

**Minutes of the Annual General Meeting of Shareholders No. 24**  
**CIMB Thai Bank Public Company Limited**

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The meeting was convened on Friday, 20 April 2018 at 14.00 hrs. at the Auditorium Room, 9<sup>th</sup> Floor, CIMB Thai Bank Public Company Limited, Head Office, 44 Langsuan Road, Lumpini, Patumwan, Bangkok.

**Directors in attendance**

1.	Mr. Chakramon Phasukavanich	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman
3.	Mr. Maris Samaram	Independent Director
4.	Mrs. Watanan Petersik	Independent Director
5.	Mr. Pravej Ongartsittigul	Independent Director
6.	Mr. Chitrapongse Kwangsukstith	Director
7.	Ms. Serena Tan Mei Shwen	Director
8.	Dato' Lee Kok Kwan	Director
9.	Mr. Kittiphun Anutarasoti	President and CEO

**Director absent with apology**

	Dato' Shaarani Bin Ibrahim	Independent Director
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**Executive officers in attendance**

1.	Mr. Sutee Losoponkul	Co-Head of Wholesale Banking and Head of Treasury
2.	Mr. Adisorn Sermchaiwong	Head of Consumer Banking
3.	Mr. Arthit Masathirakul	Head of Risk Management
4.	Mr. Pornchai Padmindra	Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking
5.	Mrs. Bussakorn Puttinan	Head of Information and Operations
6.	Mrs. Wareemon Niyomthai	Head of Commercial Banking
7.	Ms. Siriporn Sanunpairaue	Head of Internal Audit
8.	Mrs. Kanokpai Vongsatitporn	Head of Human Resources
9.	Mr. Jason Leong Kok Yew	Head of Finance
10.	Mr. Prapas Thongsuk	Head of Corporate Communications
11.	Mr. Akash Rathke	Head of Transaction Banking

12. Mr. Jittiwat Kantamala Head of Private Banking
13. Mr. Zethjak Leeyakars Head of Compliance and (Acting) Head of Office of the President

**Executive officer absent with apology**

Mr. Tan Keat Jin Head of Strategy (sick leave)

**Auditors in attendance**

PricewaterhouseCoopers ABAS Limited, represented by:

1. Ms. Bussaba Kulsiritham
2. Mr. Chanon Tawaranont

**Legal advisor in attendance**

Ms. Patcharaporn Putranont, Weerawong, Chinnavat & Partners Ltd.

Mr. Chakramon Phasukavanich, Chairman of the Board performing duty as Chairman of the meeting, welcomed the shareholders who attended the meeting, and informed the meeting that 173 shareholders and 146 proxies had attended the meeting, representing 6,005,640 shares and 29,328,790,017 shares respectively. The number of attending shareholders and proxies totaled 319 and the aggregate number of shares 29,334,795,657, equivalent to 96.8777% of the Bank's total shares issued and sold, which constituted a quorum according to the Bank's Articles of Association. The Chairman then declared the Annual General Meeting of Shareholders (AGM) No. 24 open.

**The meeting started at 14.00 hrs.**

The Chairman informed the meeting that the Bank's Board members, management, auditors and legal advisor as mentioned above also attended the meeting.

The Chairman asked Mr. Zethjak Leeyakars, Company Secretary, to inform the meeting of the best practice in the holding of the AGM and transparency of the vote counting. A shareholder named Mr. Chaichana Sakkara was invited from the floor to witness the vote counting.

Mr. Zethjak clarified the vote counting mechanism as can be summarised below:

In case no shareholder disagrees or abstains from voting, the Chairman will conclude at the end of that agenda that the shareholders approve or agree with the proposed matter.

The shareholders who object, disagree or abstain from voting may make a mark (✓) in the square bracket in the voting form and raise their hands. The Bank staff will collect the voting form and tally the results. In case the shareholders not raising their hands or not giving the voting form to the Bank staff, they will be considered as agreeing.

Only the dissenting and abstaining votes will be calculated and deducted from the total number of the votes of all the shareholders who attend the meeting. The remaining votes will be considered as agreeing.

The votes of the shareholders attending the meeting by proxy will be counted as per the votes indicated in the proxy form.

Registration will be kept open until the end of the meeting. Therefore, the number of shareholders and the number of shares for each agenda item may change according to the number of shareholders who have registered.

The shareholders who register after the meeting has started shall not be counted in the quorum for the agenda items where voting counting has duly been concluded.

The Chairman proceeded with the businesses on the agenda as follows:

**Agenda item 1 To certify the minutes of Annual General Meeting of Shareholders No. 23 held on 12 April 2017**

The Chairman requested the shareholders to consider and approve the minutes of Annual General Meeting of Shareholders No. 23 held on 12 April 2017, a copy of which had duly been sent to all shareholders together with the invitation notice to attend the meeting.

The Chairman invited the shareholders to raise questions and comments.

As no questions were raised by the shareholders, the Chairman requested the meeting to adopt the minutes of Annual General Meeting of Shareholders No. 23 held on 12 April 2017.

