

RHB CAPITAL BERHAD (312952-H)

Minutes of the Twenty First (“21st”) Annual General Meeting (“AGM”) of RHB Capital Berhad (“RHB Capital” or “the Company”) held on Thursday, 12 May 2016 at 10.30 a.m. at Taming Sari Ballroom 1 & 2, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur.

- Present** : **Directors**
YBhg Dato’ Mohamed Khadar Merican
- Chairman
YBhg Tan Sri Azlan Zainol
YBhg Datuk Haji Faisal Siraj
YBhg Datuk Seri Saw Choo Boon
Mr Mohamed Ali Ismaeil Ali AlFahim
YBhg Dato’ Khairussaleh Ramli
- Group Managing Director/Group Chief Executive Officer (“Group MD”)
- Absent With Apologies** : YBhg Tan Sri Dato’ Teo Chiang Liang
- In Attendance** : Encik Azman Shah Md Yaman
- Company Secretary
Ms Ivy Chin So Ching
- Assistant Company Secretary
- Shareholders, Proxies And Corporate Representatives** : A total of 2,627 Members (comprising
(Collectively be referred to as “Members” hereinafter) shareholders, proxies and corporate representatives) for a total of 2,232,130,454 shares representing approximately 72.6% of the total shareholdings, registered for the Company’s 21st AGM per the Attendance Record.
- Chairman** : YBhg Dato’ Mohamed Khadar Merican took his seat as the Chairman of the AGM.
- Quorum** : The requisite quorum was present pursuant to Article 52 of the Company’s Articles of Association. The 21st AGM was duly convened.
- Notice Of Meeting** : The Notice of the 21st AGM dated 7 April 2016 as included in the Annual Report having been served on all Members, was taken as read.

Preliminary

The Meeting was called to order and the Chairman welcomed the Members to the 21st AGM of the Company.

The Chairman then introduced the Directors, Company Secretary and Senior Management of the Group as well as the representative(s) from the external auditors and external solicitors of the Company who were present at the AGM. He also extended YBhg Tan Sri Dato’ Teo Chiang Liang’s apologies for not being able to attend the AGM due to an urgent engagement overseas.

As a matter of good corporate governance, the Chairman highlighted to the Meeting, the Members' right to demand for a poll voting on a resolution pursuant to Article 56 of the Company's Articles of Association. The Company had appointed Messrs PricewaterhouseCoopers as independent scrutineers for the 21st AGM in the event where a poll is demanded.

1. Financial Performance Highlights

1.1 The Chairman invited YBhg Dato' Khairussaleh Ramli ("YBhg Dato' Khairussaleh"), Group MD of RHB Banking Group, to present the financial performance highlights of the Group, as summarised below:

(i) Overview of financial year ("FY") 2015 performance

- (a) FY2015 net profit attributable to equity holders is RM1.51 billion. Excluding one-off Career Transition Scheme ("CTS") costs, FY2015 net profit would be RM1.74 billion or 14.5% lower, year-on-year.
- (b) The financial results were generally underpinned by lower investment banking and securities market related fee income in Malaysia and Singapore, lower trading income, higher impairment charges and absence of large one-off items.
- (c) Gross loans grew by 6.2% to RM151.4 billion.
- (d) Customer deposits were relatively stable, with an increase by 0.6% to RM158.2 billion.
 - CASA balances registered strong growth of 11.0% year-on-year.
 - CASA ratio strengthened to 24.0% as at December 2015 versus 21.7% in December 2014.
- (e) Islamic business growth momentum continues. RHB Islamic Bank Berhad recorded a pre-tax profit growth of 14.8% on the back of a 22.0% increase in financing to reach RM31.1 billion.

Islamic financing represents 23.0% of Group's total domestic gross loans and financing from 19.5% in 2014.
- (f) Return of Equity ("ROE") was recorded at 7.3% while normalised ROE recorded at 8.4%.
- (g) The Group has completed CTS in Malaysia with a total of 1,812 applications accepted. The expected annual personnel cost savings is RM193 million.
- (h) RHB Capital declared and paid an interim single tier cash dividend of 12 sen per share on 29 April 2016, representing 24.4% dividend payout ratio; the highest in 3 years.

