



RHB BANK BERHAD

TERMS OF REFERENCE (“TOR”) OF BOARD NOMINATING & REMUNERATION COMMITTEE (“BNRC”)

OBJECTIVE

1. Review and assess the appointment/re-appointments of directors, board committee members, Shariah Committee (“SC”) members, Senior Officers, Appointed Actuary and Company Secretary (where applicable) for recommendation to the Board of Directors of main entities and other subsidiaries (as deemed appropriate) under RHB Banking Group (“Boards”).
2. Advise the Boards on optimal size and mix of skills of Boards.
3. Provide oversight and direction on Human Resource (“HR”) matters and operations, and to recommend to the Boards for approval of remuneration and human resource strategies.
4. Implement and administer the Share Grant Scheme (“SGS” or “the Scheme”) in accordance with the provisions of the By-Laws governing the SGS (“By-Laws”).
5. Do all such acts; enter into any transaction, agreement, deed, instrument, document or arrangement; make such rules and regulations; and/or impose terms and conditions relating to the administration of the Scheme, as the BNRC may in its discretion deem fit, necessary and/or expedient for the implementation and administration of and/or to give full effect to the Scheme, subject always to the provisions of the By-Laws and express limitations imposed by the Board of RHB Bank Berhad (“RHB Bank”), if any.
6. Subject to the provisions of the By-Laws, compliance with any regulatory requirements, and the approval of any regulatory authority (if required), construe and interpret the By-Laws, to define the terms therein and recommend to the Board of RHB Bank, any addition, amendment, modification to and/or deletion of the By-Laws as it shall in its discretion think fit.
7. The BNRC in the exercise of its powers may correct any defect, rectify any error or omission or reconcile any inconsistency in the By-Laws in such manner and to the extent it shall deem necessary to expedite and make the Scheme fully in accordance with the provisions of the By-Laws.

Notes:

- (i) *The definition of ‘Senior Officers’ in this TOR entails Group Managing Director (“GMD”), Group Management Committee (“GMC”) members and permanent invitees, and any persons as may be decided by the BNRC.*



(ii) *The definition of ‘main entities’ in this TOR entails the following companies:*

- (a) *RHB Bank;*
- (b) *RHB Investment Bank Berhad (“RHB Investment Bank”);*
- (c) *RHB Islamic Bank Berhad (“RHB Islamic Bank”);*
- (d) *RHB Insurance Berhad (“RHB Insurance”); and*
- (e) *RHB Asset Management Sdn Bhd.*

AUTHORITY

1. The BNRC is authorised by the Board to act within its TOR and shall be vested with such power and authority to undertake and implement its duties and responsibilities as set out in its TOR, to obtain the resources which it requires including but not limited to obtaining expert advice, both internal and external, and to have full and unrestricted access to information to enable the BNRC to fulfill its objectives.
2. Additionally, each and every member of the BNRC shall be vested with such power and authority, specific or general, as may from time to time be decided upon by the Board.

DUTIES AND RESPONSIBILITIES

The **duties and responsibilities** of the BNRC with regard to its **nomination roles** shall include the following:

1. Establish a framework for the appointment and re-appointment of directors, board committee members, SC members, Senior Officers, Appointed Actuary and Company Secretary.
2. Establish and recommend for Board’s approval, minimum requirements for directors, SC members, Senior Officers, Appointed Actuary and Company Secretary.
3. Establish and recommend for Board’s approval, the optimal size and mix of skills to ensure efficient operation of the boards/board committees/SC.
4. Review on a periodic basis, the policy on boardroom and gender diversity.
5. Assess and recommend for Board’s approval, new and reappointed nominees (where applicable) for directorship, board committee members, SC members, Senior Officers, Appointed Actuary and Company Secretary.
6. Establish and recommend for Board’s approval, the expectations on time commitment for the directors and protocols for accepting new directorships.