This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

**Resolution** The meeting by majority votes of the total shareholders present and voting at the meeting resolved to adopt the minutes of Annual General Meeting of Shareholders No. 23 held on 12 April 2017, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,334,817,661	99.9986
2. Disagree	106,381	0.0003
3. Abstention	293,731	0.0010
4. Voided ballot	0	0.0000

**Agenda item 2 To acknowledge the Bank's operating results for the year 2017**

The Chairman informed the meeting that the Bank's operating results for 2017 were as presented in the Annual Report 2017 duly sent to the shareholders. He asked the President and CEO to report details of this agenda item to the meeting.

The President and CEO reported to the meeting as below:

- The Bank turned around to profitability in 2017, with the profit before tax of THB 489 million (+163.1% YoY) as a result of decline in provision (-19.5% YoY).
- The Bank recorded a record high operating profit of THB 5.7 billion on the back of strong NII and efficient cost management. The Bank has grown continuously with average compound annual growth rate (CAGR) of 39% over 2009-2017. Its cost to income ratio has also been on an improving trend.
- For the year ended 31 December 2017, CIMB Thai Group's consolidated operating income rose by THB 227 million or 1.8% YoY to THB 13,155 million, mainly driven by the increase in net fee and service income of THB 309 million or 18.9% from improvements in fee income from sales of mutual funds, financial advisory service and hire purchase, and the increase in net interest income of THB 337 million or 3.4% due to the 9.4% decrease in interest expense, offset by the THB 419 million or 29.4% decrease in other operating income caused mainly by lower gains on investments.
- Net profit in 2017 was recorded at THB 385 million, compared with the net loss of THB 630 million in 2016 thanks mainly to the lower provision by 19.5% following improvement in asset quality.
- As at 31 December 2017, total gross loans stood at THB 211.0 billion, a YoY increase of 2.6%. Deposits were recorded at THB 177.4 billion, a YoY decrease of 3.4% from THB 183.7 billion.
- Return on equity (ROE) stood at 1.3% in 2017, compared with -2.3% in 2016, mainly from lower provisioning. 2017 NPL ratio was 4.8%, lower than 6.1% in 2016.
- Net interest margin (NIM) was 3.89% in 2017, higher than 3.77% in the previous year thanks to higher

efficiency in funding cost management.

- Cost to income ratio (CIR) stood at 57.9% in 2017, compared with 57.4% a year earlier.
- Capital adequacy ratio (CAR) has remained stable above 15% since 2014, recorded at 17.0% in 2017 that was higher than the previous year by 91 bps owing to THB 5.5 billion capital injection in June 2017.
- Consumer banking business was profitable for the second consecutive year with continued promising prospects.
- To ensure the Bank has appropriate guidelines and procedures to counter corruption, apart from establishing the Anti-Corruption Policy and Procedures, the Bank has arranged an e-learning course on this matter to enhance staff's knowledge and understanding. Moreover, the Board of Directors has put in place the No Gift Policy and Procedures to avoid any conflict of interest which is an essential principle in the business operation of the Bank and the companies in the financial business group. The Bank has also communicated our commitment and determination to fight corruption of all types to our business partners and all stakeholders, including set-up of standees at head office and branches encouraging no gift to the Bank's executives and staff. Dissemination of such information has also been made on the Bank's official website and CIMBNET (Bank's intranet) to clearly communicate this practice guideline to the employees and the outsiders.

The information presented by the President and CEO was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Suebsak Pipobmongkon, a shareholder,

- commended the Bank for improvement in operating results in 2017. However, given the current price competition among commercial banks with cutting of fees, e.g. fund transfer fee, which could lower fee income, what plan or program would the Bank work out to compensate the decrease in fee income?

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that, as a small bank, CIMB Thai recorded a very small amount of fee income from fund transfer compared to those of large-sized peers, and the fee income was also in a rather small proportion to its interest income. Thus, the impact on the Bank's fee income should be minimal. Meanwhile, looking forward, the Bank has planned to expand its Preferred customer base and

increase sales of unit trusts and such other investment products as structured note and deposit products with underlying assets (e.g. share, interest rate, foreign exchange rate, etc.), which should generate income for the Bank and help boost its overall income.

Mr. Sittichoke Boonwanit, a shareholder,

- opined that the Bank should improve its branch service process to facilitate customers' deposit of money to pay for share subscription for customers' convenience. Besides, he viewed that the Bank's operating results should be better in 2018 due to improving trends of Thai economy.

Mr. Kittiphun Anutarasoti, the President and CEO,

- agreed to check this matter with relevant work units for service improvement.

Mr. Sathaporn Pungnirun, a shareholder,

- remarked that the Bank's return on equity (ROE) and return on assets (ROA) of 1.3% and 0.1% respectively, as presented on page 13 of the annual report, were quite low compared to its registered capital size. He suggested that the Bank might consider other areas of investment and asset management in order to obtain higher returns.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that considering the pre-provision figures, the Bank's performance in 2017 actually improved and might be considered the best ever since CIMB's start of Thailand operation nine years ago. However, in the course of economic cycle, all commercial banks had encountered bad debts or NPLs during economic downturn. CIMB Thai was no exception, especially as regards the rice mill sector in which the Bank's portfolio had rather high concentration. Last year, the Bank made some bad debt write-off, which unavoidably hurt its performance that had actually improved. Nonetheless, the Bank believed that it would be able to generate higher ROA and ROE in the medium and long term on account of various measures in place, e.g. prudent asset management, tightened acquisition criteria, portfolio and customer base adjustment, etc.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired about the cause of rice mill NPLs and asked if other banks also faced the same problem.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that, according to the news, not only CIMB Thai but also other banks that had granted loans to rice millers faced the same problem. From an analysis, troubled rice mill debts arose

