

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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RHB BANK BERHAD
(Registration No. 196501000373 (6171-M))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED DIVIDEND REINVESTMENT PLAN THAT PROVIDES YOU WITH AN OPTION TO ELECT TO REINVEST YOUR CASH DIVIDEND IN NEW ORDINARY SHARES OF RHB BANK BERHAD (“RHB BANK”) (“PROPOSED DRP”)

AND

EXTRACT OF NOTICE OF OUR FORTHCOMING 55TH ANNUAL GENERAL MEETING

Principal Adviser



RHB INVESTMENT BANK BERHAD
(Registration No.: 197401002639 (19663-P))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Our forthcoming 55th Annual General Meeting (“**AGM**”) will be held on a fully virtual basis at the broadcast venue at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Tuesday, 25 May 2021, at 10.00 a.m. or at any adjournment thereof, to consider and, if thought fit, to pass the resolutions, with or without any modifications, to give effect to the Proposed DRP. The notice of our forthcoming 55th AGM is enclosed together with our integrated report for the financial year ended 31 December 2020.

You are encouraged to participate and vote remotely at our forthcoming 55th AGM using the remote participation and electronic voting facilities. Please refer to the administrative details for the procedures to register, participate, and vote remotely at our forthcoming 55th AGM. If you are unable to participate in our forthcoming 55th AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you should complete and deposit the Form of Proxy at the office of the share registrar of RHB Bank, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodge electronically via “Boardroom Smart Investor Portal” at www.boardroomlimited.my, not less than 48 hours before the date and time fixed for our forthcoming 55th AGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating in our forthcoming 55th AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Sunday, 23 May 2021 at 10.00 a.m.

Date and time of our forthcoming 55th AGM : Tuesday, 25 May 2021 at 10.00 a.m.

This Circular is dated 27 April 2021

DEFINITIONS

If the context otherwise requires, the following definitions shall apply throughout this Circular:

| | | |
|---------------------------|---|--|
| Act | : | Companies Act, 2016 |
| AGM | : | Our annual general meeting |
| Allotment Date | : | Date of the allotment and issuance of DRP Shares which falls within eight market days from the Expiry Date or such date as may be prescribed by Bursa Securities |
| Balance Electable Portion | : | If only a part of the Electable Portion is reinvested, the balance of the Electable Portion not reinvested under the Proposed DRP |
| BSIP | : | Boardroom Smart Investor Portal |
| BNM | : | Bank Negara Malaysia |
| Board | : | The board of directors of our Company as at the material date |
| Bursa Depository | : | Bursa Malaysia Depository Sdn Bhd |
| Bursa Securities | : | Bursa Malaysia Securities Berhad |
| Circular | : | This circular dated 27 April 2021 in relation to the Proposed DRP |
| Directors | : | Directors of our Company as at the material date |
| Dividend | : | Cash dividend declared by our Board (whether interim, final, special or any other types of cash dividend) |
| Dividend Payment Account | : | Dividend payment account held in trust for you to facilitate the payment of Dividends |
| DRF | : | Dividend reinvestment form |
| DRP Shares | : | New RHB Bank Shares to be issued pursuant to the Proposed DRP |
| e-DRF | : | Electronic DRF issued in connection with the Proposed DRP |
| Electable Portion | : | Portion of the Dividend to which the Reinvestment Option applies |
| Entitlement Date | : | The date (which will be a date to be fixed and announced by our Board) on which you must be registered in the Record of Depositors to be eligible to participate in the Proposed DRP |
| EPS | : | Earnings per RHB Bank Share |
| EPF | : | Employees Provident Fund Board |
| Expiry Date | : | The last day (which will be a date to be fixed and announced by our Board) by which an election made by you for the Electable Portion must be received by our Share Registrar |
| Final Dividend | : | The proposed single-tier final dividend in respect of the FYE 31 December 2020 of RM0.0765 per RHB Bank Share declared on 26 February 2021 |
| FYE | : | Financial year ended |
| Integrated Report 2020 | : | RHB Bank's integrated report for the FYE 31 December 2020 |

DEFINITIONS

| | | |
|--|---|---|
| Issue Price | : | Issue price of DRP Shares which is to be determined by our Board on the Price Fixing Date and shall be fixed at not more than a 10% discount to the 5-day VWAP of RHB Bank Shares immediately before the Price Fixing Date. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price |
| Listing Requirements | : | Main Market Listing Requirements of Bursa Securities |
| LPD | : | 31 March 2021, being the latest practicable date prior to the printing of this Circular |
| NA | : | Net assets |
| Notice of Election | : | The notice of election by which you elect to participate in the Reinvestment Option |
| Overseas Shareholders | : | Our Shareholders who currently do not have a registered address in Malaysia |
| Price Fixing Date | : | A date to be determined by our Board on which the Issue Price will be determined |
| Proposed DRP | : | Proposed dividend reinvestment plan that provides you with an option to elect to reinvest, in whole or in part, your Dividends in DRP Shares |
| Record of Depositors | : | A record of securities holders of our Company established by Bursa Depository under the Rules of Bursa Depository |
| Reinvestment Option | : | The option to reinvest all or part of the Dividend in DRP Shares |
| Remaining Portion | : | If the Electable Portion is only applicable for part of and not the whole Dividend declared, the remaining portion of the Dividend |
| RHB Bank or Company | : | RHB Bank Berhad |
| RHB Banking Group or Group | : | Our Company and our subsidiaries, collectively |
| RHB Bank Shares or Shares | : | Ordinary shares of our Company |
| RHB Investment Bank or Principal Adviser | : | RHB Investment Bank Berhad |
| Rules | : | Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia |
| Shareholders | : | Shareholders of our Company |
| Share Registrar | : | Boardroom Share Registrars Sdn. Bhd., being the share registrar of our Company |
| VWAP | : | The volume weighted average market price |

Terms on currency

| | | |
|------------|---|--|
| RM and sen | : | Ringgit Malaysia and sen, respectively |
|------------|---|--|

PRESENTATION OF INFORMATION

All references to “**you**” and “**your**” in this Circular are to our Shareholders. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and if the context otherwise requires, our Group.

Unless specifically referred to, words denoting the singular shall, if applicable, include the plural and vice versa and words denoting the masculine gender shall, if applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference to any enactment, statute, rules, regulation, rules of stock exchange or guidelines be construed as a reference to the provisions of such enactment, statute, rules, regulation, rules of stock exchange or guidelines as modified by any written law or (if applicable) amendments to the enactment, statute, rules, regulation, rules of stock exchange or guidelines from the time being in force.

Any reference to a time of day herein shall be a reference to Malaysian time and date, respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that such estimates and assumptions will be achieved.

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EXTRACT OF NOTICE OF THE FORTHCOMING 55TH AGM..... ENCLOSED



RHB BANK BERHAD
(Registration No. 196501000373 (6171-M))
(Incorporated in Malaysia)

Registered office
Level 10, Tower One
RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Malaysia

27 April 2021

Board of Directors

Tan Sri Ahmad Badri Mohd Zahir (*Non-Independent Non-Executive Chairman*)
Tan Sri Dr Rebecca Fatima Sta Maria (*Senior Independent Non-Executive Director*)
Tan Sri Ong Leong Huat @ Wong Joo Hwa (*Non-Independent Non-Executive Director*)
Ong Ai Lin (*Independent Non-Executive Director*)
Lim Cheng Teck (*Independent Non-Executive Director*)
Sharifatu Laila Syed Ali (*Independent Non-Executive Director*)
Dato' Mohamad Nasir Ab Latif (*Non-Independent Non-Executive Director*)
Donald Joshua Jaganathan (*Independent Non-Executive Director*)
Datuk Iain John Lo (*Independent Non-Executive Director*)
Dato' Khairussaleh Ramli (*Group Managing Director*)

To: Our Shareholders

Dear Sirs/Madam,

PROPOSED DRP

1. INTRODUCTION

On 17 December 2020, RHB Investment Bank had, on behalf of our Board, announced that our Company proposes to undertake the establishment of the Proposed DRP.

On 26 February 2021, RHB Bank had proposed a Final Dividend of RM0.0765 in respect of the FYE 31 December 2020. Further, our Board had in the same announcement on the proposed Final Dividend also announced that you shall be given an option to elect to reinvest the entire Final Dividend into DRP Shares.

On 30 March 2021, RHB Investment Bank had, on behalf of our Board, announced that BNM had, vide its letter dated 29 March 2021, approved the increase in our issued share capital up to RM306.8 million arising from the issuance of DRP Shares pertaining to the Final Dividend.

On 8 April 2021, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 7 April 2021, approved the listing and quotation of up to 85,213,469 DRP Shares on the Main Market of Bursa Securities in respect of the Final Dividend.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION IN RELATION TO THE PROPOSED DRP AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED DRP, AND THE ALLOTMENT AND ISSUANCE OF DRP SHARES WHICH WILL BE TABLED AT OUR FORTHCOMING 55th AGM. THE NOTICE OF OUR FORTHCOMING 55th AGM AND THE FORM OF PROXY ARE ENCLOSED WITH THE INTEGRATED REPORT 2020.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED DRP TO BE TABLED AT OUR FORTHCOMING 55th AGM.

2. DETAILS OF THE PROPOSED DRP

2.1 Overview of the Proposed DRP

The Proposed DRP will provide you an opportunity to reinvest the Dividend in DRP Shares, in lieu of receiving cash. You should note that our Board is not obliged to undertake the Proposed DRP for each and every Dividend to be declared.

Whenever a Dividend is declared, our Board may, at its absolute discretion, determine:

- (a) whether to pay such Dividend in cash or to offer you a Reinvestment Option; and
- (b) if the Reinvestment Option is applicable, the size of the Electable Portion.

