost good brand image and stimulate sustainable growth.

| No | Title | Description |
|----|---|---|
| 1 | Group Code of Ethics & Business Conduct for Directors | RHB Banking Group (“Group”) places importance of top down compliance culture within the organization, hence this document is available and disclosed in the Company’s website. Directors’ adherence to ethical values highlighted in this document demonstrates their commitment as responsible leadership to creation of an ethical culture which will strengthen the confidence level of the employees and the public at large. |
| 2 | Group Code of Ethics & Conduct for Employee | This document aids identification of the areas and situations where public trust and confidence might be compromised or a law might be violated. The purpose of this Code is to articulate the high standards of conduct and behaviour that should be adopted as good ethical business practices. |
| 3 | Group Gifts & Hospitality Guideline | This document sets the standards of conduct of giving and accepting gifts and hospitality, including business entertainment. It is designed to help the Group and its employees understand respective parties’ obligations in upholding corporate integrity. |
| 4 | Group Whistleblowing Policy | This policy document provides a proper mechanism and minimum standards to be adhered by employees of the Group in dealing with disclosure on questionable actions |

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| | | or wrong doings in the Group. It is intended to guide all employees facing concerns over unlawful conducts, unethical occurrences or questionable practices which may adversely affect to a material extent the financial position or reputation of the Group. Furthermore, it helps nurture the culture of accountability, integrity and transparency among employees within the Group. |
| 5 | Group Compliance Management Framework & Policy | The documents lay out the governing principles and roles of board, management and staff in managing compliance risk in the Group. |
| 6 | Group Anti-Money Laundering (AML) & Counter Financing of Terrorism (CFT) Policy | The policy is formulated towards building a stronger and robust AML/CFT compliance within the Group. It informs and mandates all employees on their respective roles and responsibilities, focusing on the continuing efforts in combating money laundering and countering terrorist financing activities. |
| 7 | Group Chinese Wall and Insider Trading Policy | The document establishes governance procedures to control the flow of confidential or material non-public and price sensitive information within the Group to avoid the risk of possible breach of the insider trading provisions under the Capital Market Services Act and to protect client confidentiality. |
| 8 | Orderly and Fair Market Policy | The policy aims to facilitate the Group to comply with the applicable laws, guidelines and rules in relation to maintaining an orderly and fair market. It underlines relevant principles and guidance towards safeguarding the integrity of the market. |
| 9 | Group IT Security Policy & Standards | The policy and standards enable a structured approach of governing confidentiality, integrity and availability of information as the Company's important business assets. The holistic IT Security is achieved by implementing a suitable sets of controls to ensure that the specific security objectives (e.g. permitted disclosure, personal data protection) of the Group are met. |
| 10 | Group Asset & Liability Management Policy | The policy document sets out a consistent approach in the management of the balance sheet mismatch with the goal for long-term growth and managing the risk exposures due to Interest Rate Risk/Rate of Return Risk (IRR/ROR) and structural foreign exchange risk in accordance with the risk appetite statements of the Group and the respective entity within the Group. |
| 11 | Group Guidelines on Personal Data Protection Act 2010 (PDPA) | The document provides guidance on how to comply with PDPA's and Bank Negara Malaysia's requirements to safeguard individual's personal data from being misused. Protection of personal data basically is to secure any personal data used and processed in commercial transactions which may include any information such as name, address, account details and identity card number of the Group's customers. |
| 12 | Group Policy on Related Party Transactions (RPTs) | The policy deals with the reporting and review process for RPTs under Bursa Malaysia's Listing Requirements, Companies Act 2016 and Capital Markets and Services Act 2007, which should be conducted on an arm's length basis. The guiding principles are to avoid conflicts of interest and promote transparency and accountability in its related party transactions. |
| 13 | Group Risk Management Framework | The document sets out the strategic direction for the management of risks in the Group. It is also an aspiration statement with regards to the long-term objective for the |