from factors that materially derailed the rice mill industry. Formerly, rice millers relied heavily on public-sector rice mill programs. There were a certain number of rice millers established specifically to respond to government projects. However, government policies changed when there was a change in the government. Some rice millers faced liquidity problems and others discontinued operation. CIMB Thai accordingly issued measures to assist customers that were seen as having potential to continue operation and adequate funds to service debts, as well as having given good cooperation in business improvement and debt restructuring. The Bank viewed that if customers could continue operation, there should be more chance for the Bank to recover debts in a larger amount than that in case of their business dissolution or entering bankruptcy process which would be followed by auction sale of assets. Despite high concentration in the rice mill sector, the Bank's exposure to this sector was not so large compared to those of large banks. Anyway, due to the small size of the Bank, such exposure could also be considered significant. To address this, CIMB Group had set concentration limits, which should reduce concentration in any particular industry. In general, even without the rice mill sector taken into account, most commercial banks had recorded higher NPLs. One reason why NPL ratios of some banks seem not increasing was that they had sold out NPLs. As evident in the past year, a large volume of NPLs had been sold out by banks. CIMB Thai had sold a certain volume of NPLs as well. Each commercial bank has its own policy in NPL management but in overall, NPLs should be on an improving trend.

Mr. Kitti Sanitwong Na Ayutthaya, a shareholder,

- enquired if the Bank has any mobile banking application for customers to pay public utility bills, and if its branches provide wi-fi for customers to test using the mobile banking application.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank currently has CIMB Clicks, which is an application used for bill payments.

Mr. Adisorn Sermchaiwong, Head of Consumer Banking,

- added that the Bank's mobile banking application has all basic functions, including fund transfer and bill payment. The current application may still work slowly and not yet be upgraded on a par with those of peers. The Bank is in the process of developing a new mobile banking application, the speed of which would be comparable to those of large banks. It is expected to be launched around late this year. As for wi-fi, all branches currently have wi-fi available for customers.

Mr. Sathaporn Pungnirun, a shareholder,

- questioned why the merger between CIMB Malaysia and another two banks failed.

Dato' Robert Cheim Dau Meng, Director,

- clarified that normally in a decision to merge business, the benefit of shareholders would be taken into consideration and used as a key factor in determining a share exchange price or a share buying/selling price. For such merger deal, it could not be agreed on the share price considered to benefit CIMB shareholders, and it could bring about benefit only if there was lay-off of a huge number of employees, which was not backed by Malaysian government.

Mr. Sathaporn Pungnirun, a shareholder,

- remarked that currently the government has a policy to encourage financial institutions, especially strong ones, to merge and form an entity of a size large enough to compete with ASEAN peers. He asked if CIMB Thai needed to merge with any bank in order to be competitive.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank had considered all possible options. Nonetheless, a business merger was not yet one of those options. He viewed that the government policy aims mainly to encourage a merger between large-sized banks so that the new entity could have a size large enough to be competitive in ASEAN. It is not intended for small banks to get merged. However, CIMB Thai, as a small bank, has to find its right standpoint and realign its business strategies. It is expected that the Bank should be able to rationalize its business to the position that can generate optimal profit to the shareholders within the next 3-5 years.

No other questions and comments were raised. The Chairman informed the meeting that this agenda item was to report the shareholders of the Bank's 2017 operating results for acknowledgment, so no voting was required.

**Resolution** The meeting acknowledged the report of the Bank's operating results for the year 2017.

**Agenda item 3** **To consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2017**

The Chairman proposed for the shareholders to consider and approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2017 which had duly been sent to the shareholders together with the invitation notice. The Chairman asked the President and CEO to present this agenda item to the meeting.



The President and CEO informed the meeting that the proposed financial statements had duly been audited by PricewaterhouseCoopers ABAS Ltd., the auditor of the Bank, as summarised below:

- As at 31 December 2017, CIMB Thai group had total assets of THB 300.6 billion, with loans and accrued interest receivables amounting to THB 211.5 billion and net investments THB 44.1 billion.
- Total liabilities amounted to THB 267.6 billion, of which deposits were THB 177.4 billion and borrowing THB 19.9 billion.
- Shareholders' equity amounted to THB 33.1 billion with issued and paid-up share capital of THB 15.1 billion. For the financial year ended 31 December 2017, CIMB Thai group recorded a net profit of THB 385 million, total income of THB 13,155 million, and operating expenses and loan loss provision of THB 12,666 million.

The information presented by the President and CEO was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

As no questions were raised by the shareholders, the Chairman requested the meeting to vote.

This agenda item required majority votes of the total shareholders attending and voting at the meeting.

**Resolution** The meeting by majority votes of the shareholders attending and voting at the meeting resolved to approve the statements of financial position and the statements of comprehensive income for the fiscal year ended 31 December 2017 as audited and certified by the auditor, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,337,170,636	99.9989
2. Disagree	0	0.0000
3. Abstention	293,731	0.0010
4. Voided ballot	0	0.0000

**Agenda item 4** To consider and approve the appropriation of profit for the year 2017 and no payment of dividend

The Chairman asked the President and CEO to present details of this agenda item to the meeting.