The Electable Portion may encompass the whole or part of the Dividend declared. If the Electable Portion is only applicable for part of and not the whole Dividend declared, the Remaining Portion will be paid in cash to you in the usual manner.

Unless our Board has determined that the Reinvestment Option will apply to a particular Dividend declared (whether in whole or in part), all Dividend as may be declared by our Board will be paid wholly in cash to you in the usual manner.

2.2 Election to receive Dividend or to reinvest the Dividend in DRP Shares

You will have the following options for a Reinvestment Option:

- Option 1** : Elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion at the Issue Price and to receive the Remaining Portion in cash
- Option 2** : Elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion at the Issue Price and to receive the Balance Electable Portion and Remaining Portion in cash
- Option 3** : Elect not to participate in the Reinvestment Option and thereby receiving your entire Dividend entitlement (both Electable Portion and Remaining Portion) wholly in cash

2.3 Sequence of events after the establishment of the Proposed DRP

The approval of Bursa Securities will be sought for the listing and quotation of the DRP Shares to be issued on the Main Market of Bursa Securities pursuant to each and every Dividend to which the Proposed DRP applies. After obtaining the approval of Bursa Securities, and such approval from other relevant authorities, if any:

- (a) we shall make an announcement in relation to the Entitlement Date; and
- (b) we shall make an announcement in relation to the Price-Fixing Date and Issue Price on or before the announcement of the Entitlement Date.

Subsequent to the Entitlement Date, a Notice of Election will be despatched to you. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action you should take if you wish to exercise the Reinvestment Option.

For those of you who have registered your e-mail addresses in your central depository system account, the Notice of Election will be sent to you via e-mail in softcopy. Hardcopy of the Notice of Election will be sent via ordinary mail to those of you who do not have your e-mail addresses registered in your central depository system account. You may elect to participate to reinvest in DRP Shares by either submitting a completed and signed DRF contained in the Notice of Election or by submitting the completed e-DRF to our Share Registrar through BSIP at www.boardroom.my, such that it reaches our Share Registrar on or before the Expiry Date and in accordance with the instructions as prescribed therein.

After the Entitlement Date, our Company shall transfer funds amounting to the total net payment of Dividend (i.e. after the deduction of any applicable tax) to the Dividend Payment Account. When such funds have been transferred, the Dividend will be paid and dealt with in the following manner:

- (a) if you elect to exercise your Reinvestment Option:
 - (i) you will receive your respective Remaining Portion and Balance Electable Portion in cash;
 - (ii) your Electable Portion or part of the Electable Portion which you elect to reinvest in DRP Shares will be paid to, and reinvested in our Company for DRP Shares; and
- (b) if you do not elect to exercise your Reinvestment Option, you will receive your entire Dividend in cash.

Our Company will, on the Allotment Date, allot and issue the DRP Shares and despatch notices of allotment to you, if you have elected to participate in the Reinvestment Option. The DRP Shares will not be underwritten.

Concurrently on the Allotment Date, our Company will pay you the Remaining Portion and Balance Electable Portion in cash. For avoidance of doubt, if you elect not to exercise your Reinvestment Option, you will also be paid in cash concurrently on the Allotment Date in the usual manner.

An announcement will also be made by our Company on the day which the DRP Shares will be listed and quoted on the Main Market of Bursa Securities.

Further, pursuant to Paragraphs 8.26(2) and 9.19(2)(a)(ii) of the Listing Requirements, a dividend (by cash, share or both) must be paid within one month from the Entitlement Date and in any event, not later than three months from:

- (i) the date of the declaration of the Dividend; or
 - (ii) the date on which the approval for the Dividend is obtained in our general meeting,
- whichever is applicable.

Please refer to Appendix II of this Circular for the administrative process flow chart of the Proposed DRP.

2.4 Fractional shares

If you elect to exercise the Reinvestment Option, you will not be allotted fractional shares. As such, the amount of the Electable Portion relating to such fractional entitlement of DRP Shares will be paid in cash to you in the usual manner.

2.5 Pricing of DRP Shares

The Issue Price, which will be determined by our Board on the Price-Fixing Date, shall be fixed at not more than a 10% discount to the 5-day VWAP of RHB Bank Shares immediately before the Price Fixing Date, in compliance with Paragraph 6.45D(1) of the Listing Requirements. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price.

The DRP Shares will be issued free from any brokerage fees and other related transaction costs to those of you who elect to participate, unless otherwise provided by any statute, law or regulation. However, those of you who elect to participate are required to pay RM10.00 for stamp duty.

2.6 Eligibility to participate in the Proposed DRP

All of you are eligible to participate in the Proposed DRP, subject to the restrictions on Overseas Shareholders and provided that:

- (a) such participation will not result in a breach of any restrictions on your holding of RHB Bank Shares which may be imposed by any of your contractual obligation, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (b) there is no restriction for such participation as prescribed in our Constitution.

Overseas Shareholders are to take note of the following:

The Proposed DRP will only be offered for subscription in Malaysia to avoid any violation of any securities laws applicable outside of Malaysia by our Company. No action has been or will be taken to ensure that the Proposed DRP complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Proposed DRP including the Notice of Election will not be sent to Overseas Shareholders. No Overseas Shareholders shall have any claim whatsoever against our Company, our Directors, our employees and our advisers as a result of the documents relating to the Proposed DRP not being sent to Overseas Shareholders.

Overseas Shareholders who wish to participate in the Proposed DRP are strongly advised to provide our Share Registrar with an address in Malaysia no later than five market days before the relevant Entitlement Date for any particular Dividend to which the Proposed DRP applies.

Overseas Shareholders who wish to participate in the Proposed DRP may collect the Notice of Election and other documents relating to the Proposed DRP from our Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or at such address as may be announced by our Company from time to time in which event, our Share Registrar is entitled to satisfy themselves as to the identity and authority of the person collecting the documents relating to the Proposed DRP.

Overseas Shareholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than five market days before the relevant Entitlement Date if they wish to participate in the Proposed DRP.

Overseas Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Shareholders in the Proposed DRP will be on the basis that they may lawfully so participate without our Company, our Directors, our employees and our advisers being in breach of the laws of any jurisdictions.

2.7 Odd lots

If you exercise the Reinvestment Option, you may be allotted DRP Shares in odd lots depending on your entitlement of DRP Shares. If you receive odd lots of DRP Shares and wish to trade such odd lots on Bursa Securities, you should do so on the odd lots market which allows the trading of odd lots with a minimum of one DRP Share.

If you do not wish to receive DRP Shares in odd lots, you may round down the number of DRP Shares elected such that you will receive DRP Shares in multiples of and not less than a board lot comprising 100 DRP Shares. If your entitlement of DRP Shares is less than one board lot, you can elect to receive your entire Dividend entitlement in cash or DRP Shares in odd lots.

2.8 Availability of the Proposed DRP

If at any time after our Board has determined that the Proposed DRP shall apply to any Dividend but before the allotment and issuance of the DRP Shares, our Board shall consider that by reason of any event or circumstance (whether arising before or after such determination by our Board) or by reason that it is no longer expedient or appropriate to implement the Proposed DRP for the Electable Portion, our Board may, at their absolute discretion and as they deem fit or expedient, and in the interest of our Company and without assigning any reason thereof, cancel the application of the Proposed DRP for the Electable Portion. Further, our Board may cancel notwithstanding any other provision, terms and conditions of the Proposed DRP as set out in this Circular or the Dividend Reinvestment Plan Statement in Appendix II of this Circular, and irrespective of whether an election to exercise the Reinvestment Option has been made.

Such cancellation shall be communicated through announcement to Bursa Securities or in such other manner as our Board deem fit or expedient, subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, you shall receive the Electable Portion in cash in the usual manner.

2.9 Modification, suspension and termination of the Proposed DRP

Our Board may as they deem fit or expedient and irrespective of whether you have elected to exercise the Reinvestment Option, modify, suspend (in whole or in part) or terminate at any time and from time to time the Proposed DRP, subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia. Such development shall be communicated through announcement to Bursa Securities or in such other manner as our Board deem fit or expedient.

2.10 Ranking of DRP Shares

The DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares of our Company, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the Allotment Date.

2.11 Utilisation of proceeds

The Proposed DRP will potentially result in a cash retention for our Company if you elect to reinvest your Dividend in DRP Shares. The total cash retained from the Reinvestment Option of that particular Dividend cannot be ascertained at this juncture as it depends on, amongst others, all of your elections. Therefore, the timeframe for full use of such funds retained cannot be determined at this point. Nonetheless, the net funds retained from the Proposed DRP (after the deduction of any related expenses) may be utilised to fund working capital, repayment of borrowings and/or other requirements of our Group to be identified at the point when such funds are retained.

2.12 Taxation

For income tax purposes, you shall be taken as having received a cash dividend equivalent to the amount of the Dividend declared, notwithstanding that you elect to exercise the Reinvestment Option (in whole or in part). A tax voucher will be despatched to you irrespective of whether you have made an election to exercise the Reinvestment Option. Hence, the election for the Reinvestment Option does not relieve you of any income tax obligation (if applicable) and there is no Malaysian tax implication in exercising the Reinvestment Option or otherwise.

2.13 General

The Reinvestment Option is granted to all of you, including our Directors, our substantial Shareholders and/or persons connected with them who hold RHB Bank Shares, subject to the restrictions referred to in Section 2.6 of this Circular and the Dividend Reinvestment Plan Statement as set out in Appendix II of this Circular.

Your approval for the establishment of the Proposed DRP will be sought at our forthcoming 55th AGM and following such approval, the Proposed DRP will continue to be valid and subsisting until the Proposed DRP is terminated. Subsequent approvals for any future issuances of DRP Shares will be sought at the AGM on an annual basis, where applicable.