(ii) Performance review

- (a) Income was relatively flat on the back of an 8.1% decrease in non-fund based income, largely due to lower investment bank and securities related fees.
- (b) Expenses were well contained due to focus on strategic cost management.
- (c) Loans grew by 6% year-on-year, as the Group put more focus on returns.
- (d) While deposits only grew 1%, CASA grew 11% resulting in improvement of CASA ratio from 22% to 24%.
- (e) Asset quality was further improved, with gross impaired loans ratio standing at 1.88% from 2.03% a year before.
- (f) The Group paid the highest dividend payout for FY2015 compared with the past 3 years.
- (g) Capital adequacy of RHB Bank Berhad (“RHB Bank”) Group, the new holding company has strengthened further with the rights issue proceeds.
- (h) The Group has improved or maintained its market position in key business areas.
 - Mortgage market share improved from 7.0% in 2013 to 8.2% in 2015.
 - Small and Medium Enterprises market share increased from 6.2% in 2013 to 8.7% in 2015, positioning RHB a strong 4th.
 - 1st in merger and acquisition by deal count.
 - 3rd in equity broking market share.
 - In the Debt Capital Market space, RHB is 2nd in MYR sukuk and 4th in overall bond issuance.
 - Asset under management for RHB Asset Management Sdn Bhd grew 7% year-on-year, positioning RHB to a strong 3rd.
- (i) Recognition for the achievement across the Group

(iii) IGNITE 2017

- (a) Good progression across most initiatives under IGNITE 2017 transformation.

(b) The Group remained focused in 2016 on executing the Group's strategies anchoring on the 3 key themes (i.e. Funding Our Journey, Winning by Differentiating Ourselves in the Middle Term and Getting the People & Organisation Right).

(iv) Corporate update

- (a) Update on the Group Corporate Restructuring Plan.
- (b) Illustration on the distribution and pricing of RHB Bank Shares.
- (c) Shareholding percentage pre and post distribution remains the same.

(v) Outlook for 2016

- (a) Real Gross Domestic Product is expected to moderate to 4.0% in 2016 from 5.0% in 2015.
- (b) Domestic demand will remain as the key driver of growth, driven mainly by private consumption and investment. A modest improvement in exports will benefit as well.
- (c) Malaysian loans growth anticipated to moderate versus last year, following the slowdown in consumption and investment activities.
- (d) Net interest margin remains under pressure as liquidity tightens amidst a more stringent liquidity coverage ratio requirements and heightened competition.
- (e) The Group's continued focus on cost optimisation and productivity in 2016 will help set new baseline and mitigate the impact of top line slowdown in the current economic environment. Additionally, the Group will invest in key growth areas and pay extra attention on asset quality.
- (f) Completion of the corporate exercise has strengthened capital position and boost growth capability of RHB Bank Group which will be the new listed entity. The Group is on the right trajectory by focusing on performance, i.e. ROE.

1.2 With the presentation of the financial performance highlights by the Group MD, the Chairman proceeded to table to the Members, the resolutions to be considered at the Meeting for notation/approval.

2. Agenda 1: Audited Financial Statements Of The Company For The Financial Year Ended ("FYE") 31 December 2015 And The Directors' And Auditors' Reports Thereon

2.1 With the Members' consensus, the Audited Financial Statements together with the Directors' and Auditors' Reports thereon, which have been earlier circulated to the shareholders within the prescribed period, were taken as read.

- 2.2 In accordance with Section 169(1) of the Companies Act 1965, the Directors' Report and Audited Financial Statements were laid before the Meeting for discussion. As the formal approval of the Members was not required for this agenda item, the matter was not put forward for voting.
- 2.3 The Chairman invited the Group MD to brief the Members on the issues raised by the Minority Shareholder Watchdog Group ("MSWG") which were received by the Company via their letter dated 9 May 2016 and the Company's responses thereto via a letter dated 11 May 2016, as highlighted below (*note: the queries by MSWG are in italics*):-

Strategy/Financials

- (i) *One of the main avenues to drive profitability in the financial year ("FY") 2015 was through Singapore business, Small & Medium Enterprise ("SME") and regional treasury. With the current state of economy of Singapore and the cautious sentiment in the region, what would be the Group's strategy to sustain its performance and growth in these business segments?*

RHB has a long established presence in Singapore with 7 commercial bank branches and, recently via the merger with OSK, a securities business. Despite a softer outlook for the Singapore state economy, the Management believed that there are opportunities to gain further share of the market and capitalising the synergies between the commercial banking and securities business units, as well as the establishment of a regional treasury hub in Singapore to capture Asean flow business. Singapore also serves as the hub for the corporate and investment banking activities in other regional countries.