The President and CEO informed the meeting as follows:

- For the year ended 2017, based on the audited separate financial statements as at 31 December 2017, the Bank had a net profit of THB 71,390,200.18.
- The Board of Directors has considered it proper for the AGM to approve the appropriation of profit for the year 2017 to the statutory reserve in the amount of THB 3,600,000.00 and the remaining net profit after appropriation of THB 67,790,200.18 as retained earnings.
- The Board of Directors may consider from time to time and as appropriate and according to the Bank's Articles of Association distributing dividends to its shareholders if its operations are profitable, and provided that it has sufficient funds to support its business and legal reserve requirements. Pursuant to the Public Limited Companies Act B.E. 2535 (1992), dividends shall be paid only when all accumulated losses have been cleared.
- The Bank's policy is to allocate dividends to shareholders at not over 40% of its net profit (after corporate income tax) for the respective year. However, under the Bank of Thailand's Notification No. SorNorSor 20/2558, financial institutions should not pay dividend from the transactions that result from unrealized gain or no real cash inflow. Therefore, the Board of Directors deems it proper to make no dividend payment for the year ended 31 December 2017.

The information presented by the President and CEO was displayed on the monitor in the Conference Room. The Chairman invited the shareholders to raise questions and comments.

Mr. Suebsak Pipobmongkon, a shareholder,

- proposed that the Bank pay an interim dividend once it records profitable operation.

Mr. Sathaporn Pungnirun, a shareholder,

- referred to agenda item 2 regarding the operating results of 2017 where it was reported that the Bank's operation was profitable, while in this agenda item, the Bank proposed to make no dividend payment. This might mean the reported profit was merely a technical profit with no real cash flow. He then suggested that the Bank consider paying dividend based on quarterly operation that is profitable, as no dividend could be paid due to year-end operation at loss.

Mr. Kittiphun Anutarasoti, the President and CEO,

- agreed to bring the shareholders' suggestions into consideration, and clarified that the Bank could not pay dividend this year because part of the profit came from unrealized gain of about THB 500 million. Hence, the net profit was actually around THB 70 million which was insufficient for dividend payment.

As no further questions were raised by the shareholders, the Chairman requested the meeting to vote. This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

**Resolution** The meeting by majority votes of the shareholders attending and voting at the meeting resolved to approve the appropriation of profit for the year 2017 to the statutory reserve of THB 3,600,000.00 and the remaining net profit after appropriation of THB 67,790,200.18 as retained earnings, and no payment of dividend as proposed, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,337,220,656	99.9982
2. Disagree	203,681	0.0006
3. Abstention	298,731	0.0010
4. Voided ballot	0	0.0000

**Agenda item 5** To consider and approve directors' remuneration for the year 2018

The Chairman asked Mrs. Watanan Petersik, Chairperson of Nomination Remuneration and Corporate Governance Committee (NRCC), to present details of the matter to the meeting.

Mrs. Watanan Petersik, NRCC Chairperson, presented the matter to the shareholders as follows:

- The Board of Directors has a policy and criteria in place to determine remuneration for the Board and the Board Committee members under the recommendation of the Nomination, Remuneration and Corporate Governance Committee (NRCC) to ensure that the remuneration is at the appropriate rates commensurate with the duties and responsibilities of the Board and the Board Committee members, and comparable to those of its peers in the industry.
- The Board of Directors has considered it proper as recommended by the NRCC for the AGM to approve the remuneration for the Board and the Board Committee members for 2018, the total amount of which will remain unchanged from that in the previous year, and is payable in two portions, i.e. monthly allowance and meeting allowance per attendance, as shown below:

#### 5.1 Remuneration for Board members

Remuneration (Position)	Year 2018	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500 THB/person	58,500 THB/person
• Vice Chairman	48,400 THB/person	39,600 THB/person
• Director	24,000 THB/person	20,000 THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

#### 5.2 Remuneration for Board Committee members

Directors who are assigned by the Board to serve on other Board Committees are entitled to receive additional monthly allowance and meeting allowance per attendance. The total remuneration remains unchanged as follows:

Remuneration (Position)	Year 2018	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
• Chairman	39,600 THB/person	32,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
• Chairman	28,600 THB/person	23,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person

*Remarks: The President and CEO has declared his intention not to receive the meeting allowances in those Board committees. Board and Board Committee members are responsible for paying their own income tax.*

The information so presented was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

As there were no questions or comments, the Chairman requested the meeting to vote.

This agenda item required votes at no less than two-thirds of the total number of votes of the shareholders attending the meeting.

**Resolution** The meeting resolved by the affirmative votes of more than two-thirds of the total votes of the shareholders attending the meeting to approve the directors' remuneration for the year 2018 as proposed, with the voting result as follows:

Resolution	Number of votes (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting
1. Agree	29,337,299,396	99.9984
2. Disagree	106,381	0.0003
3. Abstention	340,331	0.0011
4. Voided ballot	0	0.0000

**Agenda item 6** To appoint the auditor and determine the audit fee for the year 2018

The Chairman asked Mr. Pravej Ongartsittigul, Member of Audit Committee, to present details of the matter to the meeting.