The percentage of your shareholding in our Company may be diluted if you decide not to exercise your Reinvestment Option. However, the extent of the dilution will depend on the number of DRP Shares issued by our Company.

You will receive your entire Dividend including the Electable Portion in cash if you do not expressly elect in writing to exercise the Reinvestment Option by the Expiry Date and do not follow the instructions set out in the Notice of Election. As such, if you wish to receive your Dividend wholly in cash, you need not take any action with regards to the Notice of Election. Meanwhile, if you wish to receive all or part of your Dividend in DRP Shares, you must either complete, sign and submit the DRF contained in the Notice of Election to our Share Registrar or complete and submit the e-DRF to our Share Registrar via BSIP at www.boardroomlimited.my, such that it reaches our Share Registrar on or before the Expiry Date and in accordance with the instructions as prescribed therein.

3. IMPLICATION OF THE RULES AND OTHER SHAREHOLDING LIMITS

3.1 Implication of the Rules

Pursuant to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the Capital Markets and Services Act 2007, you may be under an obligation to extend a mandatory offer for all the remaining RHB Bank Shares not already owned by you and your persons acting in concert (collectively, “**Affected Parties**”) if by participating in the Proposed DRP for the reinvestment of the Electable Portion:

- (a) the Affected Parties have obtained control in our Company via the acquisition or holding of, or entitlement to exercise or control the exercise of more than 33.0% of voting shares or voting rights of our Company or such other amount as may be prescribed in the Rules, howsoever effected; or
- (b) the Affected Parties have acquired more than 2.0% of the voting shares or voting rights of our Company in any period of six months and the Affected Parties hold more than 33.0% but not more than 50.0% of the voting shares or voting rights of our Company during the said six months’ period.

If an obligation to undertake a mandatory offer is expected to arise resulting from the Affected Parties’ participation in the Proposed DRP, the Affected Parties may wish to consult their professional advisers at the earliest opportunity in relation to:

- (a) any obligation to make a mandatory offer under the Rules as a result of any subscription of DRP Shares through your participation in the Proposed DRP; and
- (b) whether or not to make an application to the Securities Commission Malaysia to obtain an approval for a waiver from the obligation to undertake a mandatory offer before exercising the Reinvestment Option.

These statements do not purport to be a comprehensive or exhaustive description of all relevant provisions of, or all implications that may arise under the Rules or other relevant legislation or regulations.

3.2 Shareholding limits

You are responsible for ensuring that your participation in the Proposed DRP will not result in a breach of any restrictions on your respective holding of RHB Bank Shares which may be imposed by any of your contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts), or as prescribed in our Constitution.

In view of the shareholding limit referred to above, notwithstanding the proportion of Electable Portion which may be determined by our Board to be reinvested, our Board shall be entitled but not obligated to reduce or limit the number of DRP Shares to be issued to you should our Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of you exercising the Reinvestment Option, in which case our Board reserve the right to pay the remaining portion of the Electable Portion in cash.

4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED DRP

The rationale and justification of the Proposed DRP are as follows:

4.1 Provide flexibility in capital management

Provide our Company with flexibility in managing and strengthening our capital position as part of our capital management strategy. The reinvestment of Dividend by you for DRP Shares will also enlarge our share capital base.

The cash retained which would otherwise be used for the payment of Dividend, may be utilised to fund working capital, repayment of borrowings and/or other requirements of our Group to be identified at the point when such funds are retained.

4.2 Allow you to have the option of reinvesting further into RHB Bank

Provide you with the following:

- (a) an opportunity to enhance the value of your shareholdings in our Company by investing in DRP Shares at a discount and from any future capital appreciation; and
- (b) flexibility to meet your investment objectives as you would have the option of receiving Dividend in cash and/or reinvesting in DRP Shares without having to incur any brokerage fees and other related transaction costs, unless otherwise provided by any statute, law or regulation. However, those of you who elect to participate are required to pay RM10.00 for stamp duty.

Nonetheless, it should be noted that the Proposed DRP only provides you with the option, and does not impose any obligation on you to reinvest your Dividend, in whole or in part, in DRP Shares.

4.3 Improve trading liquidity of RHB Bank

The Proposed DRP may potentially improve the trading liquidity of RHB Bank Shares through the issuance of DRP Shares.

5. EFFECTS OF THE PROPOSED DRP

The effects of the Proposed DRP cannot be determined at this juncture, and such effects are dependent on the following:

- (a) the quantum of the Dividend;
- (b) our Board's decision on the proportion/quantum of the Electable Portion;
- (c) the Issue Price;
- (d) the extent to which you elect to exercise the Reinvestment Option; and
- (e) any necessary downward adjustment by our Board to the final number of DRP Shares to be allotted and issued to any of you as referred to in Section 3.2 of this Circular.

We set below an illustration of the number of DRP Shares that our Company could potentially issue after taking into consideration the following assumptions:

- (a) the Final Dividend of RM0.0765 per RHB Bank Share;
- (b) our Board determine that the Electable Portion applies to the entire Final Dividend amount;
- (c) the illustrative Issue Price has been set at a discount of 10% to the 5-day VWAP of RHB Bank Share up to and including the LPD of RM5.36 ("**Illustrative RHB Share Price**") after adjusting for the Final Dividend; and
- (d) all of you elect to exercise the Reinvestment Option and to reinvest the whole of the Electable Portion in DRP Shares.

Based on the above assumptions, the illustrative number of DRP Shares that our Company could potentially issue is estimated as follows:

| | | |
|--|-------------------|---------------|
| Number of RHB Bank Shares as at the LPD | (A) | 4,010,045,621 |
| Final Dividend per RHB Bank Share (RM) | (B) | 0.0765 |
| Total amount of Final Dividend to be paid (RM) | (C) = (A) x (B) | 306,768,490 |
| Illustrative RHB Share Price (RM) | (D) | 5.36 |
| Ex-dividend price of RHB Bank Share (RM) | (E) = (D) – (B) | 5.28 |
| 10% discount to the ex-dividend price of RHB Bank Share (RM) | (F) = (10%) x (E) | (0.52) |

| | | |
|--|------------------------|-------------------|
| Illustrative Issue Price (RM) | (X) = (E) – (F) | 4.76 |
| Number of DRP Shares to be issued | (C) / (X) | 64,447,161 |

5.1 Issued share capital

For illustration purposes, the proforma effects of the Proposed DRP on our share capital are as follows:

| | No. of RHB Bank Shares | Amount RM'000 |
|-----------------------------------|-----------------------------------|--------------------------|
| Issue share capital as at the LPD | 4,010,045,621 | 6,994,103 |
| Issuance of DRP Shares | 64,447,161 | 306,768 ⁽¹⁾ |
| Enlarged issued share capital | 4,074,492,782 | 7,300,871 |

Note:

- (1) Computed based on 64,447,161 DRP Shares multiplied by the illustrative Issue Price of RM4.76.

5.2 Substantial Shareholders' shareholdings

For illustration purposes, the proforma effects of the Proposed DRP on our substantial Shareholders' shareholdings are as follows:

| Substantial Shareholders | As at the LPD | | | After the Proposed DRP | | |
|---|------------------------|----------|-------------|------------------------|----------|-------------|
| | No. of RHB Bank Shares | | % | No. of RHB Bank Shares | | % |
| | Direct | Indirect | | Direct | Indirect | |
| EPF ⁽¹⁾ | 1,658,866,204 | 41.37 | - | 1,685,526,553 | 41.37 | - |
| OSK Holdings Berhad | 406,171,518 | 10.13 | - | 412,699,274 | 10.13 | - |
| Kumpulan Wang Persaraan (Diperbadankan) | 201,652,191 | 5.03 | 43,382,200 | 204,893,030 | 5.03 | 44,079,414 |
| Tan Sri Ong Leong Huat @ Wong Joo Hwa | - | - | 406,171,518 | - | - | 412,699,274 |
| OSK Equity Holdings Sdn Bhd | - | - | 406,171,518 | - | - | 412,699,274 |
| Puan Sri Khor Chai Moi | 29,997 | * | 406,171,518 | 30,477 | * | 412,699,274 |

Notes:

* Negligible

(1) The interest of EPF is held through various fund managers.

(2) Deemed interested pursuant to Section 8(4) of the Act, by virtue of shares held through various fund managers.

(3) Deemed interested pursuant to Section 8(4) of the Act, by virtue of shares held through OSK Equity Holdings Bhd.

5.3 NA and gearing

For illustration purposes, assuming that the Proposed DRP had been completed on 31 December 2020, the proforma effects of the Proposed DRP on the NA per RHB Bank Share, NA and gearing of our Group are as follows:

| | Audited 31 December 2020 RM'000 | Proforma (I) After the Proposed DRP RM'000 |
|--|--|---|
| Share capital | 6,994,103 | 7,300,871 ⁽¹⁾ |
| Reserves | 20,029,732 | 19,722,514 ⁽²⁾ |
| Equity attributable to holders of our Bank / NA | 27,023,835 | 27,023,385 |
| Non-controlling interest | 32,729 | 32,729 |
| Total equity | 27,056,564 | 27,056,114 |
| Number of RHB Bank Shares in issue ('000) | 4,010,045 | 4,074,492 |
| NA per RHB Bank Share (RM) | 6.74 | 6.63 |
| Total borrowings (RM'000) ⁽³⁾ | 6,898,509 | 6,898,509 |
| Gearing (times) ⁽⁴⁾ | 0.25 | 0.25 |

Notes:

- (1) After taking into consideration the issuance of 64,447,161 DRP Shares at the illustrative Issue Price of RM4.76, amounting to approximately RM306.768 million
- (2) After taking into consideration item (1) above and estimated expenses for the Proposed DRP of RM450,000.
- (3) Comprise of borrowings, senior debt securities and subordinated obligations.
- (4) Computed based on total borrowings over total equity.