On SME, the Management is focusing on capturing end to end value chain by creating an integrated ecosystem for customers. The Management are cognisant of the higher risks involved in lending to this segment. For this, the Management has also taken steps to embed the credit management policies of the Group into the Singapore SME business.

- (ii) *The Group's analysis of its income position on the year's performance showed amongst others, some of the factors were higher impairment charges and absence of large write-back and income from disposal of investment.*

Please elaborate the reasons for the higher impairment charges for FY2015 and is there any concentration in terms of single and group of borrowers and the type of industry and whether these impairments are recoverable within the next 12 months, if not what remedial measures taken to mitigate the impact?

Against the back drop of a more challenging economic environment, the Group has adopted a more prudent approach and increased the level of provisioning for two steel related customers amounting to RM130 million during the year.

The Management does not expect this provision to be written back in the next 12 months. Nevertheless, as part of the Group robust credit management process, the Management is closely monitoring the performance of these borrowers.

- (iii) *What would be the target for FY2016/2017 in terms of cost saving exercise, overhead expenses and other productivity targets after measures were taken to streamline its organisation, manage its cost and drive productivity during the year?*

The Management targeted to achieve a positive jaw and a cost-to-income ratio of below 53% for FY2016, and reduce this further to 50% in three (3) years' time.

The Group's IGNITE 2017 transformation initiatives include specific focus on enhancing cost efficiency and productivity, for example:-

- Structural Cost Savings - Optimise and reposition the Group's distribution network to effectively reach out to target customer segments
- Tactical Cost Savings - Reduce cost through strategic sourcing, procurement and inculcating a cost-efficient culture
- Productivity Improvements - Continue to drive productivity improvements across all units in the Group

- (iv) *Please share on RHB's journey to improve its digital business and experience and the tangible benefits achieved to date. How the Group see the increase in FinTech companies and the impact on the bank and how the Group is facing the challenge it poses? How much investment or CAPEX the Group is prepared to invest in this area within the next 2 years and how it would measure the returns to the amount invested?*

RHB Group's digital journey is part of its strategy to differentiate the Group in the medium term and aligned to RHB's Brand Promise of delivering superior customer experience by providing simple, fast and seamless transactions for the customers. This is further supplemented by a lifestyle ecosystem proposition that goes beyond banking services.

The Management has seen a shift of how the customers are engaging with the Group and growth in Internet Banking customers by 220% and mobile banking customers by 360% in the last three (3) years. Transactions via Internet and Mobile Banking have also increased by 243% from 2012 to 2015.

Recent achievements in the digital capabilities include:

- A new RHB Now Mobile Banking App that is simple and easy to use with a first of its kind "Pay Anyone" feature
- A new Personal Financial Management service for Affluent customers that allows them to see their Total Net Worth and provides them tools to manage their finances

- Launch of SME e-Retail solution for small businesses that bundles Point-of Sales system with Internet Banking, a Current Account, a Card Terminal and a Financing Plan
- Collaboration with new Tech Startups such as TableApp and eBizu to provide value added services for our customers

Fintechs are here to stay and banks will have to adapt to and adopt this development, both from a threat and opportunity perspective. For that reason, the Group has established a Digital Center of Excellence within RHB to explore new Digital solutions for the customers and opportunities to collaborate with the Fintechs, such as the partnership with StartupBootcamp, a global incubator. Any investments the Group make in technology and digital will be backed by positive IRR and a robust business case, each investment sum will be determined on a case to case basis.

- (v) *With the success of its Global Account Management and Client Coverage Model in FY2015, please share on the outlook and expectation in FY2016 and would the model be extended to other countries in the Group?*

The Client Coverage Model has proven a success in garnering collaborations among different product groups across the RHB Banking Group, and achieving an increased revenue pool, and it is the Group's intention to strengthen this model internally. The Group has also started in September 2015 an International Client Coverage team for the regional business, which includes Singapore and Thailand. More countries will be added over time based on the market opportunity.

- (vi) *What is the Group's target on the SMEs and mid-cap market? How has it progressed compared to FY2014 and what is its target for FY2016?*

The Group's SME business has grown significantly since the Group introduced a new business model back in 2014.

The Group has increased the SME market share from 7.2% in 2014 to 8.7% in 2015. For FY2016, the Group aim to achieve 9% market share.