7. Establish and recommend for Board's approval, a mechanism for the formal assessment of the performance of Boards as a whole, board committees, SC members, each director, Senior Officers and Appointed Actuary.
8. Review performance assessment results of the Senior Officers and Other Material Risk Takers of the main entities of RHB Banking Group including Appointed Actuary (as detailed in Attachment A under Group A) and make appropriate recommendations to the respective Boards.
9. Consider disciplinary cases and decide on disciplinary actions or punishments to be meted out on Senior Officers, Appointed Actuary and Company Secretary. Any appeals in respect thereof shall be elevated to the respective Boards.
10. Recommend to the Boards, the removal of any director, SC member, Senior Officer, Appointed Actuary or Company Secretary found to be ineffective, errant and negligent in the discharge or responsibilities.
11. Ensure directors, board committee members and SC members receives appropriate induction and continuous training programs for closure of skill gaps and keeping abreast with latest developments.
12. Establish and recommend for Board's approval, the criteria to assess independence of independent directors.
13. Assess annually the independence of independent directors and that the directors and officers of RHB Banking Group meet the identified independence criteria and are not disqualified under relevant regulations.
14. Review and recommend for Board's approval, any significant change in the organisation structure of RHB Banking Group or/and the major operating subsidiaries.
15. Whenever key expatriates at RHB Banking Group are employed, to ensure there is in place a process for the transfer of expertise and skills from the expatriates to the staff of RHB Banking Group.
16. Recommend to the Boards, a policy regarding the period of service for the executive and non-executive directors.
17. Oversee the succession planning and talent management of Senior Officers.
18. Perform any other functions as defined by the Boards.



The **duties and responsibilities** of the BNRC with regard to its **remuneration roles** shall include the following:

1. Ensure the establishment of formal and transparent procedures for developing remuneration and HR policies, strategies and framework for directors, SC members, Senior Officers and staff.
2. Recommend remuneration strategies, policies and framework and specific remuneration packages for directors, board committee members, SC members, Senior Officers and Other Material Risk Takers of the main entities of RHB Banking Group including Appointed Actuary (as detailed in Attachment A under Group A), which should be (where relevant):
 - a) Market competitive and in support of RHB Banking Group's culture, vision, objectives and strategy;
 - b) Reflective of the responsibilities and commitment required;
 - c) Sufficient to attract and retain quality people but yet not excessive; and
 - d) Performance driven with sufficient emphasis on long term development of RHB Banking Group to avoid excessive short-term risk-taking.

The framework should cover all aspects of remuneration including directors' fees, salaries, allowances, bonuses, option and benefits-in-kind.

3. Ensure HR strategies, policies and frameworks are in place for all the building blocks of a quality HR management system (e.g. succession planning, talent and leadership development, training, etc.) to support RHB Banking Group in achieving its objectives.
4. Review and assess the effectiveness of the Group HR Division in supporting RHB Banking Group, including oversight of the scope and quality of Group HR projects/programmes.
5. Recommend for Board's approval, new Group HR policies and frameworks, and changes to the said frameworks, in line with HR strategy and direction set by the Board.
6. Approve changes to Group HR policies, in line with HR strategy and direction set by the Board.
7. Review and recommend for Board's approval, any significant change in the organisation structure of RHB Banking Group or/and the major operating subsidiaries.
8. Perform any other functions as defined by the Boards.



Notes:

- (i) *The recommendations made by the BNRC under its TOR with respect to the Group Chief Internal Auditor shall additionally be tabled to the Board Audit Committee for consideration and approval.*
- (ii) *The recommendations made by the BNRC under its TOR with respect to the Group Chief Risk Officer and the Group Chief Compliance Officer shall additionally be tabled to the Board Risk Committee for consideration and endorsement.*

The **duties and responsibilities** of the BNRC with regard to its **roles regarding SGS** shall include the following:

1. Develop and maintain RHB Bank's policies and implementation guidelines in relation to the granting of RHB Bank Shares in light of RHB Bank's overall remuneration policy in accordance with provisions of the By-Laws.
2. Save for Item 21 hereafter, approve and determine the manner in which RHB Bank Shares are granted to the Selected Employees and subsequently vested to the Grantee in accordance with the provisions of the By-Laws, including, amongst others, the determination of eligibility, the basis of allotment and size of Grant, terms and conditions of the Offer and any other terms and other conditions imposed, at the discretion of the BNRC provided always that no member of the BNRC shall participate in any deliberation or decision in respect of RHB Bank Shares to be granted to himself and persons connected to him.
3. Unless it is no longer a requirement under the Listing Requirements, to ensure that the allocation of RHB Bank Shares to Selected Employees is verified at the end of each financial year of RHB Bank by the Board Audit Committee, in compliance with criteria referred to in By-Law 4.1.
4. On such reasonable period before the expiry of the SGS Period, for any unvested RHB Bank Shares, the BNRC may in its absolute discretion, permit the vesting of all or part of unvested RHB Bank Shares to the Grantee, subject to such terms and conditions as may be prescribed by the Board notwithstanding that:
 - a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms or conditions set forth in the Grant have not been fulfilled/satisfied.
5. The Scheme may be terminated at any time before the expiry of the SGS Period by written notice to the affected Grantees. In such an event and in the case of unvested RHB Bank Shares, the unvested RHB Bank Shares will cease to be capable of vesting unless the BNRC may in its absolute discretion, permit the vesting of all or part of



unvested RHB Bank Shares to the Grantees at any time before the termination date as determined by the BNRC subject to such terms and conditions as may be prescribed by the BNRC notwithstanding that:

- a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms or conditions set forth in the Grant have not been fulfilled/satisfied.
6. In the event the Grant is settled by way of cash and the BNRC is of the opinion the price of RHB Bank Shares is not representative of the Market Value, then the BNRC may determine such price of the RHB Bank Shares accompanied by written confirmation of the auditor or other adviser appointed by RHB Bank (acting only as experts and not as arbitrators) that such price is, in their opinion, fair and reasonable.
7. In the event a Grantee is subjected to any internal investigations and/or proceedings (collectively, "Proceedings") (whether giving rise to a dismissal or termination of service, demotion to a lower category of employment, or any other action) after the acceptance of an Offer, the BNRC may suspend the rights in respect of the Grant pending the outcome of the Proceedings unless otherwise decided by the BNRC who may in doing so, impose such terms and conditions as it deems appropriate having regard to the nature of the Proceedings brought against the Grantee in accordance to By-Law 12.2.
8. If a Grantee who held office or was in the employment with a company which has ceased to be a RHB Banking Group Member as a result of a restructuring or divestment exercise or otherwise (other than a takeover or reconstruction as a result of a restructuring or divestment exercise or otherwise provided under the provisions of the By-Laws), the BNRC may in its discretion permit the vesting of all or part of unvested RHB Bank Shares to the Grantee at any time subject to such terms and conditions as may be prescribed by the BNRC notwithstanding that:
- a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms or conditions set forth in the Grant have not been fulfilled/satisfied.
9. To extend, at the discretion of the BNRC and subject to any applicable law, the benefit of the Scheme to any employee of any company which is not a RHB Banking Group Member but which is a jointly-controlled entity of, or is associated with, RHB Banking Group, and deem such employee to be an Eligible Employee for the purpose of the Scheme, in the situation where such an employee had at any time (whether before or after the Effective Date) been seconded from any RHB Banking Group Member to that company.



10. In the event of an alteration in the capital structure of RHB Bank at any time during the SGS Period in the manner prescribed in the By-Laws, to make any alterations to the number of unvested RHB Bank Shares comprised in a Grant and/or the method or manner of vesting of RHB Bank Shares comprised in a Grant.