5.4 Earnings and EPS

For illustration purposes, assuming that the Proposed DRP had been effected on 1 January 2020, the proforma effects of the Proposed DRP on the earnings and the EPS of our Group are as follows:

| | Audited FYE 31 December 2020 | Proforma (I) After the Proposed DRP |
|--|---|--|
| Profit attributable to our equity holders (RM'000) | 2,032,530 | 2,032,530 |
| Weighted average number of RHB Bank Shares in issue ('000) | 4,010,045 | 4,074,492 |
| Basic / Diluted EPS (sen) | 50.7 | 49.9 |

5.5 Convertible securities

As at the LPD, our Company does not have any convertible securities.

6. APPROVALS REQUIRED

- (a) The Proposed DRP is subject to the following approvals being obtained:
 - (i) your approval at our forthcoming 55th AGM; and
 - (ii) approval from any other relevant authority and/or party, if required.
- (b) The issuance of DRP Shares for any particular Dividend is subject to the following approvals being obtained:
 - (i) Bursa Securities for the listing and quotation of the DRP Shares on the Main Market of Bursa Securities. On 7 April 2021, we have obtained the approval of Bursa Securities for the listing and quotation of up to 85,213,469 DRP Shares in respect of the Final Dividend on the Main Market of Bursa Securities, subject to amongst others, the following conditions:
 - (a) our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed DRP;
 - (b) our Company and RHB Investment Bank to inform Bursa Securities upon completion of the Proposed DRP;
 - (c) our Company to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval once the Proposed DRP is completed; and
 - (d) payment of additional listing fee, if any, based on the final Issue Price together with a copy of the details of the computation of the amount of listing fees payable;
 - (ii) your approval allotment and issuance of DRP Shares to be tabled at our forthcoming 55th AGM, of which such approval shall continue to be valid and subsisting until the next AGM. Subsequently, on an annual basis, we will seek the approval from you for any future issuances of DRP Shares at our AGM, where applicable; and
 - (iii) BNM for the increase in our issued share capital arising from the application of the Proposed DRP pertaining to the particular Dividend. On 29 March 2021, we have obtained the approval from BNM for the increase in our issued share capital up to RM306.8 million arising from the issuance of DRP Shares pertaining to the Final Dividend.

7. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major Shareholders of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposed DRP apart from their respective entitlements to Dividends to which all the other Shareholders are similarly entitled.

8. RECOMMENDATION BY OUR DIRECTORS

Our Board, after taking into consideration all aspects of the Proposed DRP, including but not limited to rationale and effects of the Proposed DRP, is of the opinion that the Proposed DRP is in the best interest of our Company.

Accordingly, our Board recommend that you vote in favour of all the ordinary resolutions pertaining to the Proposed DRP, and the allotment and issuance of DRP Shares to be tabled at our forthcoming 55th AGM.

9. CORPORATE EXERCISES/ SCHEMES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed DRP and as disclosed below, there are no other corporate exercises/schemes which have been announced by our Company but pending completion as at the LPD:

(a) Proposed cessation of business operations of subsidiaries in Hong Kong

RHB Hong Kong Limited and its subsidiaries had on 4 December 2019 decided that they will commence to cease their business operations (“**Proposed Cessation**”). RHB Hong Kong Limited is a wholly-owned subsidiary of RHB Investment Bank, which in turn is our wholly-owned subsidiary.

Pursuant to the Proposed Cessation, RHB Hong Kong Limited and its subsidiaries will gradually discontinue offering financial services to its existing and potential clients. RHB Investment Bank, being the shareholder of RHB Hong Kong Limited and its subsidiaries will provide the requisite support to ensure an orderly winding down of their business operations. As at the LPD, the Proposed Cessation has not been completed.

The Proposed DRP is not conditional or inter-conditional upon any other corporate exercises being or proposed to be undertaken by our Company.

10. TENTATIVE TIMETABLE

The estimated timeframe for the Proposed DRP is as follows:

| Event | Indicative Timeline |
|---|----------------------------|
| Our forthcoming 55 th AGM for the Proposed DRP / Completion of the Proposed DRP / Announcement of Issue Price and Entitlement Date | 25 May 2021 |
| Entitlement Date | 10 June 2021 |
| Despatch of Notice of Election, DRF and DRP statement in relation to the Proposed DRP | 14 June 2021 |
| Expiry Date | 28 June 2021 |
| Issuance and allotment of DRP Shares as well as payment of cash dividend to you | 8 July 2021 |
| Listing of DRP Shares | 9 July 2021 |

11. AGM

Our forthcoming 55th AGM will be held on a fully virtual basis at the broadcast venue at Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia on Tuesday, 25 May 2021, at 10.00 a.m. or at any adjournment thereof, to consider and, thought fit, to pass the resolutions, with or without any modifications, to give effect to the Proposed DRP. The notice of our forthcoming 55th AGM is enclosed together with the Integrated Report 2020.

You are encouraged to participate and vote remotely at our forthcoming 55th AGM using the remote participation and electronic voting facilities. Please refer to the administrative details for the procedures to register, participate, and vote remotely at our forthcoming 55th AGM. If you are unable to participate in our forthcoming 55th AGM, you may appoint a proxy or proxies to participate and vote on your behalf. In such event, you should complete and deposit the Form of Proxy at the office of our Share Registrar, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodge electronically via BSIP at www.boardroomlimited.my, not less than 48 hours before the date and time fixed for our forthcoming 55th AGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from participating in our forthcoming 55th AGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board
RHB BANK BERHAD

DATO' KHAIRUSSALEH RAMLI
Group Managing Director

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

RHB Investment Bank, being the Principal Adviser for the Proposed DRP has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

RHB Investment Bank is our wholly-owned subsidiary and is deemed to be a related corporation. Our Directors, namely Tan Sri Ong Leong Huat @ Wong Joo Hwa and Datuk Iain John Lo are also directors of RHB Investment Bank. Notwithstanding this and as at the LPD, RHB Investment Bank is not aware of any conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser in relation to the Proposed DRP on the basis that:

- (i) RHB Investment Bank is a licensed investment bank and its appointment as the Principal Adviser for the Proposed DRP is in the ordinary course of its business. RHB Investment Bank does not have any interest in the Proposed DRP other than as the Principal Adviser based on the terms of engagement which are mutually agreed between both parties. Further, RHB Investment Bank does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the Principal Adviser for the Proposed DRP;
- (ii) the conduct of our Group's business is regulated by the Financial Services Act, 2013, and the Capital Markets and Services Act, 2007 as well as our Group's own internal controls and checks which include, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees;
- (iii) the corporate finance division of RHB Investment Bank is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and BNM governing its advisory operations. These guidelines require, amongst others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (iv) a legal due diligence process pursuant to the Proposed DRP has been undertaken by professional and independent advisers.

Save for the above, RHB Investment Bank has confirmed that it is not aware of any other circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as the Principal Adviser for the Proposed DRP.

FURTHER INFORMATION

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, our Board is not aware of any other material commitments or contingent liabilities incurred or known to be incurred by our Group, which may have a material impact on the financial position or business of our Group:

3.1 Commitments and contingencies

In the normal course of business, our Group makes various commitments and incurs certain contingent liabilities with legal recourse to our customers. Apart from the allowance for commitments and contingencies already made in the interim financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

| | As at 31 December 2020 ⁽¹⁾ |
|--|--|
| | RM'000 |
| Direct credit substitutes | 1,219,814 |
| Transaction-related contingent items | 3,202,339 |
| Short term self-liquidating trade-related contingencies | 903,594 |
| Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under sell and buy back agreement transactions | 4,915,427 |
| Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns | 5,843 |
| Irrevocable commitments to extend credit | |
| - maturity less than one year | 1,727,065 |
| - maturity more than one year | 29,238,089 |
| Foreign exchange related contracts* | |
| - less than one year | 55,476,927 |
| - one year to less than five years | 3,397,368 |
| - more than five years | 1,141,832 |
| Commodity related contracts* | |
| - less than one year | 374,040 |
| - One year to less than five years | 181,225 |
| Equity related contracts* | |
| - less than one year | 451,701 |
| Interest rate related contracts* | |
| - less than one year | 8,933,780 |
| - one year to less than five years | 20,627,991 |
| - more than five years | 9,470,841 |
| Any commitments that are unconditionally cancellable at any time by our Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | 16,212,542 |
| Total | 157,480,418 |

FURTHER INFORMATION

Notes:

* These derivatives are revalued on gross position basis and the unrealised gains or losses have been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.

(1) Being the latest practicable date of which such information could be ascertained before printing of this Circular.

3.2 Guarantees issued by our Group

| | As at 31 December 2020 ⁽¹⁾ |
|--|--|
| | RM'000 |
| Corporate guarantee issued in favour of the Stock Exchange of Thailand in relation to a derivative warrant programme of a subsidiary | 16 |
| Total | 16 |

Note:

(1) Being the latest practicable date of which such information could be ascertained before printing of this Circular.

Our Group has given a continuing guarantee to Labuan Offshore Financial Services Authority to meet the liabilities and financial obligations and requirements of our subsidiary, RHB Bank (L) Ltd, arising from its offshore banking business in the Federal Territory of Labuan.

Our Group has also given a guarantee to the Bank of Thailand to provide support to meet any legal liabilities which may be incurred in respect of its operations in Thailand.