Mr. Pravej Ongartsittigul, Member of Audit Committee, presented the matter to the shareholders that the Public Limited Companies Act, B.E. 2535 (1992) states that the AGM shall appoint an auditor and determine the auditing fee annually, and that the former auditor may be re-appointed. The Audit Committee has accordingly selected and presented to the Board of Directors to seek further approval from the AGM the appointment of PricewaterhouseCoopers ABAS Ltd. ("PwC") as the Bank's auditor for the year 2018. Any of the following three CPA holders shall be empowered to audit, perform and sign off on the Auditor's Report.

1. Mr. Boonlert Kamolchanokkul CPA License Number 5339
2. Ms. Sinsiri Thangsombat CPA License Number 7352
3. Mr. Paiboon Tunkoon CPA License Number 4298

The Board of Directors would like to propose for the AGM's consideration and approval of an audit fee and other fees, totaling THB 11,262,900. Details of audit fee and other fees are shown on pages 4-6 of the invitation letter to the AGM.

PwC is also the auditor of CIMB Thai - Vientiane Branch and three subsidiaries of the Bank, namely:

1. CIMB Thai Auto Co., Ltd. (Formerly Center Auto Lease Co., Ltd.)
2. CT Coll Co., Ltd.
3. WorldLease Co., Ltd.

Overall CIMB Thai Group's audit fee and other fees for 2018 will total THB 11,262,900, down by 2% compared with 2017 of THB 11,540,000 (up by 4% if excluding IT audit for the Bank of Thailand in 2017). As for

non-audit fee in the previous fiscal year, CIMB Thai Group obtained other services from the audit firm for which the auditors were working amounting to THB 660,000 and there were no other services from persons or businesses related to the auditors.

The information was displayed on the monitor in the Conference Room.

The Chairman invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder,

- mentioned about the statement in the invitation letter, agenda 6 on pages 5-6, “\*\*Note: Excluding IT audit for the BOT in 2017, CIMB Thai Group audit fee for 2018 increased by 2%,” while the details showed an increase or decrease of fee on each item and the last column of this transaction indicated the cost reduction by 100% or by THB 700,000. He would like to know why there would be no such expense item for 2018.

Ms. Bussaba Kulsiritham, PwC auditor,

- explained that PwC would separate ‘IT audit for the BOT’ from the annual examination and that audit was required by the BOT.

Mr. Sathaporn Pungnirun, a shareholder,

- asked who was engaged to perform the BOT-required IT audit for CIMB Thai.

Mr. Kittiphun Anutarasoti, the President and CEO, requested Ms. Siriporn Sanunpairaue, Internal Audit Head, to clarify.

Ms. Siriporn Sanunpairaue, Internal Audit Head,

- clarified that the IT audit for the BOT was the former regulation of the BOT requiring a commercial bank to have the IT system reviewed by an external expert to ensure the electronic fund transfer system complies with the BOT criteria. The Bank earlier hired PwC to conduct such IT audit with the budget requested from and approved by the AGM in the current year and had the IT audit work actually conducted in the following year together with the auditor’s report. This expense was thus incurred every year. However, for 2018, the BOT has waived this rule and required it to be replaced by IT Risk Management Policy. Therefore, the cost of THB 700,000 approved by the 2017 AGM has not yet been incurred due to the waiver of such rule for 2018, and the Bank has not hired PwC this year to conduct such audit for 2017. This item is no longer budgeted this year, and the IT audit can be done by the Bank’s sound internal audit system.

A shareholder (anonymous)

- opined that the IT audit did not occur and the Bank did not actually bear the cost of THB 700,000 approved by the 2017 AGM. In 2018, as the BOT has waived this requirement, the Bank will no longer require the budget for electronic fund transfer audit. However, this item is still presented on the agenda, i.e. about 100% reduction, which could cause deviation in other related expenses.

Mr. Sathaporn Pungnirun, a shareholder,

- suggested that the Bank should clarify in the note that the fee on IT audit for the BOT amounting to THB 700,000 did not actually occur in 2017, and adjust other relevant expenses in the following year to align with it.

The Chairman

- agreed with the shareholders' suggestions and would have relevant work units to revise the presentation of this information to be clearer and more precise in the following year.

A shareholder (anonymous)

- enquired about the audit fee of subsidiaries which would increase by 14%, while other audit fees would increase by only 2%.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the increase in subsidiaries' audit fee was due to the business expansion of the two subsidiaries, i.e. CIMB Thai Auto Co., Ltd. (formerly Center Auto Lease Co., Ltd.) and WorldLease Co., Ltd., which engage in auto and motorcycle hire purchase, leading to a higher cost in the audit process.

