



RHB BANK BERHAD

(Company No. 6171-M)

(Incorporated in Malaysia under the then Companies Ordinances, 1940 – 1946)

NOTICE OF FIFTY FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty First (“51st”) Annual General Meeting (“AGM”) of the Company will be held at Ballroom 1 & 2, Level 2, InterContinental Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur on Wednesday, 26 April 2017 at 10.30 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

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| 1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Directors’ and Auditors’ Reports thereon. | (Please refer to Explanatory Note 1) |
| 2. To approve a single-tier final dividend of 7 sen per share in respect of the financial year ended 31 December 2016. | Ordinary Resolution 1 |
| 3. To re-elect YBhg Tan Sri Azlan Zainol, who is retiring under Article 92 of the Company’s Articles of Association and being eligible, offers himself for re-election. | Ordinary Resolution 2 |
| 4. To re-elect Mr Ong Seng Pheow, who is retiring under Article 92 of the Company’s Articles of Association and being eligible, offers himself for re-election. | Ordinary Resolution 3 |
| 5. To re-elect YBhg Tan Sri Dr Rebecca Fatima Sta Maria, who is retiring under Article 96 of the Company’s Articles of Association and being eligible, offers herself for re-election. | Ordinary Resolution 4 |
| 6. To re-elect YBhg Tan Sri Saw Choo Boon, who is retiring under Article 96 of the Company’s Articles of Association and being eligible, offers himself for re-election. | Ordinary Resolution 5 |
| 7. To approve the payment of Directors’ fees and Board Committees’ allowances amounting to RM1,577,841.54 for the financial year ended 31 December 2016. | Ordinary Resolution 6 |
| 8. To approve the payment of Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) to the Non-Executive Directors up to an amount of RM1.3 million, from 31 January 2017 until the next AGM of the Company. | Ordinary Resolution 7 |
| 9. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company, to hold office until the conclusion of the next AGM of the Company, at a remuneration to be determined by the Directors. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following ordinary resolutions:

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| 10. Retention of Independent Non-Executive Director | |
| “THAT pursuant to the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group and in line with the recommendations of the Malaysian Code on Corporate Governance 2012, Mr Ong Seng Pheow be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.” | Ordinary Resolution 9 |
| 11. Authority for Directors to issue shares | |
| “THAT subject always to the Companies Act 2016, the Company’s Articles of Association and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being.” | Ordinary Resolution 10 |
| 12. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Articles of Association. | |

By Order of the Board,

Azman Shah Md Yaman (LS 0006901)
Ivy Chin So Ching (MAICSA No. 7028292)

Company Secretaries

Kuala Lumpur
28 March 2017

NOTES:

Appointment of Proxy

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 April 2017 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 51st AGM.
- A member of the Company entitled to attend and vote at the general meeting is entitled to appoint up to two (2) proxies to attend and vote in his place. A proxy may but need not be a member of the Company.
- The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its attorney duly authorised in writing.
- If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“SICDA”), it may appoint at least one (1) proxy in respect of each Securities Account which is credited with ordinary shares of the Company.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The Form of Proxy or other instruments of appointment must be deposited at the office of the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd, at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

Explanatory Notes

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2016

Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 7 - Payment of Directors’ Remuneration (excluding Directors’ fees and Board Committees’ allowances) to the Non-Executive Directors

The proposed Directors’ Remuneration (excluding Directors’ fees and Board Committees’ allowances) comprises the allowances and other emoluments payable to Non-Executive Directors. The current remuneration policy is as set out below:

	Description	Non-Executive Chairman RM	Non-Executive Directors RM
(1)	Monthly Fixed Allowance ^(a)	15,000	Not Applicable
(2)	Meeting Allowance (per meeting): Board of RHB Bank Berhad Board Committees ^(b)	1,500 1,500	1,500 1,500
(3)	On-Going Recognition & Appreciation Service Award Scheme ^(c) (Discontinued with effect from 1 January 2017)	-	4,180.32 (Balance of unclaimed entitlement)
(4)	Farewell Pot Scheme ^(d) (per annum) (Established with effect from 1 January 2017)	2,000	2,000
(5)	Other Benefits: Club membership, driver, car and petrol allowance, etc.		