- (vii) *Does the Bank have its own "Responsibility Lending Policy"? If so, please highlight the principles, the Bank's compliance and its effectiveness?*

The Bank's lending policy, guidelines and practices have been in adherence to the six (6) key requirements on responsible finance from Bank Negara Malaysia ("BNM"). This includes performing the suitability and affordability assessment of customers, providing accurate, transparent and clear product disclosure and marketing, complying with BNM's requirements pertaining to fees and charges, adhering to fair debt collection practices, providing avenue for redress, and clear governance and responsibilities on compliance to the responsible financing requirements.

- (viii) *What is the Bank's Policy on Board members and Senior Management personnel holding banking accounts in the Banking Group? If so, how does the Group address the conflict of interest situation, risks associated and the check and balances involving such accounts and transactions in the Banking Group?*

The Bank does not restrict any Board members or its officers from maintaining any banking accounts within the Group. They are subjected to the same, if not more, scrutiny such as "Know Your Customer", "Client Due Diligence" and exceptional transaction reporting.

Further, any credit facilities provided to the Board members and the Senior Management personnel shall be subjected to the treatment as prescribed by BNM's Guidelines on Connected Party Transactions.

In respect of the "conflict of interest" issue, the credit-worthiness of the connected party is not less than what is normally required of others and the terms and conditions of granting the credit to the connected party are not more favourable than those entered with others with similar circumstances and credit worthiness.

- (ix) *We refer to the "Panama Papers" and the controversies and issues surrounding it and would like the Board to brief on the controls at RHB Group to ensure that there is no risk associated with any improprieties, if any involving its Board members & Senior Management and officers in the Group.*

Controls that are available at RHB Group to ensure that there is no risk associated with any improprieties, if any, involving its Board members, Senior Management and officers:-

- From Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") perspective - all transactions within the RHB Group by the Group's Directors, Senior Management and officers are subject to be reviewed as per Group AML Compliance guidelines. The review includes but is not limited to that during on boarding, as well as on-going monitoring through exceptional reports and AML System.
- From ensuring that Group's Directors and Senior Management are "fit and proper" persons - the Group abides by the Section 60 of the Financial Services Act 2013 ("FSA") provision on fit & proper requirements for its Directors, Chief Executive Officers and senior officers.
- From ensuring against improper leakages – all Directors, Senior Management and officers are subject to the secrecy provisions in FSA and Personal Data Protection Act 2010. Any breaches will be subject to strict disciplinary actions.

Corporate Governance - Boardroom Diversity Policy

- (i) *We noted that the Group has established a policy on boardroom diversity in line with Securities Commission's goal for women directors to make up 30% of Board. Please brief on the progress to achieve the target.*

RHB Capital previously had a woman director in its boardroom, namely YBhg Datuk Wira Jalilah Baba (“YBhg Datuk Wira Jalilah”) who served as a Director from 1 May 2012 to 30 January 2014. Since YBhg Datuk Wira Jalilah’s departure, RHB Capital was in active search for her replacement.

Pursuant to the current Group Corporate Restructuring Plan, RHB Bank Berhad (“RHB Bank”) will eventually be the new listed holding company of RHB Banking Group upon completion of the transfer of listing status from RHB Capital to RHB Bank tentatively in June 2016. RHB Capital will also commence its members’ voluntary winding up process, subject to shareholders’ approval at an extraordinary general meeting to be convened in June 2016.

In line with the above, RHB Bank had submitted to BNM for approval a potential woman candidate as its new Director, and BNM had, on 13 April 2016, approved the application for her appointment as the new Director of RHB Bank. The new woman Director is expected to be appointed to the Board of RHB Bank in the third quarter of 2016.

At the Group level, YBhg Datin Sri Khamarzan Ahmed Meah has been serving RHB Bank (L) Ltd, a wholly-owned subsidiary of RHB Bank, as Director since 15 March 2005. Currently RHB Banking Group is in the final stage of appointing a woman candidate as an independent member of the Board of Trustees to serve on RHB Foundation, which was incorporated in December 2015.

The financial services players are operating in a complex and highly-regulated industry which requires special skills mix within the limited pool of local talents and related expertise. The Group is always in support of the Securities Commission’s aspiration to champion diversity, in this case, towards its goal for women directors to make up 30% of Board. At this juncture, we are also working closely with FIDE Forum and BNM to review the Directors’ Register, which was recently launched as a new platform to source for woman board talent in the market available for Malaysian financial institutions. The Group’s search for the appropriate woman candidate continues.