3.3 Capital commitments

| | As at 31 December 2020 ⁽¹⁾ |
|---------------------------------|--|
| | RM'000 |
| Authorised and contracted for: | |
| - Property, plant and equipment | 206,086 |
| - Investment securities | 13,266 |
| Total | 219,352 |

Note:

(1) Being the latest practicable date of which such information could be ascertained before printing of this Circular.

3.4 Contingent liabilities

As at 31 December 2020, our Group has contingent liabilities amounting to approximately RM77 million in respect of litigation. As the cases are still preliminary and the reliable exposure cannot be estimated, no provision is recognised in the financial statements.

FURTHER INFORMATION

4. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of RHB Bank Shares as transacted on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

| Month | Highest RM | Lowest RM |
|--------------|-----------------------|----------------------|
| 2020 | | |
| April | 4.80 | 4.55 |
| May | 4.82 | 4.60 |
| June | 5.50 | 4.75 |
| July | 5.10 | 4.81 |
| August | 5.00 | 4.56 |
| September | 4.75 | 4.53 |
| October | 4.56 | 4.23 |
| November | 5.29 | 4.24 |
| December | 5.85 | 5.30 |
| 2021 | | |
| January | 5.50 | 5.10 |
| February | 5.50 | 5.10 |
| March | 5.57 | 5.28 |

Last transacted market price of RHB Bank Shares on 16 December 2020 being the last market day immediately before the first announcement of the Proposed DRP on 17 December 2020 5.70

Last transacted market price of RHB Bank Shares as at the LPD 5.37

(Source: Bloomberg)

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of our Group and, to the best of our Board's knowledge and belief, our Board confirmed that there are no proceedings pending or threatened against our Group or any facts likely to give rise to any proceedings which materially and adversely affect the financial position or business of our Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for your inspection at our registered office at Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of our forthcoming 55th AGM:

- (a) our Constitution;
- (b) our audited financial statements for the FYE 31 December 2019 and FYE 31 December 2020; and
- (c) the letter of consent referred to in Section 2 of Appendix I of this Circular.

DIVIDEND REINVESTMENT PLAN STATEMENT



RHB BANK BERHAD
(Registration No. 196501000373 (6171-M))
(Incorporated in Malaysia)

DIVIDEND REINVESTMENT PLAN STATEMENT

(Abbreviations and definitions, unless if the context requires otherwise, shall be as set out in Section 2 of the Terms and Conditions governing this Dividend Reinvestment Plan Statement)

All references to “**you**” and “**your**” in this Circular are to our Shareholders. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and if the context otherwise requires, our Group.

This Dividend Reinvestment Plan Statement contains the terms and conditions of the dividend reinvestment plan of our Company as may be amended from time to time (“**Terms and Conditions**”) under which you may elect to participate in the Reinvestment Option as our Board may, at its absolute discretion, make available (“**Dividend Reinvestment Plan**”).

SUMMARY OF THE MAIN FEATURES OF THE DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan will provide you with an opportunity to reinvest the Dividend in DRP Shares, in lieu of receiving cash. You should note that our Board is not obliged to undertake the Dividend Reinvestment Plan for each and every Dividend to be declared.

Whenever a Dividend is declared, our Board may, at its absolute discretion, determine:

- (a) whether to pay such Dividend in cash or to offer you a Reinvestment Option; and
- (b) if the Reinvestment Option is applicable, the size of the Electable Portion. If the Reinvestment Option is not exercised by you in whole, any remaining portion of the Dividend will be paid in cash.

The Electable Portion may encompass the whole or part of the Dividend declared. If the Electable Portion is only applicable for part of and not the whole Dividend declared, the Remaining Portion will be paid in cash to you in the usual manner.

Unless our Board has determined that the Reinvestment Option will apply to a particular Dividend declared (whether in whole or in part), all Dividend as may be declared by our Board will be paid wholly in cash to you in the usual manner. For income tax purposes, you shall be taken as having received a cash dividend equivalent to the amount of the Dividend declared, notwithstanding that you elect to exercise the Reinvestment Option (in whole or in part).

The Issue Price, which will be determined by our Board on the Price-Fixing Date, shall be fixed at not more than a 10% discount to the 5-day VWAP of RHB Bank Shares immediately before the Price Fixing Date, in compliance with Paragraph 6.45D(1) of the Listing Requirements. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price.

DIVIDEND REINVESTMENT PLAN STATEMENT

The approval of Bursa Securities will be sought for the listing and quotation of the DRP Shares to be issued on the Main Market of Bursa Securities pursuant to each and every Dividend to which the Dividend Reinvestment Plan applies. After obtaining the approval of Bursa Securities, and such approval from other relevant authorities, if any:

- (a) we shall make an announcement in relation to the Entitlement Date; and
- (b) we shall make an announcement in relation to the Price-Fixing Date and Issue Price on or before the announcement of the Entitlement Date.

Subsequent to the Entitlement Date, a Notice of Election will be despatched to you. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action you should take if you wish to exercise the Reinvestment Option.

For those of you who have registered your e-mail addresses in your central depository system account, the Notice of Election will be sent to you via e-mail in softcopy. Hardcopy of the Notice of Election will be sent via ordinary mail to those of you who do not have your e-mail addresses registered in your central depository system account. You may elect to participate to reinvest in DRP Shares by either submitting a completed and signed DRF contained in the Notice of Election or by submitting the completed e-DRF to our Share Registrar through BSIP at www.boardroomlimited.my, such that it reaches our Share Registrar on or before the Expiry Date and in accordance with the instructions as prescribed therein.

We will, on the Allotment Date, allot and issue the DRP Shares and despatch notices of allotment to you, if you have elected to participate in the Reinvestment Option. The DRP Shares will not be underwritten.

We will also make an announcement on the day which the DRP Shares will be listed and quoted on the Main Market of Bursa Securities.

You will have the following options for a Reinvestment Option:

- Option 1** : Elect to participate in the Reinvestment Option by reinvesting the entire Electable Portion at the Issue Price and to receive the Remaining Portion in cash
- Option 2** : Elect to participate in the Reinvestment Option by reinvesting part of the Electable Portion at the Issue Price and to receive the Balance Electable Portion and Remaining Portion in cash
- Option 3** : Elect not to participate in the Reinvestment Option and thereby receiving your entire Dividend entitlement (both Electable Portion and Remaining Portion) wholly in cash

The DRP Shares will be issued free from any brokerage fees and other related transaction costs to those of you who elect to participate, unless otherwise provided by any statute, law or regulation. However, those of you who elect to participate are required to pay RM10.00 for stamp duty.

The DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares of our Company, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the Allotment Date.

All of you are eligible to participate in the Dividend Reinvestment Plan subject to the restrictions described in the following section.

DIVIDEND REINVESTMENT PLAN STATEMENT

HOW TO PARTICIPATE

Participation in the Dividend Reinvestment Plan is optional and not transferable. If you wish to reinvest in DRP Shares for any Electable Portion, you must either complete, sign and submit DRF contained in the Notice of Election to our Share Registrar or complete and submit the e-DRF to our Share Registrar via BSIP at www.boardroomlimited.my, such that it reaches our Share Registrar on or before the Expiry Date and in accordance with the instructions as prescribed therein.

If you receive more than one Notice of Election and wish to reinvest in DRP Shares for all of your entitlement to the Electable Portion, you must either submit the duly completed and signed DRF contained in the Notices of Election to our Share Registrar or complete and submit the e-DRF to our Share Registrar via BSIP at www.boardroomlimited.my on or before the Expiry Date. You should note that you are at liberty to decide which particular Notice of Election you wish to elect for the reinvestment in DRP Shares. If any particular Notice of Election is not elected upon, you will receive the Dividend relating thereto in cash in the usual manner.

To be effective for any Electable Portion to which a Notice of Election relates, such duly completed and signed DRF contained in the Notice of Election or completed e-DRF must be submitted to the office of our Share Registrar or submitted to our Share Registrar via BSIP at www.boardroomlimited.my (as the case may be), such that it reaches our Share Registrar on or before the Expiry Date.