As there were no further questions, the Chairman requested the meeting to vote. This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

**Resolution** The meeting resolved by majority votes of the shareholders attending and voting at the meeting to appoint PricewaterhouseCoopers ABAS Ltd., represented by Mr. Boonlert Kamolchanokkul (CPA License No. 5339) and/or Ms. Sinsiri Thangsombat (CPA License No. 7352) and/or Mr. Paiboon Tunkoon (CPA License No. 4298), as CIMB Thai Group's auditor for the year 2018, and to determine the auditing fee and other fees for 2018 of THB 9,111,130 for the Bank, as well as to acknowledge the auditing fee of THB 2,151,770 for CIMB Thai - Vientiane Branch and the subsidiaries of the Bank, making up the total auditing fees and other fees of CIMB Thai Group of THB 11,262,900 for the year 2018, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,337,866,038	99.9986
2. Disagree	50,700	0.0001
3. Abstention	340,331	0.0011
4. Voided ballot	0	0.0000

**Agenda item 7**      **To consider the election of directors to replace those due to retire by rotation**

In this agenda item, Mr. Chakramon Phasukavanich, Chairman, and Dato' Robert Cheim Dau Meng, Vice Chairman, had beneficial interest as they were among the directors due to retire by rotation. The Chairman asked Mrs. Watanan Petersik, Chairperson of Nomination Remuneration and Corporate Governance Committee (NRCC), to present details of the matter to the meeting.

Mrs. Watanan Petersik, NRCC Chairperson, presented the matter to the shareholders as follows:

- To comply with the Public Limited Companies Act and the Articles of Association of the Bank, Clause 18, at every annual general meeting of shareholders, one-third of the directors shall vacate office, and in the following years, the director who has held office longest shall retire. Moreover, the retiring director is eligible for re-election. At this AGM, three directors shall retire by rotation as follows:
  1. Mr. Chakramon Phasukavanich      Director / Independent Director / Chairman of the Board
  2. Dato' Robert Cheim Dau Meng      Director / Vice Chairman
  3. Dato' Shaarani Bin Ibrahim      Director / Independent Director / Audit Committee Member
  
- The Board has considered it appropriate to re-elect the two vacating members of the Board of Directors, i.e. (1) Mr. Chakramon Phasukavanich and (2) Dato' Robert Cheim Dau Meng, as the Bank's directors for another term. Meanwhile, Dato' Shaarani Bin Ibrahim declared his intention not to be re-elected as the Bank's director for another term. After searching for a qualified candidate with knowledge and capability, the NRCC has proposed to appoint Datuk Joseph Dominic Silva as a director replacing Dato' Shaarani Bin Ibrahim. The NRCC has also proposed to appoint Mr. Chanmanu Sumawong as a new director and independent director/member of Audit Committee. This would increase the total number of the directors to 11 in compliance with the Articles of Association of the Bank, Clause 14, requiring that the Board of Directors shall be composed of no fewer than five members and not exceeding 12 members. These four



nominated persons have know-how and experience in finance and law and are fully qualified to be the Bank's directors pursuant to the relevant laws and the Bank's regulations.

- Pursuant to the good corporate governance, the Bank has allowed the shareholders to nominate qualified persons without any prohibited characteristics as candidates for election of directors according to the nomination criteria and procedure indicated on its website during 1 October 2017 - 31 December 2017. It came out that there were shareholders proposing a candidate to be elected as the Bank's director for the year 2018. However, the qualifications of such proposal are not in compliance with the Bank's criteria for shareholders to be entitled to nominate the qualified person to perform as the director of the Bank. Such proposal has thus not been made to the shareholders' meeting for consideration.

Names, photos and profiles of the four directors proposed for re-election and election were displayed on the monitor in the Conference Room.

The NRCC Chairperson invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder,

- enquired about the Bank's nomination process of an independent director. He questioned who could nominate a candidate for independent director post and what proportion of the Bank shares to be held by such person. The Bank set the criteria that shareholders that are entitled to propose an agenda item for the AGM or nominate a qualified person to act as a director of the Bank (in case of independent director) must hold shares in an aggregate amount of no less than 5% of the Bank's total shares with voting right. It seemed contradicting the rule requiring an independent director to hold no more than 1% of total shares with the voting right of the Bank, its parent company, subsidiaries, affiliates, major shareholders or persons with controlling power.
- asked about the percentage of shares held by CIMB Bank Berhad in the Bank.
- viewed that the consideration and selection process of the Bank was unclear and did not actually open an opportunity for minor shareholders to nominate a candidate to be a director.

Mrs. Watanan Petersik, NRCC Chairperson, requested Company Secretary to clarify.

Mr. Zethjak Leeyakars, Company Secretary,

- clarified that the Bank's nomination process of independent director was transparent. The nominated candidate must be screened by NRCC in terms of qualifications before proposal for the Board's consideration.

Ms. Patcharaporn Putranont, Legal Advisor from Weerawong, Chinnavat & Partners Ltd.,

- clarified that, in the general practice, the selection and nomination of a person to assume a director post is the authority and duty of the Board of Directors. The Board of Directors has appointed and delegated authority to NRCC to select a qualified person pursuant to the Bank's criteria and relevant laws before proposal to the shareholders' meeting for approval. For nomination of candidates for directorship, the Public Limited Companies Act, B.E. 2535 (1992) and the Securities and Exchange Act, B.E. 2535 (1992) give the shareholders the right to elect or discharge a director, but not the right to nominate a director. The shareholder's right related to directorship is actually only to vote for appointing or discharging a director. Nevertheless, the good corporate governance principles encourage listed companies to set the criteria offering the shareholders an additional right to propose agenda items and nominate a candidate for directorship. Most listed companies implement the similar criteria, allowing the shareholders with aggregate shares of no fewer than 5% of total shares with voting right to have the right to propose agenda items and nominate candidates for directorship. For CIMB Thai, all directors have performed their duties in accordance with the fiduciary duty principle and the Bank's policy and criteria in granting the shareholders the right to propose agenda items and nominate a candidate for election as a director, under the requirement that the shareholder(s) must hold the aggregate shares no fewer than 5% of total Bank shares with voting right in order to have the right to propose agenda items and nominate a candidate for directorship.
- Currently, CIMB Bank Berhad holds 94.11% of CIMB Thai's total shares issued and sold. In the appointment of an independent director, a person to be appointed shall not hold more than 1% shares and shall not be a representative of the major shareholder. Even though CIMB Bank Berhad is a major shareholder of the Bank, it cannot nominate any person to be an independent director because one of the qualifications of an independent director as prescribed by Securities and Exchange Commission (SEC) and Capital Market Supervisory Board is that he/she shall not be a representative of the major shareholder or a person with controlling power. Therefore, the parties that have the duty to select and nominate an independent director are the Board of Directors and NRCC.