11. In the event of any selective capital reduction exercise, take-over or any corporate proposal involving the acquisition of all of the issued share capital of RHB Bank (or such part thereof not at the time owned by the person making the general offer or any persons acting in concert with the acquirer), whether by way of a general offer or otherwise being undertaken, the BNRC may in its discretion to the extent permitted by law permit the termination of the Grant whereby the Grant shall immediately lapse and become null and void and any unvested RHB Bank Shares comprised in the Grant shall forthwith cease to be capable of vesting or permit the vesting of all or part of unvested RHB Bank Shares to the Grantee or the Grantee's legal and personal representatives, as the case may be, at any time before the date on which such selective capital reduction exercise, take-over or corporate proposal is completed, subject to such terms and conditions as may be prescribed notwithstanding that:
 - a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms and conditions set forth in the Grant have not been fulfilled/satisfiedafter which, all Grants shall be null and void and any unvested RHB Bank Shares shall cease to be capable of vesting.

12. If the approval from the court has been obtained for a compromise or arrangement between RHB Bank and its members for the purposes of, or in connection with, a scheme of arrangement pursuant to Section 366 of the Act or a reconstruction of RHB Bank or its amalgamation with any other corporation pursuant to section 370 of the Act, the BNRC may permit the termination of the Grant whereby the Grant shall immediately lapse and become null and void and any unvested RHB Bank Shares comprised in the Grant shall forthwith cease to be capable of vesting or permit the vesting of all or part of unvested RHB Bank Shares to the Grantee or the Grantee's legal and personal representatives, as the case may be, at any time before the date of lodgment of the order from the court approving such scheme of arrangement or a reconstruction of RHB Bank or its amalgamation with any other corporation with the Registrar, subject to such terms and conditions as may be prescribed notwithstanding that:
 - a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms and conditions set forth in the Grant have not been fulfilled/satisfied



after which, all Grants shall lapse and become null and void and any unvested RHB Bank Shares shall cease to be capable of vesting.

13. In the event of a merger between RHB Bank and any other corporation, the BNRC may in its discretion, permit the termination of the Grant whereby the Grant shall immediately lapse and become null and void and any unvested RHB Bank Shares comprised in the Grant shall forthwith cease to be capable of vesting or permit the vesting of all or part of unvested RHB Bank Shares to the Grantee at any time before the date on which the merger is completed subject to such terms and conditions as may be prescribed notwithstanding that:
- a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms and conditions set forth in the Grant have not been fulfilled/satisfied

after which, all Grants shall lapse and become null and void and any unvested RHB Bank Shares shall cease to be capable of vesting.

14. To determine, in the event of the cessation of the employment of a Grantee if cessation occurs as a result of the events set out in the By-Law 35.2, the BNRC may in its discretion, permit the vesting of all or part of unvested RHB Bank Shares to the Grantee at any time before the date of cessation of employment subject to such terms and conditions as may be prescribed notwithstanding that:
- a) the vesting date is not due or has not occurred;
 - b) the vesting period has not commenced; and/or
 - c) other terms and conditions set forth in the Grant have not been fulfilled/satisfied

after which, all Grants shall lapse and become null and void and any unvested RHB Bank Shares shall cease to be capable of vesting.

15. In the event where a Grantee retires and is immediately re-employed by RHB Bank or by any RHB Banking Group Member, upon his re-employment, the BNRC may in its absolute discretion permit the vesting of all or part of unvested RHB Bank Shares to the Grantee subject to such terms and conditions as may be prescribed (provided that no unvested RHB Bank Shares shall be granted to the Grantee after the expiry of the Scheme period or termination).
16. In the event of death of any Grantee before vesting of RHB Bank Shares, the Grant shall automatically lapse and become null and void and any unvested RHB Bank Share shall forthwith cease to be capable of vesting at the date of his death, unless otherwise decided by the BNRC.