Notes:

- The monthly fixed allowance is given to the Chairman of RHB Bank Berhad (“RHB Bank”) as a Special Allowance, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him.
- The abovementioned Board Committees are Centralised Committees which are shared by RHB Bank and its relevant subsidiaries of the Group.
- The On-Going Recognition & Appreciation Service Award Scheme is part of the Group’s reward to Non-Executive Directors on their on-going contribution as well as for Directors’ retention purpose. The quantum of the said scheme is RM10,000 per Non-Executive Director per annum. It is non-cashable and based on reimbursement approach. The above scheme was discontinued and being replaced by “Farewell Pot Scheme” for all Non-Executive Directors effective 1 January 2017. The Non-Executive Directors, however, are still eligible to submit their claims under the On-Going Recognition & Appreciation Service Award Scheme for the period from 1 January 2014 until 31 December 2016, by June 2017.
- Pursuant to “Farewell Pot Scheme”, an amount of RM2,000 is to be potted annually for every Non-Executive Director for the whole duration of the calendar year he serves within the Group. A farewell gift will be granted to Non-Executive Director upon his exit from the Group, either upon retirement or resignation. The value of the said gift is determined based on his entitlement of monetary value accumulated in the pot.

The Group Managing Director/Chief Executive Officer does not receive any Directors’ remuneration.

In determining the estimated total amount of remuneration (excluding Directors’ fees and Board Committees’ allowances) for the Non-Executive Directors including the Non-Executive Chairman of the Board of RHB Bank, the Board considered various factors including the number of scheduled meetings for the Board and Board Committees as well as the number of Non-Executive Directors involved in these meetings. The estimated amount of RM1.3 million for the Relevant Period is derived from a total of RMO.9 million for the financial period from 31 January 2017 to 31 December 2017 and half of the said amount estimated to be RMO.4 million for the period from 1 January 2018 until the next AGM targeted in June 2018.

Payment of the Non-Executive Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) will be made by the Company on a monthly basis and/or as and when incurred, if the Ordinary Resolution 7 has been passed at the 51st AGM. The Board is of the view that it is just and equitable for the Non-Executive Directors to be paid the Directors’ remuneration (excluding Directors’ fees and Board Committees’ allowances) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

3. Ordinary Resolution 9 - Retention of Independent Non-Executive Director

Mr Ong Seng Pheow (“Mr Ong”) is an Independent Non-Executive Director (“INED”) of the Company. Pursuant to the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors for RHB Banking Group and in line with the recommendations of the Malaysian Code on Corporate Governance 2012, the service tenure of an INED should not exceed a consecutive or cumulative term of 9 years. Upon completion of the 9 years, an Independent Director shall retire at the next AGM of the company concerned, otherwise, the Board must justify and seek shareholders’ approval in the event it retains as an INED, a person who has served in that capacity for more than 9 years. The tenure will commence from the date of his appointment as an INED in the Group. Mr Ong was first appointed as an INED in the Group in November 2006 and would therefore be regarded as having served for more than 9 years.

Based on the Board Nominating & Remuneration Committee’s assessment, the Board has recommended that Mr Ong continues to act as an INED of the Company on the following basis:

- he continues to be able to exercise independent judgement and demonstrate objectivity in his deliberations in the best interest of the Company;
- he has detailed knowledge of the business and has proven commitment, experience and competency to effectively advise and oversee the management of the Company; and
- he has met the criteria for independence as defined in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is therefore of the view that the retention of Mr Ong as an INED of the Company is in the best interest of the Company and recommends that you vote in favour of this resolution.

4. Ordinary Resolution 10 - Authority for Directors to Issue Shares

The proposed Ordinary Resolution 10 is a new general mandate to the Directors of RHB Bank to issue ordinary shares of the Company from time to time pursuant to Sections 75 and 76 of the Companies Act 2016. The resolution, if passed, will give powers to the Directors of RHB Bank to issue ordinary shares in the capital of the Company provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being (“General Mandate”), without having to convene a general meeting. The General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or in the event business opportunities or other circumstances arise which involve the issue of new shares and to avoid delay and cost in convening general meetings to approve such issue of shares. In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

Statement Accompanying Notice of 51st Annual General Meeting

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to RHB Bank Berhad’s Annual Report 2016.