Mrs. Watanan Petersik, NRCC Chairperson,

- added that most listed companies define criteria in granting the shareholders the right to propose agenda items and nominate a candidate for directorship, provided that they hold at least 5% of total Bank shares with voting right. However, such criteria might not be practical for CIMB Thai, given the shareholding proportion of its major shareholder. In this connection, the

Bank would review the criteria in granting the shareholders the right to propose agenda items and nominate a candidate for directorship to be more practical.

Mr. Sathaporn Pungnirun, a shareholder,

- asked why at this AGM there was no agenda item proposing to amend the Bank's Articles of Association to be consistent with the Public Limited Companies Act, B.E. 2535 (1992) (amended version on 4 April 2017), where Section 100 has been amended following the National Council for Peace and Order Chief's Order No. 21/2560 regarding the decrease in the required proportion of aggregate shareholding of shareholders for the right to call for an extraordinary general meeting of shareholders and an extension of timeframe for convening an extraordinary general meeting of shareholders from one month to 45 days from the date of receiving the shareholders' letter.

Ms. Patcharaporn Putranont, Legal Advisor from Weerawong, Chinnavat & Partners Ltd.,

- clarified that although the Bank has not yet amended its Articles of Association to correspond with the said amended law, the Bank is already obligated to comply with it.

As there were no further questions, the NRCC Chairperson requested the meeting to vote. This agenda item required majority votes of the total shareholders who attended and voted at the meeting.

**Resolution** The meeting by majority votes of the shareholders attending and voting at the meeting resolved to re-elect two members of the Board of Directors, i.e. (1) Mr. Chakramon Phasukavanich and (2) Dato' Robert Cheim Dau Meng, due to retire by rotation as the Bank's directors for another term, and to appoint Datuk Joseph Dominic Silva as a director replacing Dato' Shaarani Bin Ibrahim who declared his intention not to be re-elected as the Bank's director for another term, and Mr. Chanmanu Sumawong as a new director, with the voting results as follows:

1. Mr. Chakramon Phasukavanich Independent Director

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,338,011,823	99.9988
2. Disagree	0	0.0000
3. Abstention	323,731	0.0011
4. Voided ballot	0	0.0000

2. Dato' Robert Cheim Dau Meng Director

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,328,639,223	99.9669
2. Disagree	9,372,600	0.0319
3. Abstention	323,731	0.0011
4. Voided ballot	0	0.0000

3. Datuk Joseph Dominic Silva Director

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,337,905,442	99.9985
2. Disagree	106,381	0.0003
3. Abstention	323,731	0.0011
4. Voided ballot	0	0.0000

4. Mr. Chanmanu Sumawong Independent Director / Member of Audit Committee

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and casting their votes
1. Agree	29,338,199,173	99.9995
2. Disagree	106,381	0.0003
3. Abstention	30,000	0.0001
4. Voided ballot	0	0.0000

**Agenda item 8 To consider and approve the amendment to the Bank's objectives and the amendment to the Bank's Memorandum of Association, Clause 3 Objectives**

The Chairman asked the President and CEO to present details of this agenda item to the meeting.

The President and CEO informed the meeting as follows:

- The Bank intends to apply for permission to operate a debt collection business under the Debt Collection Act, B.E. 2538 (1995). To accommodate such business operation, the Board has deemed it appropriate for the AGM to consider and approve an amendment to the Bank's objectives by amending the Bank's objective item no. 17 and adding one more objective to be item no. 20 with details as follows:

Amendment to objective item no. 17

Existing statement	Replacing statement
(17) To engage in other kinds of businesses which are traditionally considered appropriate for commercial banks, as well as all other businesses which the Company is permitted to undertake in accordance with the provisions already specified or to be specified in <u>the Commercial Banking Act</u> and the Securities and Exchange Act.	(17) To engage in other kinds of businesses which are traditionally considered appropriate for commercial banks, as well as all other businesses which the Company is permitted to undertake in accordance with the provisions already specified or to be specified in <u>the Financial Institutions Business Act</u> and the Securities and Exchange Act.

Addition of objective item no. 20

"(20) To operate debt collection business"

In addition, the Bank's Memorandum of Association, Clause 3 (Objectives) shall be amended to be in line with the amendment of objectives to include 20 items, instead of 19 items in the original version, as follows:

*"Clause 3 The Company has 20 objectives, as detailed in BorMorJor 002 as attached."*

- For the registration of the amendment to the Bank's objectives with Department of Business Development, Ministry of Commerce, it was proposed that the person appointed by the Board of Directors or the President and CEO is authorized to amend or revise the proposed objectives in order to be in line with the registrar's instruction, which shall not impact the material substance of the proposed objectives.