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| | | development of risk management capabilities and infrastructure. |
| 14 | Group Shariah Risk Management Guidelines | The document primarily intends to assist staff in undertaking business and support activities in line with Shariah principles for the respective Islamic Banking products and to ensure that the management of Shariah non-compliance risk principles in the Group is clearly and systematically identified, measured, monitored, controlled and reported. |
| 15 | Group Credit Policy | The policy document encapsulates broad policy statements governing lending/financing activities, ranging from the credit governance and functional responsibilities, to credit functions in the credit chain process. It enunciates the essence of the credit fundamentals to address the credit management, in particular from credit creation to credit recovery. |
| 16 | Group Treasury & Global Markets General Guidelines | The document sets out best and prudent business practices and good corporate governance and against a background of clear Treasury business strategies and business plans currently applicable and in existence within RHB Banking Group. |
| 17 | Group Corporate Communications Operations Manual | The document provides guidance and structure in disseminating corporate information to, and in dealing with, media representatives, employees and the public. While it intends to ensure compliance with legal and regulatory requirements on disclosure, it also raises awareness about, and focus management and employees on, disclosure requirements and practices |
| 18 | Group Reputational Risk Management Policy | The policy sets out the approach which the Group will adopt in managing reputational risks of the Group. |
| 19 | Group Manual of Authority | The document defines clear responsibilities and approving matrix of authorized officers in the Group to approve its purchase or payment of capital and operating expenditure. |
| 20 | Group Manual of Authority | Group Policy on Product Development and Approval The policy applies to all product development initiatives within the Group and highlights fundamental principles to staff in approaching product development and approval across the Group, while ensuring sound risk management practices in managing and controlling product risk. |
| 21 | Group Brand Marketing Operations Manual | The document sets to provide guidance and structure in disseminating corporate information to, and in dealing with, media representatives, employees and the public. The manual also aims to ensure compliance with legal and regulatory requirements for the Group's activities in relation to advertisement and promotions. |
| 22 | Social Media Operations Manual | This document describes the operations, roles & responsibilities and business rules in respect of the Social Media. The purpose of this manual is to meet internal and external requirements while delivering effective digital communication strategies for the Group. |
| 23 | Group Fraud Risk Management Policy | The policy document defines the core governing principles for fraud management within the Group which include leadership and ethical culture, fraud awareness, detection, reporting and escalation, as well as fraud response with appropriate corrective actions. The purpose of this policy is to promote consistent organisational behaviour through the development, |

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| | | implementation and regular review of fraud prevention, detection and response strategies. |
| 24 | Group Fit & Proper Policy | The Policy document on Fit and Proper for key responsible persons serve as policy statements for assessing a person's capacity to act as a fit and proper person. It sets out the requirements to assess and determine the fitness and propriety of key responsible persons in RHB Banking Group. |
| 25 | Group Corporate Sponsorship and Donations Policy | The Policy sets the minimum standards that must be applied and adhered to in the granting of Corporate Sponsorship and Donation, and the process and procedures that needs to be complied with by RHB Banking Group entities. |
| 26 | Group Reputational Risk Management Policy | A good reputation strengthens market position, reduces the cost of doing business and increases shareholder value. It insulates or reinforces corporate credibility, permits higher prices and helps to attract top talents. The Policy sets out the approach which RHB Banking Group will adopt in managing reputational risks of the Group. |

Remuneration Qualitative - Disclosures

For detailed information on the directors' remuneration, please refer to Practice 8.1 under Section A of this CG Report.

The Company has established a remuneration framework for key Senior Management, consisting a competitive integrated pay and benefit structure, which rewards corporate and individual performance in line with their performance and contributions to the organisation:

- Detailed remuneration package for key Senior Management is disclosed before the Board of the Company pursuant to BNM's Policy Document on Corporate Governance 2016.
- There is also incorporation of penalty in the final rating of their pay-for-performance scheme for any material non-compliance with legal and regulatory requirements.

'Key Senior Management' as defined per terms of reference of the Board Nominating and Remuneration Committee are the Group Managing Director ("Group MD"), Chief Executive Officer ("CEO")/Managing Director who is the Direct Report to the Group MD and any persons as decided by the Committee.

RHB Total Rewards

RHB's Total Rewards Philosophy consists of **four (4)** key principles as follows:-

- To support and promote a high performance culture to deliver the Group's vision.
- To provide a balanced approach between fixed and variable compensation that reflects individual's seniority and level of accountability.
- To promote a strong performance and reward linkage while incorporating risk and compliance management (to fulfil risk control objective) as part of the key performance indicators for remuneration decisions.
- To be competitive with market practice; tailored to specific market (i.e. Financial Services Industry) the entity is operating in and aligned to internal philosophy.

The Total Rewards Policy was reviewed by the Board Nominating and Remuneration Committee (BNRC) and approved by the Board. The policy acts as a guide when designing and implementing remuneration programs and is applicable to all RHB employees in Malaysia and overseas. The policy is guided by RHB's Total Rewards model that covers all aspects of work that employee's value, both tangible and intangible. The components of the are shown below:-

1. Compensation

Guaranteed Pay – Basic Salary, Fixed Allowance & contractual bonus

Variable Pay – Performance Bonus, Short-term incentives/commissions & long term cash incentives

2. Benefits

Employee benefits include the provision of health care/employee health screening, staff loans at staff/preferential rates, banking benefits, insurance coverage, various types of leave, etc.

3. Working Environment

RHB ensures that the employees are working in a conducive environment.

4. Development Opportunities

RHB invest extensively in developing its talents and ensure continuous growth through classroom training, on the job training, coaching/mentoring, and overseas exposure.

Our philosophy of fair remuneration is critical to attract, retain and motivate employees and is within the ambient of RHB's risk appetite. It provides the roadmap to govern our reward strategy and is aligned with the business strategies, corporate values and long-term interests of the organization. RHB's remuneration shall be in alignment with Bank Negara Malaysia's Policy on Corporate Governance.

The issues and current governance status of the senior management's remuneration scheme are further deliberated under Practice 8.2 of Section A in this CG Report.