- 2.4 Having thanked the Group MD, the Chairman therefore welcomed questions from the Members in relation to the Audited Financial Statements.
- 2.5 In summary, the issues raised by the Members and the Board’s responses were as follows:-

- (i) Mr Quah Bank Aik, a corporate representative of MSWG, commended the Group MD for his clear and concise presentation on the financial performance highlights. In relation to the Responsibility Lending Policy, he suggested for RHB Banking Group to further enhance its lending policy over and above BNM's guidelines/requirements. In addition to good credit standing, customer's position on areas of sustainability (such as corporate governance, global reporting initiatives, etc.) should also be factored into the Group's lending model. Hence, it could promote and encourage involvement of customers in exercising good and sustainable practices.

The Chairman informed the Meeting that the Board is very much aware of such move towards sustainable financing. The Group will progressively move towards the abovementioned lending direction in the future. Currently, good credit standing is still the main factor in credit evaluation. Nevertheless, the Group also assesses the type of business and sustainability status of customers on case by case basis, for decision making in credit approvals.

- (ii) Mr William Woon shared with the Meeting, his positive observations on RHB Banking Group's good efforts in corporate responsibility ("CR"). Publicity in respect thereof should be further enhanced. He also expressed his appreciation to the Board and Management in achieving sustainable and good financial performance of the Group for FY2015.

The Chairman highlighted that the Group's CR activities since 2010 have been reported in a separate Sustainability Report 2015 which was issued and despatched together with Annual Report 2015 of RHB Capital to the shareholders. Over the years, the Group has organised and conducted numerous CR activities, particularly on the education and child safety, including Spell-It-Right Challenge, Mighty Minds and Reuniting Families – Child Safety Campaign. In relation to the Group's good financial results, the Chairman agreed that it is mainly attributable to the unity and teamwork of the dedicated RHB team (including Board, Management and staff).

- (iii) Mr Wan Heng Wah noted that the proforma Common Equity Tier 1 (CET-1) ratio and total capital ratio of RHB Bank Group after the completion of the internal reorganisation and capital injection would improve from 12.0% and 16.5% (as at 31 December 2015) to 12.5% and 17.2%, respectively. He congratulated the Board for the successful implementation of the recent capital raising exercise (i.e. rights issue). He further sought the Board's confirmation on the enhancement in the Group's capital efficiency and dividend capacity post the Group Corporate Restructuring Plan. Besides that, he enquired on the cost and payback period of the completed Career Transition Scheme ("CTS") in 2015.

The Chairman informed the Meeting that the cost of CTS amounted to approximately RM309 million with an estimated payback period of 19 months. Moving forward, the Group's manpower requirements and staff recruitment would be managed in a more cautious and efficient way.

The Chairman clarified that the Group Corporate Restructuring Plan is to streamline the businesses of the Group under RHB Bank with the aim of achieving greater tax efficiency in view of the change from the two-tier tax system to a single-tier tax system as well as to position RHB Bank to spearhead the Group's future growth. The Chairman further highlighted on the Management's concerted endeavours to improve the Group's capital efficiency. In 2015, the Group has achieved an asset growth of 5.2% while the Group's risk-weighted assets only grew by 1.2%.

The Group MD highlighted that dividend must be paid out of profit. The Board of RHB Bank (which will be the new listed holding company) will assess and determine its future dividend policy in relation to the Group's capital requirements for future business growth (without implementing any capital raising exercise in future).

- (iv) Madam A.C. Cheang enquired on the potential change of name of RHB Bank, if any, post the Group Corporate Restructuring Plan.

The Chairman responded that based on a survey undertaken a few years back, the brand of RHB is well recognised and entrenched in the market. Currently, the Group does not have any plan to change the name for RHB Bank.

- (v) Mr T.H. Tan thanked the Group MD for the good presentation on the financial performance highlights. He commented on the Group's low price to book ratio as well as the low dividend yield as compared to the major competitors, despite the reported decent financial results. He emphasised that dividend yield is one of the key drivers to the market price. Accordingly, the Board should consider improving the dividend yield in future. He also enquired on the Group's expected interest margin for 2016.

The Chairman highlighted that market price of RHB Capital shares (being listed securities) is driven by numerous factors (including market sentiment) which may be outside the Group's control. The Board hopes that with the free float of RHB Bank's shares post the Group Corporate Restructuring Plan, the price will be more attractive to foreign institutional investors. As a financial services group, RHB Banking Group has continuously put its concerted efforts in enhancing its fee based income, rather than return on lending per se. As a result, other income of the Group has gradually improved over the years. For FY2015, other income accounted for 35% of the total income of the Group. The Board has always undertaken a holistic assessment on the Group's capital requirement for future growth vis a vis dividend payout. For FY2015, the dividend payout has increased to 24%.