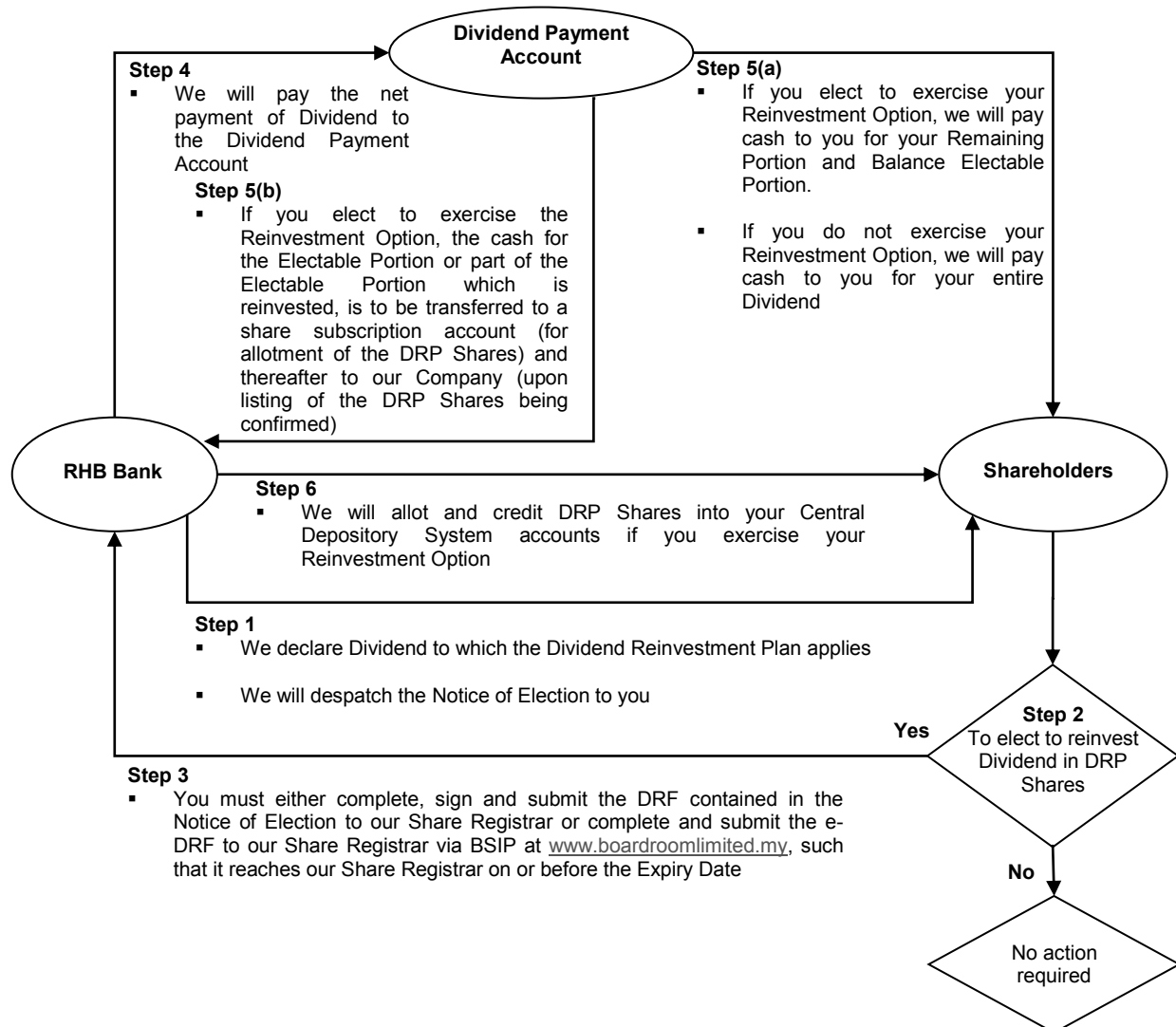
All of you are eligible to participate in the Dividend Reinvestment Plan, subject to the restrictions on Overseas Shareholders and provided that:

- (a) such participation will not result in a breach of any restrictions on your holding of RHB Bank Shares which may be imposed by any of your contractual obligation, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (b) there is no restriction for such participation as prescribed in our Constitution.

The Dividend Reinvestment Plan will only be offered for subscription in Malaysia to avoid any violation of any securities laws applicable outside of Malaysia by our Company. No action has been or will be taken to ensure that the Dividend Reinvestment Plan complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Dividend Reinvestment Plan including the Notice of Election will not be sent to Overseas Shareholders. No Overseas Shareholders shall have any claim whatsoever against our Company, our Directors, our employees and our advisers as a result of the documents relating to the Dividend Reinvestment Plan not being sent to Overseas Shareholders.

DIVIDEND REINVESTMENT PLAN STATEMENT

A brief process flow chart in relation to how the Dividend Reinvestment Plan is intended to be administered is shown below:



DIVIDEND REINVESTMENT PLAN STATEMENT

TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT PLAN**1. ESTABLISHMENT**

Our Board has established the Dividend Reinvestment Plan. Our Board at their absolute discretion shall determine the administration of the Dividend Reinvestment Plan, including the Reinvestment Option and the Electable Portion.

2. DEFINITIONS

In these Terms and Conditions, the following definitions shall apply:

| | | |
|---------------------------|---|---|
| Allotment Date | : | Date of the allotment and issuance of DRP Shares which falls within eight market days from the Expiry Date or such date as may be prescribed by Bursa Securities |
| Balance Electable Portion | : | If only a part of the Electable Portion is reinvested, the balance of the Electable Portion not reinvested under the Dividend Reinvestment Plan |
| Board | : | The board of directors of our Company as at the material date |
| BSIP | : | Boardroom Smart Investor Portal |
| Bursa Securities | : | Bursa Malaysia Securities Berhad |
| Directors | : | Directors of our Company as at the material date |
| Dividend | : | Cash dividend declared by our Board (whether interim, final, special or any other types of cash dividend) |
| Dividend Payment Account | : | Dividend payment account held in trust for you to facilitate the payment of Dividends |
| DRF | : | Dividend reinvestment form |
| DRP Shares | : | New RHB Bank Shares to be issued under the Dividend Reinvestment Plan |
| e-DRF | : | Electronic DRF issued in connection with the Dividend Reinvestment Plan |
| Electable Portion | : | Portion of the Dividend to which the Reinvestment Option applies |
| Entitlement Date | : | The date (which will be a date to be fixed and announced by our Board) on which you must be registered in the record of depositors of our Company to be eligible to participate in the Dividend Reinvestment Plan |
| Expiry Date | : | The last day (which will be a date to be fixed and announced by our Board) by which an election made by you for the Electable Portion must be received by our Share Registrar |

DIVIDEND REINVESTMENT PLAN STATEMENT

| | | |
|---------------------------|---|---|
| Issue Price | : | Issue price of DRP Shares which is to be determined by our Board on the Price Fixing Date and shall be fixed at not more than a 10% discount to the 5-day VWAP of RHB Bank Shares immediately before the Price Fixing Date. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the Issue Price |
| Listing Requirements | : | Main Market Listing Requirements of Bursa Securities |
| Notice of Election | : | The notice of election by which you elect to participate in the Reinvestment Option |
| Overseas Shareholders | : | Our Shareholders who currently do not have a registered address in Malaysia |
| Price Fixing Date | : | A date to be determined by our Board on which the Issue Price will be determined |
| Reinvestment Option | : | The option to reinvest all or part of the Dividend in DRP Shares |
| Remaining Portion | : | If the Electable Portion is only applicable for part of and not the whole Dividend declared, the remaining portion of the Dividend |
| RHB Bank or Company | : | RHB Bank Berhad |
| RHB Bank Shares or Shares | : | Ordinary shares of our Company |
| RM and sen | : | Ringgit Malaysia and sen, respectively |
| Rules | : | Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia |
| Shareholders | : | Shareholders of our Company |
| Share Registrar | : | Share registrar of our Company, being Boardroom Share Registrars Sdn Bhd |
| VWAP | : | The volume weighted average market price |

3. ELIGIBILITY

All of you are eligible to participate in the Dividend Reinvestment Plan, subject to the restrictions on Overseas Shareholders and provided that:

- (a) such participation will not result in a breach of any restrictions on your holding of RHB Bank Shares which may be imposed by any of your contractual obligation, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained); or
- (b) there is no restriction for such participation as prescribed in our Constitution.

DIVIDEND REINVESTMENT PLAN STATEMENT

4. OVERSEAS SHAREHOLDERS

The Dividend Reinvestment Plan will only be offered for subscription in Malaysia to avoid any violation of any securities laws applicable outside of Malaysia by our Company. No action has been or will be taken to ensure that the Dividend Reinvestment Plan complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Accordingly, the documents relating to the Dividend Reinvestment Plan including the Notice of Election will not be sent to Overseas Shareholders. No Overseas Shareholders shall have any claim whatsoever against our Company, our Directors, our employees and our advisers as a result of the documents relating to the Dividend Reinvestment Plan not being sent to Overseas Shareholders.

Overseas Shareholders who wish to participate in the Dividend Reinvestment Plan are strongly advised to provide our Share Registrar with an address in Malaysia no later than five market days before the relevant Entitlement Date for any particular Dividend to which the Dividend Reinvestment Plan applies.

Overseas Shareholders who wish to participate in the Dividend Reinvestment Plan may collect the Notice of Election and other documents relating to the Dividend Reinvestment Plan from our Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or at such address as may be announced by our Company from time to time in which event, our Share Registrar is entitled to satisfy themselves as to the identity and authority of the person collecting the documents relating to the Dividend Reinvestment Plan.

Overseas Shareholders who wish to permanently change their address for service of documents to an address in Malaysia should inform their respective stockbrokers to effect the change of address. Such notification should be done no later than five market days before the relevant Entitlement Date if they wish to participate in the Dividend Reinvestment Plan.

Overseas Shareholders will be solely responsible for seeking advice as to the laws of any jurisdiction that they may be subjected to, and participation by Overseas Shareholders in the Dividend Reinvestment Plan will be on the basis that they may lawfully so participate without our Company, our Directors, our employees and our advisers being in breach of the laws of any jurisdictions.

5. NOTICE OF ELECTION

We will despatch a Notice of Election to you subsequent to the Entitlement Date. The Notice of Election will specify, among others, the Expiry Date. Instructions will be provided in the Notice of Election for the action you should take if you wish to exercise the Reinvestment Option.

For those of you who have registered your e-mail addresses in your central depository system account, the Notice of Election will be sent to you via e-mail in softcopy. Hardcopy of the Notice of Election will be sent via ordinary mail to those of you who do not have your e-mail addresses registered in your central depository system account. You may elect to participate to reinvest in DRP Shares by either submitting a completed and signed DRF contained in the Notice of Election or by submitting the completed e-DRF to our Share Registrar through BSIP at www.boardroomlimited.my, such that it reaches our Share Registrar on or before the Expiry Date and in accordance with the instructions as prescribed therein.

If you receive more than one Notice of Election, you may elect to reinvest in DRP Shares for your entitlement to which one Notice of Election relates and decline to reinvest in DRP Shares for your entitlement to which any other Notices of Election relates. If you receive more than one Notice of Election, and you wish to reinvest in DRP Shares for all your entitlement to the Electable Portion, you must either submit the duly completed and signed DRF contained in the Notices of Election to our Share Registrar or complete and submit the e-DRF to our Share Registrar via BSIP at www.boardroomlimited.my on or before the Expiry Date.