17. The BNRC may do all such acts to rectify any error or omission as stipulated in By-Law 24 and ensure that the Eligible Employee is given the opportunity to participate in the Scheme if such error or omission cannot be corrected within the relevant period specified in the By-Laws.
18. To provide for any special terms to apply to Offers and/or Grants to the Eligible Employees or the Selected Employees who are employed by a RHB Banking Group Member in a particular jurisdiction, or who are nationals of any particular jurisdiction, that is outside Malaysia, as the BNRC may consider necessary or appropriate to accommodate differences in applicable law, tax policy or custom and to approve such supplements to or amendments, restatements or alternative versions of, the By-Laws as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of the By-Laws.
19. To approve and prescribe the letter of Offer and form of acceptance of Offer in accordance with the terms of the By-Laws.
20. If applicable, to instruct the Trustee to subscribe for new RHB Bank Shares or acquire treasury RHB Bank Shares or existing RHB Bank Shares from the main market of Bursa Malaysia Securities Berhad at any time and from time to time and to revoke or suspend any such instruction that has earlier been given to the Trustee. The BNRC may in its discretion direct for the implementation and administration of the Trust.
21. To determine and recommend the following for the approval of the Board:
 - a) Grants of RHB Bank Shares to the Executive Directors, Major Shareholders and chief executive officer of RHB Bank and its holding company (if any) and Persons Connected to them;
 - b) Termination of the Scheme (if required);
 - c) Any addition, amendment, modification and/or deletion to all or any part of the By-Laws;
 - d) Vesting Conditions; and
 - e) appointment of a Trustee to facilitate the implementation of the Scheme or rescind the appointment of any Trustee as it deems fit (if required).
22. To perform such other duties and functions as may be requested by the Board.



RESERVED MATTERS RELATING TO SGS

The following matters relating to SGS shall be reserved for deliberation/discussion by the Board of RHB Bank:

1. The approval of grants of RHB Bank Shares to the Executive Directors, Major Shareholders and chief executive officer of RHB Bank and its holding company (if any) and Persons Connected to them pursuant to the Scheme.
2. To approve RHB Banking Group's and employees' individual performance measures and Vesting Conditions (including any subsequent amendments and changes) as recommended by the BNRC (as the case may be).
3. To do all matters relating to or in connection with the Scheme as the Board of RHB Bank may in its discretion consider necessary or desirable for giving full effect to the Scheme.
4. To approve any addition, amendment, modification and/or deletion to all or any part of the By-Laws upon recommendation by the BNRC pursuant to the By-Laws.
5. To exercise or execute any of the powers and authorities conferred upon the BNRC pursuant to the By-Laws.
6. To approve the termination of the Scheme.
7. To approve the appointment of a Trustee.

REPORTING

The BNRC reporting line is to the respective Boards of the main entities that adopt the BNRC.

COMPOSITION OF BNRC

1. The BNRC shall comprise only non-executive directors, with at least three (3) members. The BNRC should be chaired by the Senior Independent Non-Executive Director or an independent director. In the absence of Chairman, the members of the BNRC shall elect an independent director to chair the Meeting.
2. In order to avoid conflict of interest, a member of the BNRC shall abstain from participating in discussions and decisions on matters involving the person.



FREQUENCY OF MEETING

1. Meetings shall be held at least once a quarter with a quorum of at least two (2) members or 50% of the total members, whichever is higher; half of whom shall be independent directors. Additional meetings may be called at the discretion of the Chairman of the BNRC.
2. The BNRC may invite any other director or members of management and employees of RHB Bank to be in attendance during meetings to assist in its deliberations.
3. Meetings of the BNRC shall be governed by the provisions of RHB Bank's Constitution relating to Board meetings except in so far as the same are amended in these TOR.

SECRETARIAT

1. Company Secretary or representative from Group Secretariat.
2. Minutes of each BNRC meeting shall be kept and distributed to all members of the BNRC. The minutes of the BNRC meeting shall be presented at the Board Meeting and the Chairman of the BNRC shall report on material issues which have been deliberated at BNRC meeting to the Board.

DISCLOSURE

The activities of the BNRC and its assessments should be disclosed in the relevant entity's annual report as follows:

1. Membership of the BNRC;
2. Responsibilities of the BNRC; number of BNRC meetings and the attendance of BNRC members;
3. A statement on the BNRC's assessment on the mix of skills, experience and other qualities of directors; and
4. Policy on boardroom and gender diversity.