The Group MD informed the Meeting that the net interest margin of the Group for 2015 is 2.14%. It may reduce by 10 – 15 basis points in 2016 in view of the stiff competition and economic pressure. In relation to high dividend yield, the Group MD explained that the major competitors have always declared high dividend payout with a dividend reinvestment plan (“DRP”), and a high take-up rate is expected for such DRP. As the dividend yield is computed merely based on the total dividend payment, it does not reflect the net payout after taking into account the reinvestment amount from shareholders through DRP. Moving forward, the Group may consider adopting such approach for dividend yield enhancement.

- (vi) Mr P.Y. Lim congratulated the Chairman for being named as the “Chairman of The Year” by the Minority Shareholders Watchdog Group at the Malaysian-Asean Corporate Governance Index Awards 2013. He sought the Board’s clarification on the following matters:-
- (a) Significant decrease in the Group’s net cash generated from operating activities from RM2.5 billion for FY2014 to (RM2.5 billion) for FY2015.
 - (b) Significant increase in the Group’s derivative assets from RM1.2 billion for FY2014 to RM3.1 billion for FY2015.
 - (c) Potential impact against operations of RHB Banking Group arising from the dispute between 1Malaysia Development Bhd (“1MDB”) and International Petroleum Investment Company PJSC (“IPIC”) (the holding company of Aabar Investments PJS, the second largest shareholder of RHB Capital) in relation to default interest payment of USD bond.

The Group MD explained that the decrease in cash flow was mainly due to funding growth being slower than loans in 2015. He further highlighted on the significant increase in purchase of financial investments vis a vis Available-For-Sale and Held-To-Maturity. The quality of such financial investments is as good as cash. The liquidity coverage ratio of RHB Banking Group has improved to 90% for FY2015 (which is far above BNM’s requirements of 75%).

The Chairman informed the Meeting that Aabar Investment PJS has always provided its support and feedback to RHB Banking Group. The Board believed that the dispute between 1MDB and IPIC should not have any adverse impact against RHB Banking Group.

- (vii) Mr Lee Cheng Hock thanked the Board for the interim dividend paid in April 2016 and the door gift for the AGM. He also provided his feedback on the food voucher distributed at the AGM and suggested to consider sundry voucher as a better alternative thereof.

In this regard, Madam Choong Siew Kweon indicated her support to Mr Lee Cheng Hock’s observation on the food voucher.

- (viii) Mr Raymond Soo highlighted that dividend yield is considered as a catalyst for financial performance of a company. It is also a major factor to the shareholders' investment decision making. He suggested for the Board to consider adopting a similar approach with other leading financial services group i.e. 50% dividend payout together with a DRP exercise, in future.

The Chairman reiterated that the Board has undertaken thorough consideration in determining the dividend payout to ensure that there is a balance between dividend payment vis a vis the estimated Group's capital requirement for future growth. The Board has always acted in the best interest of the Company and stakeholders.

- (ix) Mr Ng Aik Pheng enquired on the current status of RHB-OSK merger. He personally opined that a change of name of RHB should be considered in the future. He also suggested for the Board to consider alternative vouchers to be given at the next general meeting, preferably voucher of other restaurants/retailers.

The Chairman noted the above observations. He also updated the Meeting that the integration between RHB Investment Bank Berhad Group and OSK Investment Bank Berhad Group has been completed. The RHB Investment Bank Berhad Group post RHB-OSK merger will become subsidiaries of RHB Bank Berhad post the Group Corporate Restructuring Plan.

- 2.6 With that, the Chairman concluded the question and answers session for Agenda 1 and proceeded to the next agenda.

3. Agenda 2: Re-Election Of YBhg Datuk Seri Saw Choo Boon ("YBhg Datuk Seri Saw") As Director Under Article 80 Of The Company's Articles Of Association (Ordinary Resolution 1)

- 3.1 The Chairman highlighted that in accordance with Article 80 of the Company's Articles of Association, one-third (1/3) of the Directors shall retire every year and are eligible for re-election. Accordingly, YBhg Datuk Seri Saw and YBhg Tan Sri Dato' Teo Chiang Liang ("YBhg Tan Sri Dato' Teo") shall retire pursuant to Article 80. YBhg Datuk Seri Saw has offered himself for re-election while YBhg Tan Sri Dato' Teo will not seek re-election.