DIVIDEND REINVESTMENT PLAN STATEMENT

Once received by our Share Registrar, a Notice of Election and/or an e-DRF for any Electable Portion shall not be withdrawn or cancelled.

Our Company has the discretion and right to accept or reject any Notice of Election and/or e-DRF that is incomplete, contains errors or is otherwise defective, does not conform to these Terms and Conditions or which is illegible. Our Company is under no obligation to correct invalid Notices of Election and/or e-DRFs on your behalf or to provide any reason for rejecting any Notice of Election and/or e-DRFs.

By electing to exercise the Reinvestment Option, you unconditionally:

- (a) warrant to our Company that you have the legal right and full power and authority to participate in the Dividend Reinvestment Plan and that your participation in the Dividend Reinvestment Plan will not result in a breach of any restrictions on your holding of RHB Bank Shares which may be imposed by any of your contractual obligation, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in our Constitution;
- (b) acknowledge that our Company may at any time determine whether your Notice of Election or other form (collectively, “**Form**”) is valid, even if the relevant Form is incomplete, contains errors or is otherwise defective;
- (c) acknowledge that our Company may accept or reject any Form and agree that our Company need not provide any reason therefor;
- (d) acknowledge that our Company has not provided you with investment advice or any other advice;
- (e) agree to these Terms and Conditions and agree not to do any act or thing which would be contrary to the intention or purpose of the Dividend Reinvestment Plan;
- (f) submit to the jurisdiction of the Malaysia courts, in each case, at all times until termination of the Dividend Reinvestment Plan; and
- (g) agree that if at any time after our Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend but before the allotment and issuance of the DRP Shares, our Board shall consider that by reason of any event or circumstance (whether arising before or after such determination by our Board) or by reason that it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan for the Electable Portion, our Board may, at their absolute discretion and as they deem fit or expedient, and in the interest of our Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Plan for the Electable Portion. Further, our Board may cancel notwithstanding any other provisions, these Terms and Conditions set out herein or otherwise and irrespective of whether an election to exercise the Reinvestment Option has been made. Such cancellation shall be communicated through announcement to Bursa Securities or in such other manner as our Board deem fit or expedient, subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, you shall receive the Electable Portion in cash in the usual manner.

For those of you who wish to reinvest in DRP Shares electronically through the BSIP, you are advised to read the following instructions:

- (a) **Sign up as a user of BSIP**
 - (i) Access into BSIP at <https://boardroomlimited.my/>.

DIVIDEND REINVESTMENT PLAN STATEMENT

- (ii) From web homepage, click on the “Login” button to be re-directed to the user login page. Within the user login page, click on “Register” to sign up as a BSIP user.
- (iii) In the registration page, fill in all necessary information and upload a copy of your National Registration Identity Card (front and back). Once all necessary information has been entered, click on the “Register” button.
- (iv) You will receive an e-mail from BSIP for e-mail address verification. You will need to click on “Verify E-mail Address” on the e-mail received from BSIP to complete the e-mail address verification.
- (v) You will be notified within few days once your e-mail address is verified.
- (vi) An e-mail will be sent to you to inform you that you have been granted right to access BSIP. Subsequently, you will be able to login at <https://boardroomlimited.my/> via the e-mail address and password provided by you during registration.

(b) Procedure to exercise the Reinvestment Option electronically via BSIP

- (i) Login into BSIP at <https://boardroomlimited.my/>
- (ii) Select corporate exercise name: RHB DIVIDEND REINVESTMENT PLAN.
- (iii) Read and agree to the Terms & Condition and Declaration. Thereafter, click on the “Next” button.
- (iv) Select Central Depository System Account Number and then click on the “Next” button.
- (v) Review the pre-populated information (name, address, Central Depository System Account Number, National Registration Identity Card number, Final Dividend entitlement) and enter the desired Reinvestment Option. Once you have confirmed and/or entered the necessary information, click on the “Submit” button.
- (vi) Proceed to make the necessary payment for stamp duty of RM10.00 and handling fee of RM3.00 for each e-DRP via the online payment gateway from all available payment channels.
- (vii) Upon completion of payment, you will be re-directed to BSIP with successful submission message displayed and an e-mail with payment receipt details will be sent to you.

At present, online election via BSIP is only available to individual Shareholders. Corporation or institutional Shareholders will have to complete, sign and submit the DRF contained in the Notice of Election to our Share Registrar to reinvest in DRP Shares for any Electable Portion.

6. EXTENT OF APPLICATION OF DIVIDEND REINVESTMENT PLAN TO EACH ELECTABLE PORTION

Whenever a Dividend is declared, our Board may, at its absolute discretion, determine:

- (a) whether to pay such Dividend in cash or to offer you a Reinvestment Option; and
- (b) if the Reinvestment Option is applicable, the size of the Electable Portion.

DIVIDEND REINVESTMENT PLAN STATEMENT

The Electable Portion may encompass the whole or part of the Dividend declared. If the Electable Portion is only applicable for part of and not the whole Dividend declared, the Remaining Portion will be paid in cash to you in the usual manner.

7. SHARE ENTITLEMENT

For any Electable Portion, the number of DRP Shares to be allotted and issued to those of you who elect to reinvest the whole or part of the Electable Portion in DRP Shares for a Notice of Election, shall be calculated in accordance with the following formula:

$$N = \frac{S \times D \times W}{V}$$

Where:

- N = number of DRP Shares to be issued and allotted to you for such Notice of Election
- S = number of RHB Bank Shares held by you as at the Entitlement Date for which Notice of Election relates
- D = Electable Portion, expressed in RM
- W = proportion of the Electable Portion chosen by you to be reinvested in DRP Shares, expressed in %
- V = Issue Price

Under the Dividend Reinvestment Plan, if you elect to exercise the Reinvestment Option, you will not be allotted fractional shares. As such, the amount of the Electable Portion relating to such fractional entitlement of DRP Shares will be paid in cash to you in the usual manner.

The percentage of your shareholding in our Company may be diluted should you decide not to exercise your Reinvestment Option. However, the extent of the dilution will depend on the number of DRP Shares issued by our Company.

8. TERMS OF ALLOTMENT

The DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares of our Company, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the Allotment Date.

9. ODD LOTS

If you exercise the Reinvestment Option, you may be allotted DRP Shares in odd lots depending on your entitlement of DRP Shares. If you receive odd lots of DRP Shares and wish to trade such odd lots on Bursa Securities, you should do so on the odd lots market which allows the trading of odd lots with a minimum of one DRP Share.

If you do not wish to receive DRP Shares in odd lots, you may round down the number of DRP Shares elected such that you will receive DRP Shares in multiples of and not less than a board lot comprising 100 DRP Shares. If your entitlement of DRP Shares is less than one board lot, you can elect to receive your entire Dividend entitlement in cash or DRP Shares in odd lots.

DIVIDEND REINVESTMENT PLAN STATEMENT

10. COST TO THOSE OF YOU WHO ELECT TO PARTICIPATE

The DRP Shares will be issued free from any brokerage fees and other related transaction costs to those of you who elect to participate, unless otherwise provided by any statute, law or regulation. However, those of you who elect to participate are required to pay RM10.00 for stamp duty.

11. AVAILABILITY OF THE DIVIDEND REINVESTMENT PLAN

If at any time after our Board has determined that the Dividend Reinvestment Plan shall apply to any Dividend but before the allotment and issuance of the DRP Shares, our Board shall consider that by reason of any event or circumstance (whether arising before or after such determination by our Board) or by reason that it is no longer expedient or appropriate to implement the Dividend Reinvestment Plan for the Electable Portion, our Board may, at their absolute discretion and as they deem fit or expedient, and in the interest of our Company and without assigning any reason thereof, cancel the application of the Dividend Reinvestment Plan for the Electable Portion. Further, our Board may cancel notwithstanding any other provision, these Terms and Conditions as set out herein or otherwise, and irrespective of whether an election to exercise the Reinvestment Option has been made. Such cancellation shall be communicated through announcement to Bursa Securities or in such other manner as our Board deem fit or expedient, subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia, as the case may be. In such event, you shall receive the Electable Portion in cash in the usual manner.

12. MODIFICATION, SUSPENSION AND TERMINATION OF THE DIVIDEND REINVESTMENT PLAN

Our Board may as they deem fit or expedient and irrespective of whether you have elected to exercise the Reinvestment Option, modify, suspend (in whole or in part) or terminate at any time and from time to time the Dividend Reinvestment Plan, subject to any requirement or provision imposed by any statute, law or regulation in force in Malaysia. Such development shall be communicated through announcement to Bursa Securities or in such other manner as our Board deem fit or expedient.

In the case of a suspension, the Dividend Reinvestment Plan will be suspended in whole or in part (as the case may be) until such time as our Board resolve to recommence or terminate the Dividend Reinvestment Plan. If the Dividend Reinvestment Plan is recommenced, your Notice of Election confirming your participation under the previously suspended Dividend Reinvestment Plan will be valid and have full force and effect in accordance with these Terms and Conditions and any directions, terms and conditions to you for such recommencement of the Dividend Reinvestment Plan which may be notified to you.