Quantitative Disclosures

Currently the Company discloses the breakdown of its Non-Executive Directors' and Top 5 senior officers', including its Chief Executive Officer's (cum Executive Director) remuneration package, received and/or receivable from RHB Bank Berhad and the Group, in the Company's Integrated Report, Corporate Governance ("CG") Report and Financial Report on named basis. Some of the key issues with regards to the quantitative remuneration disclosures are being shared under Practice 8.1 and Practice 8.2 of Section A of this CG Report as well.

Additionally, the remuneration structure for RHB Bank Berhad's Non-Executive Directors ("NEDs") in the Company for 2021 per BNM Policy disclosure requirement is laid out as follows:

| No. | Non-Executive Directors' Remuneration Scheme | Unrestricted/Non-Deferred | Total (RM'000) | Restricted/Deferred | Total (RM'000) |
|--------------------------------------|--|---|----------------|---------------------|----------------|
| A: Fixed-type Remuneration | | | | | |
| i. | Cash-based | <ul style="list-style-type: none"> Fixed Fees Directors' Fees¹ Committee Allowances² Chairmen's premium for various entities & committees³ Other emoluments | 1,838 | Nil | |
| ii. | Shares & share-linked instruments | Nil | | Nil | |
| iii. | Others | Benefits-in-kind ⁵ | 33 | Nil | |
| B: Variable-type Remuneration | | | | | |
| i. | Cash-based | Meeting Attendance Allowance ⁶ | 749 | Nil | |
| ii. | Shares & share-linked instruments | Nil | | Nil | |
| iii. | Others | Directors' & Officers' Liability Insurance ⁷ | 783 | Nil | |

Notes:

The overall remuneration package of the NEDs of the Company comprises the following components:

- Directors' Fees**
NEDs are entitled to annual Directors' fees, which are subject to shareholders' approval at the Annual General Meeting ("AGM") of the Company and is part of a periodical review to ensure the Group remains competitive against its peers and with the heightened responsibilities and accountabilities under the Companies Act 2016, the Financial Services Act 2013, the Capital Markets & Services Act 2007 and the Malaysian Code on Corporate Governance. Total Director Fees paid/payable to the NEDs for FY2021 was about RM 1.6 million.
- Board Committee Allowances**
NEDs who sit on Board Committees are entitled to receive Board Committee allowances which shall be paid on a quarterly basis during each financial year.
- Chairmen's Premium**
The Chairmen of various Boards and Board Committees are entitled to receive a premium above the normal respective Board and Board Committee allowances, which shall be paid on a quarterly basis during each financial year.
- Farewell Pot**
All NEDs will be awarded with 'Farewell Pot' scheme upon his/her exit from the Group, in recognition of their services and commitments to the Group. Under the 'Farewell Pot' scheme, any NED who leaves the Group would be entitled to RM3,000 as a one-off payment or as decided by the BNRC.
- Benefits-in-kind**
Benefits are accorded to the Chairmen of the Group's main Board's, consisting amongst others the provision of a company car, driver and petrol allowance.
- Meeting attendance allowance**
NEDs are also entitled to meeting attendance allowances when they attend the Board/Board Committee meetings which are payable in a monthly basis.
- Directors' & Officers' ("D&O") Liability Insurance**
During the financial year, Directors of the Group and the Bank are covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors of the Group and the Bank subject to the term of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the Group and the Bank was RM200 million (2020: RM200 million). The total amount of premium paid for the Directors' Liability Insurance by the Group and the Bank was RM922,000 and RM783,000 (2020: RM843,000 and RM714,000) respectively.

For detailed aggregate remuneration of each RHB Bank Berhad's director, please refer to Practice 8.1 under Section A of this CG Report.

The remuneration for Senior Management including the Managing Directors and Group Management Committee members and the Other Material Risk Takers are being reviewed on annual basis and deliberated at the BNRC and Board for approval.

The FY2021 compensation package for those identified as Senior Management Officers and Other Material Risk Takers of RHB Bank Berhad is summarised, as follows:

| Category | | Senior Management (16 officers) | | Other Material Risk Takers (15 officers) | |
|---|--|--|--------------------------------------|---|--------------------------------------|
| | | Unrestricted/ Non-Deferred (RM '000) | Restricted/ Deferred (RM '000) | Unrestricted/ Non-Deferred (RM '000) | Restricted/ Deferred (RM '000) |
| Fixed-Type Remuneration | | | | | |
| i. | Cash Based | 16,954 | - | 8,286 | - |
| ii | Share & share-linked instruments | - | - | - | - |
| iii | Others | 680 | - | - | - |
| Variable-Type Remuneration ("VTR") | | | | | |
| i. | Cash Based | 11,816 [^] | 5,534 [*] | 3,810 ^{^^} | 1,352 ^{**} |
| ii | Share & share-linked instruments | - | - | - | - |
| iii | Others | - | - | - | - |
| Total (RM '000) | | 29,450 | 5,534 | 12,096 | 1,352 |

VTR Note: [^] 16 Officers
^{*} 14 Officers

VTR Note: ^{^^} 15 Officers
^{**} 9 Officers

For additional information on Senior Management remuneration, please refer to Note 53 of the financial statement on page 127 of the Financial Report 2021.