The profile of YBhg Datuk Seri Saw was provided to Members on page 32 of the Annual Report, and also in the Statement Accompanying Notice of 21st AGM.

- 3.2 The Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 1:-

"THAT YBhg Datuk Seri Saw Choo Boon who is retiring under Article 80 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."

- 3.3 Mr William Woon proposed and Madam Choong Siew Kweon seconded the above resolution.

- 3.4 The Chairman then put Ordinary Resolution 1 to the vote by a show of hands. Upon a unanimous vote, the Chairman declared the resolution as carried.
- 3.5 The Chairman informed the Meeting that YBhg Tan Sri Dato' Teo who retires pursuant to Article 80 of the Company's Articles of Association, has expressed his intention of not seeking re-election. Hence, he will retain office until the conclusion of the 21st AGM. As mentioned earlier, he was unable to attend this AGM due to an urgent engagement overseas.

The Chairman, on behalf of the Board, recorded the Board's appreciation to YBhg Tan Sri Dato' Teo for his invaluable commitment and contributions during his tenure of office as a Board Member of RHB Capital.

4. Agenda 3: Re-election of YBhg Dato' Khairussaleh Ramli ("YBhg Dato' Khairussaleh") As Director under Article 84 of the Company's Articles of Association (Ordinary Resolution 2)

- 4.1 The Chairman apprised the Meeting that in accordance to Article 84 of the Company's Articles of Association, any Director appointed either to fill a casual vacancy or as an addition to the existing Directors during the financial year shall hold office only until the next AGM and is eligible for re-election. Accordingly, YBhg Dato' Khairussaleh (who was appointed on the Board on 5 May 2016) retired pursuant to Article 84 and being eligible, has offered himself for re-election.
- 4.2 There being no questions from the Members, the Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 2:-
- "THAT YBhg Dato' Khairussaleh Ramli who is retiring under Article 84 of the Company's Articles of Association, be and is hereby re-elected as a Director of the Company."
- 4.3 Mr William Woon proposed and YBhg Dato' Soo Thien Ming seconded the above motion.
- 4.4 The Chairman then put the Ordinary Resolution 2 to the vote by a show of hands and upon a unanimous vote, the Chairman declared the resolution as carried.

5. Agenda 4: Re-appointment Of YBhg Datuk Haji Faisal Siraj ("YBhg Datuk Haji Faisal") As Director Pursuant To Section 129(6) Of The Companies Act, 1965 (Ordinary Resolution 3)

- 5.1 The Chairman highlighted that pursuant to Section 129 of the Companies Act, 1965, no person of or over the age of seventy years shall be appointed or act as a director of a public company or of a subsidiary of a public company. However, the said director may by a resolution passed by a majority of three-fourths of the shareholders and/or proxies at a general meeting, be appointed or re-appointed as a director of that company to hold office until the next AGM.

Accordingly, YBhg Datuk Haji Faisal who is over the age of 70 years shall retire at this AGM, and has offered himself for re-appointment in accordance with Section 129(6) of the Companies Act 1965.

His profile was provided to Members on page 31 of the Annual Report, and also in the Statement Accompanying Notice of 21st AGM.

- 5.2 The Chairman proceeded to invite a proposer and a seconder for the following Ordinary Resolution 3:-

“THAT YBhg Datuk Haji Faisal Siraj, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”

- 5.3 YBhg Dato’ Soo Thien Ming proposed and Mr William Woon seconded the said resolution.

- 5.4 The Chairman then put Ordinary Resolution 3 to the vote by a show of hands.

- 5.5 Upon a unanimous vote, the Chairman declared the resolution as carried.

6. Agenda 5: Payment Of Directors’ Fees (Ordinary Resolution 4)

- 6.1 The Chairman informed the Members that the Directors’ fees for the financial year ended 31 December 2015 totalling RM1,021,643.84 have been provided for in the Audited Financial Statements of the Company. The said fees are payable on the basis of RM150,000.00 per annum for every Non-Executive Director and RM180,000.00 per annum for the Chairman of the Board. The fees were pro-rated in accordance to the respective Directors’ tenure of service during the financial year.

- 6.2 The Board members (save for YBhg Dato’ Khairussaleh, being the Group MD) declared their interests in respect of the above proposal when the matter was presented before them. The interested Directors abstained from voting in respect of their direct and/or indirect shareholdings (if any) on the resolution relating thereto.