13. GENERAL ADMINISTRATION OF THE DIVIDEND REINVESTMENT PLAN

Our Board may implement the Dividend Reinvestment Plan in the manner they deem fit or expedient. Our Board has the power to:

- (a) determine procedures, rules and regulations for administration of the Dividend Reinvestment Plan consistent with these Terms and Conditions, as may be amended or modified from time to time;

DIVIDEND REINVESTMENT PLAN STATEMENT

- (b) settle in such manner as they think fit, any difficulty, anomaly or dispute (including relating to the interpretation of any provision, regulation or procedure or as to any rights under the Dividend Reinvestment Plan) which may arise in connection with the Dividend Reinvestment Plan, whether generally or in relation to any of you or any DRP Share and the determination of our Board will be conclusive and binding on all of you and other persons to whom the determination relates;
- (c) delegate to any one or more persons, for such period and on such conditions as our Board may determine, the exercise of any of its powers or discretion under or for the Dividend Reinvestment Plan and references to a decision, opinion or determination of our Board include a reference to the decision, opinion or determination of the person or persons to whom our Board has delegated its authority to, for the purposes of administering the Dividend Reinvestment Plan; and
- (d) waive strict compliance by you or our Company with any of these Terms and Conditions.

14. IMPLICATION OF THE RULES AND OTHER SHAREHOLDING LIMITS**(a) Implication of the Rules**

Pursuant to Paragraph 4.01, Part B of the Rules and Sections 217 and 218 of the Capital Markets and Services Act 2007, you may be under an obligation to extend a mandatory offer for all the remaining RHB Bank Shares not already owned by you and your persons acting in concert (collectively, “**Affected Parties**”) if by participating in the Dividend Reinvestment Plan for the reinvestment of the Electable Portion:

- (i) the Affected Parties have obtained control in our Company via the acquisition or holding of, or entitlement to exercise or control the exercise of more than 33.0% of voting shares or voting rights of our Company or such other amount as may be prescribed in the Rules, howsoever effected; or
- (ii) the Affected Parties have acquired more than 2.0% of the voting shares or voting rights of our Company in any period of six months and the Affected Parties hold more than 33.0% but not more than 50.0% of the voting shares or voting rights of our Company during the said six months’ period.

If an obligation to undertake a mandatory offer is expected to arise resulting from the Affected Parties’ participation in the Dividend Reinvestment Plan, the Affected Parties may wish to consult their professional advisers at the earliest opportunity in relation to:

- (i) any obligation to make a mandatory offer under the Rules as a result of any subscription of DRP Shares through your participation in the Dividend Reinvestment Plan; and
- (ii) whether or not to make an application to the Securities Commission Malaysia to obtain an approval for a waiver from the obligation to undertake a mandatory offer before exercising your Reinvestment Option.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under, the Rules or other relevant legislation or regulations.

DIVIDEND REINVESTMENT PLAN STATEMENT

(b) Shareholding limits

You are responsible for ensuring that your participation in the Dividend Reinvestment Plan will not result in a breach of any restrictions on your respective holding of RHB Bank Shares which may be imposed by any of your contractual obligations, or by statute, law or regulation in force in Malaysia or any other relevant jurisdiction, or by any relevant authorities, as the case may be (unless the requisite approvals under the relevant statute, law or regulation or from the relevant authorities are first obtained or the relevant contractual obligation is otherwise waived in accordance with the terms and conditions of the relevant contracts), or as prescribed in our Constitution.

In view of the shareholding limit referred to above, notwithstanding the proportion of Electable Portion which may be determined by our Board to be reinvested, our Board shall be entitled but not obligated to reduce or limit the number of DRP Shares to be issued to you should our Board be aware or be informed in writing of any expected breach of such shareholding limits as a result of you exercising the Reinvestment Option, in which case our Board reserve the right to pay the remaining portion of the Electable Portion in cash.

15. DISCLAIMER

Notwithstanding anything to the contrary, our Company and our respective Directors, officers, employees, agents, affiliates, advisers and representatives, shall not, under any circumstance, be held liable for any damages, cost, loss and expense whatsoever and howsoever arising / incurred / suffered by any person including any of you arising out of or in connection with the Dividend Reinvestment Plan including:

- (i) any obligation of any Shareholder to undertake a mandatory offer as a result of the Dividend Reinvestment Plan;
- (ii) a breach of any restrictions on any of your holding of DRP Shares, which may be imposed by any of your contractual obligations, or by any statute, law or regulation in force in Malaysia or any other relevant jurisdiction, as the case may be (unless the requisite approvals under the relevant law, statute or regulation are first obtained), or as prescribed in our Constitution;
- (iii) any losses that you have suffered due to changes in prices of the RHB Bank Shares or the quantum of future Dividend after the implementation of the Dividend Reinvestment Plan; and
- (iv) any modification, suspension and termination of the Dividend Reinvestment Plan.

16. GOVERNING LAW

The Dividend Reinvestment Plan Statement, the Dividend Reinvestment Plan and these Terms and Conditions shall be governed by, and construed in accordance with the laws of Malaysia.

17. NOTICES AND STATEMENTS

Unless otherwise provided in these Terms and Conditions, any notices, documents and statements required to be given by our Company to those of you who elect to participate shall be given in accordance with the provisions of our Constitution.



RHB BANK BERHAD

(Registration No. 196501000373 (6171-M))
(Incorporated in Malaysia)

EXTRACT OF NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-fifth (“55th”) Annual General Meeting (“AGM”) of RHB Bank Berhad (“RHB Bank” or “Company”) will be held at, and broadcasted live from, Meeting Room 3, Level 16, Tower Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Tuesday, 25 May 2021, at 10.00 a.m. to transact the following businesses:

AS SPECIAL BUSINESS:

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

ORDINARY RESOLUTION 11

PROPOSED DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF RHB BANK (“SHAREHOLDERS”) WITH AN OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW ORDINARY SHARES OF RHB BANK (“RHB BANK SHARES”) (“PROPOSED DRP”)

“**THAT** subject to the approvals of the relevant authorities for the Proposed DRP being obtained and to the extent permitted by law:

- (i) the Proposed DRP be and is hereby approved and authorised;
- (ii) the board of directors of the Company (“**Board**”) be and is hereby authorised:
 - (a) to establish and implement the Proposed DRP based on the terms and conditions of the Dividend Reinvestment Plan Statement; and
 - (b) to determine, at their sole and absolute discretion, whether the Proposed DRP will apply to any cash dividend declared and/or approved by the Company or by the Board (as the case may be) (whether interim, final, special or any other types of cash dividend);

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed DRP, with full powers to assent to any conditions, variations, modifications and/or amendments, including amendment, modification, suspension and termination of the Proposed DRP, as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

ORDINARY RESOLUTION 12

ALLOTMENT AND ISSUANCE OF NEW RHB BANK SHARES PURSUANT TO THE PROPOSED DRP (“DRP SHARES”) (“ISSUANCE OF DRP SHARES”)

“**THAT** subject to the passing of Ordinary Resolution 11 and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to allot and issue such number of DRP Shares from time to time as may be required to be allotted and issued, upon the terms and conditions and to such persons as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company PROVIDED THAT the issue price of the DRP Shares, which will be determined by the Board on the price-fixing date to be determined and announced (“**Price Fixing Date**”), shall be fixed by the Board at a price of not more than a 10% discount to the 5-day volume weighted average market price (“**VWAP**”) of RHB Bank Shares immediately before the Price Fixing Date. The 5-day VWAP of RHB Bank Shares shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the DRP Shares and that such authority to allot and issue the DRP Shares shall continue to be in force until the conclusion of our Company’s next annual general meeting;

AND THAT the DRP Shares shall, upon allotment and issuance, rank equally in all respects with the then existing issued shares in RHB Bank, save and except that the DRP Shares shall not be entitled to any dividends, rights, benefits, entitlements and/or other distributions that may be effected before the date of allotment of the DRP Shares.

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Issuance of DRP Shares, with full powers to assent to any conditions, variations, modifications and/or amendments, including amendment, modification, suspension and termination of the Proposed DRP, as the Board may, in its absolute discretion, deem fit or expedient, and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

BY ORDER OF THE BOARD

Azman Shah Md Yaman (LS 0006901) (SSM PC No.: 201908001628)
Hasnita Sulaiman (MAICSA No. 7060582) (SSM PC No.: 201908001631)
Company Secretaries

Kuala Lumpur
27 April 2021

Notes:

Virtual AGM

1. The 55th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities which are available on the website of the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd, at Boardroom Smart Investor Portal at www.boardroomlimited.my. Please follow the procedures provided in the Administrative Details for the 55th AGM in order to register, participate and vote remotely.

2. The Broadcast Venue of the 55th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 55th AGM is to inform members where the virtual AGM production and streaming would be conducted from. Member(s)/proxy(ies) from the public will not be allowed to be physically present at the meeting venue.

Appointment of Proxy

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 May 2021 (General Meeting Record of Depositors) shall be entitled to participate and vote remotely at the forthcoming 55th AGM using the remote participation and electronic voting facilities.
2. A member of the Company entitled to participate and vote remotely at the forthcoming 55th AGM is entitled to appoint one or more proxies to participate and vote remotely in his/her place. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointer or his/her 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.
4. 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/she thinks fit.
5. Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her 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 proxy in respect of each securities account which is credited with ordinary shares of the Company.
6. 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.
7. The Form of Proxy or other instruments of appointment must be deposited at the office of the share registrar of the Company, Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia or lodged electronically via “Boardroom Smart Investor Portal” at www.boardroomlimited.my not later than 48 hours before the time fixed for holding the forthcoming 55th AGM or any adjournment thereof.

Explanatory Notes:

Ordinary Resolutions 11 and 12 – Proposed DRP and Issuance of DRP Shares

The proposed Ordinary Resolution 11 if passed, will provide the shareholders of the Company with an option to elect to reinvest their cash dividend in new ordinary shares of the Company via the Proposed DRP.

The proposed Ordinary Resolution 12 if passed, will give authority to the Directors to allot and issue new RHB Bank Shares pursuant to the Proposed DRP in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

The details of the Proposed DRP are set out in the Circular to Shareholders dated 27 April 2021 which is available on RHB Bank’s website, www.rhbgroup.com.