ATTACHMENT A

List of Senior Officers and Other Material Risk Takers under Group A for the Oversight by the Board of RHB Bank in addition to the Respective Boards of the Main Entities

RHB Bank (Senior Officers and Other Material Risk Takers)

1. GMD;
2. GMC Members and Permanent Invitees;
3. Head, Homeowners;
4. Head, Cards and Unsecured Business;
5. Head, Commercial Banking;
6. Head, Small and Medium Enterprise (Engagement); and
7. Group Chief Credit Officer.

RHB Investment Bank (Senior Officers)

1. Head, Group Capital Market; and
2. Head, Group Retail Equities and Futures.

RHB Islamic Bank (Senior Officer)

1. Deputy Chief Executive Officer.

RHB Insurance (Senior Officers)

1. Chief Operations Officer / Head, Underwriting & Claims; and
2. Appointed Actuary.

Note: (Not Part of BNRC TOR)

The list of senior officers and other material risk takers under Group B for the oversight by the respective Boards of RHB Investment Bank, RHB Islamic Bank and RHB Insurance only is to be maintained and reviewed by Group HR Division. Any proposal on performance and remuneration in relation to the said senior officers and other material risk takers is not required to be tabled to the BNRC and shall be tabled to the respective Boards for consideration and approval accordingly.



ATTACHMENT B

Applicable Definitions

Act	: Companies Act 2016 [Act 777], as amended from time to time, including any re-enactment thereof
By-Laws	: The By-Laws governing the Scheme, as amended, modified and/or supplemented from time to time
Constitution Eligible	: Constitution of RHB Bank
Employee	: An employee or Executive Director of RHB Banking Group who has been determined to be eligible for participation in the Scheme pursuant to the provisions of By-Law 5.1
Effective Date	: Date on which the Scheme takes effect, being the date of full compliance with all relevant requirements of the Listing Requirements more particularly set forth in By-Law 7.1
Executive Director	: A Director of RHB Banking Group who is involved in the day-to-day management of RHB Banking Group
Grant	: An Offer which has been accepted by a Selected Employee
Grantee	: A Selected Employee who has duly accepted an Offer in accordance with the provisions of the By-Laws
Listing Requirements	: Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as amended from time to time
Major Shareholder	: As defined in paragraph 1.01 of the Listing Requirements
Market Value	: The 5-day volume-weighted average price of a RHB Bank Shares immediately preceding the vesting date
Offer	: An offer made in writing by the BNRC to a Selected Employee pursuant to the Scheme
Persons Connected	: As defined in paragraph 1.01 of the Listing Requirements
Registrar	: As defined in Section 2 of the Act
RHB Banking Group	: For the purpose of the SGS, RHB Banking Group means, collectively, RHB Bank and its subsidiaries (excluding dormant subsidiaries)



- RHB Banking Group Member : Any corporation comprised in RHB Banking Group
- RHB Bank Shares : Ordinary shares of RHB Bank
- Scheme or SGS : RHB Banking Group Share Grant Scheme established under, and governed by the provisions of the By-Laws
- Selected Employee : An Eligible Employee to whom Offer is to be made pursuant to the provisions of By-Law 30.1
- SGS Period : The duration of the SGS as set forth in the provisions of By-Law 7.1
- Trust : The trust established to facilitate the implementation of the Scheme (as the case may be) pursuant to the provisions of By-Law 9
- Trustee : Trustee for the time being appointed by RHB Bank for the Scheme pursuant to the provisions of By-Law 9
- Vesting Conditions : Conditions recommended by the BNRC and approved by the Board, and stipulated in the Offer in respect of a Grant, which must be fulfilled by a Grantee for the vesting of the RHB Bank Shares stipulated in such Offer as described in By-Law 33.1

In the event of any ambiguity or conflict arising between the terms of this TOR and those of the By-Laws, the terms of the By-Laws shall prevail.