- 6.3 The Chairman then proceeded to invite a Member to propose and to second the following Ordinary Resolution 4:-

“THAT the payment of Directors’ fees totalling RM1,021,643.84 for the financial year ended 31 December 2015 be and is hereby approved.”

- 6.4 Mr William Woon proposed and YBhg Dato’ Soo Thien Ming seconded the said resolution.

- 6.5 The Chairman then put Ordinary Resolution 4 to the vote by a show of hands and upon a unanimous vote, the Chairman declared the resolution as carried.

7. Agenda 6: Re-Appointment Of Auditors (Ordinary Resolution 5)

- 7.1 The Chairman highlighted that the retiring Auditors, Messrs PricewaterhouseCoopers (“PwC”) have offered to continue to serve as Auditors of the Company. The Board recommended to the shareholders for approval of the re-appointment of Messrs PwC as the Company’s Auditors based on the Group Board Audit Committee’s review of the performance and independence in performing their obligation as Auditors for the financial year 2015.

Based on PwC’s policy on rotation of partners, Mr Soo Hoo Khoon Yean (in place of Ms Elaine Ng) will be the engagement partner of PwC for the Company for the financial year 2016. In this regard, the Chairman, on behalf of the Board, thanked Ms Elaine Ng for her services rendered to the Group for the past 5 years.

- 7.2 There being no question from the Members, the Chairman then invited a proposer and a seconder for the following Ordinary Resolution 5:-

“THAT Messrs PricewaterhouseCoopers be and is hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Directors.”

- 7.3 Mr Wan Heng Wah proposed and Ms Gian Ai Ziah seconded the said resolution.

- 7.4 The Chairman then put Ordinary Resolution 5 to the vote by a show of hands and upon a unanimous vote, the Chairman declared the resolution as carried.

8. Any Other Business

The Chairman sought confirmation from the Company Secretary whether the Company had received any notice for transaction of other business which had been given in accordance with the Companies Act 1965 and the Company’s Articles of Association. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at the Meeting.

8.1 Note of Appreciation To YBhg Dato’ Mohamed Khadar Merican (Chairman of the Board)

As stated in Explanatory Note 2 of the Notice of AGM, YBhg Dato’ Mohamed Khadar Merican (“YBhg Dato’ Mohamed Khadar”) had served the Group for more than 12 years since his first appointment as Independent Non-Executive Director in the Group in 2003. He had been re-designated as a Non-Independent Non-Executive Director/Chairman in April 2015.

Pursuant to the Internal Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group, a Non-Executive Director (save for the Non-Independent Non-Executive Director who is a Board representative of the major shareholders) shall retire at the next AGM of the company concerned upon completion of his consecutive or cumulative term of 12 years. Hence, YBhg Dato’ Mohamed Khadar will retire at the conclusion of the Meeting.

It was noted that a new Chairman will be appointed in due course. A proposal pertaining thereto has been submitted to Bank Negara Malaysia (“BNM”) and is now pending approval. An announcement on such appointment will be released upon BNM’s approval.

YBhg Dato’ Mohamed Khadar recorded his sincere appreciation to the other Board members, Management and staff of the Group as well as all the shareholders, for the support and collaboration given to him during his tenure on the Board. He is leaving the Company in the knowledge that it is in the good hands of the Board and the team and look forward to the continued success of the RHB Banking Group in its future undertakings.

Mr Quah Bank Aik, on behalf of Minority Shareholder Watchdog Group (“MSWG”), expressed MSWG’s gratitude for the good performance and commitment of YBhg Dato’ Mohamed Khadar in his capacity as Director/Chairman of RHB Capital for more than 12 years. RHB Banking Group has embarked on a successful journey and had strongly improved its corporate governance practices under his stewardship.

On behalf of the Board, YBhg Tan Sri Azlan Zainol (a Non-Independent Non-Executive Director of RHB Capital and the Non-Independent Non-Executive Chairman of RHB Bank Berhad), recorded the Board’s appreciation to the Chairman, YBhg Dato’ Mohamed Khadar for his utmost contribution and commitment as well as leadership to RHB Banking Group during his tenure of service as Director/Chairman of the Board. YBhg Dato’ Mohamed Khadar had led the Group well through its good and bad times over the past 12 years. He has always been the fountain of knowledge to the Board.

9. Close Of Meeting

There being no other business to be transacted, the Meeting ended 12.10 p.m. with a vote of thanks to the Chairman. The Chairman also thanked the Members for their support and attendance.

CONFIRMED

- Original Copy Signed -

TAN SRI AZLAN ZAINOL