The information presented by the President and CEO was displayed on the monitor in the Conference Room. The Chairman invited the shareholders to raise questions and comments.

Mr. Sathaporn Pungnirun, a shareholder,

- mentioned that currently the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) asked for cooperation from listed companies to refrain from doing

undesirable businesses, such as tobacco, liquor, etc. He then asked if the Bank had involved in lending to any clients engaging in those kinds of businesses.

Mr. Kittiphun Anutarasoti, the President and CEO,

- responded that the Bank has not done or be involved in any of such kinds of businesses and would take into account the cooperation requested by the SEC or the SET to rectify or improve the issues concerned.

A shareholder (anonymous)

- questioned about the registered capital and timeframe required in establishing the debt collection business, as well as whether such business would be run by its internal business unit or an outsourced entity. He also asked what benefit this business would contribute to the Bank.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank had amended its objective by adding one objective item from the current 19 items to 20 items to allow it to operate a debt collection business. As the Bank has recently sold some NPLs to asset management companies, and some of them have asked the Bank to collect debts from such debtors for another period of time to allow for continuity. However, the Bank is currently unable to do so as such business is not included in its objectives. The Bank actually has the right to collect debts from its debtors. Therefore, it has been deemed proper to amend the Bank's objectives to include debt collection service provision to a third party. In this regard, the Bank has not aimed to provide debt collection service to general parties.

Mr. Sathaporn Pungnirun, a shareholder,

- remarked that if the Bank has an efficient credit underwriting process, its bad debts should be low and it would not need to sell NPLs which would incur loss due to NPL sale at discount. Therefore, the Bank should review and improve its credit lending process to be more efficient.

Mr. Kittiphun Anutarasoti, the President and CEO,

- explained that, in NPL sale, the Bank would consider the price based on the fair value for the Bank, by comparing risk and benefit between the selling price at which the Bank can get the money back right away and the level of risk to be taken by keeping the NPLs and having to wait for debt collection. Sale of NPLs is a normal practice of all commercial banks in managing assets and balance sheet.

Mr. Chakramon Phasukavanich, Chairman of the Board,

- added that, in principle in the business operation, the Bank would put in place principles in managing credit risk to ensure lowest NPLs possible. If the Bank would like to take no risk or render no loans for fear of bad debts, it would be unable to run its business. Business has its up-and-down cycle. Some quality debtors could become NPLs due to changes in technology or troubled industry. NPL management is thus an essential part in the banking business, and the Bank may manage NPLs by itself or have other entities to manage them.

Mr. Arthit Masathirakul, Head of Risk Management,

- added that, as evident from news report, commercial banks in the entire system have been selling out NPLs worth about THB 300 billion. Hence, buying and selling bad debts were normal transactions of commercial banks. The magnitude of NPLs would depend on the economic cycle. In this regard, bad debts or NPLs cover not only business loans, but also personal loans, credit card loans and secured loans.

As there were no further questions, the Chairman requested the meeting to vote. This agenda item required the affirmative votes of at least three-fourths of the total votes of the shareholders who attended the meeting and had the right to vote.

**Resolution** The meeting resolved by the affirmative votes of no less than three-fourths of the shareholders who attended the meeting and had the right to vote approving the amendment to the Bank's objectives and Clause 3 (Objectives) of the Bank's Memorandum of Association with details as proposed, and authorization of the person appointed by the Board of Directors or the President and CEO to register the amendment to the Bank's Memorandum of Association with Department of Business Development, Ministry of Commerce, and to amend or revise the proposed objectives in order to be in line with the registrar's instruction, which shall not impact the material substance of the proposed objectives, with the voting result as follows:

Resolution	Number of votes cast (1 share = 1 vote)	Percentage of total number of votes of the shareholders attending the meeting and having the right to vote
1. Agree	29,338,790,797	99.9996
2. Disagree	106,381	0.0003
3. Abstention	0	0.0000
4. Voided ballot	0	0.0000

Agenda item 9      Other matters

The Chairman invited the shareholders to raise questions and comments.

Mr. Kittit Sanitwong Na Ayutthaya, a shareholder,

- enquired if the Bank has planned to set up more mini branches in 7-Eleven shops.

Mr. Kittiphun Anutarasoti, the President and CEO, requested Mr. Adisorn Sermchaiwong, Head of Consumer Banking, to clarify.

Mr. Adisorn Sermchaiwong, Head of Consumer Banking,

- clarified that CIMB Thai has opened one more mini branch in 7-Eleven shop in Amata Nakorn Industrial Estate and may gradually open more in SPAR Supermarket inside Bangchak Gas Station on Rachapruerk Road. However, both 7-Eleven and SPAR are likely to do banking agent business, so the Bank might not open more there but hire them to be its banking agents instead.

Mr. Kittit Sanitwong Na Ayutthaya, a shareholder,

- asked whether the Bank has planned to open a branch in Myanmar where there is large population in addition to the branch in Laos.

Mr. Kittiphun Anutarasoti, the President and CEO,

- clarified that the Bank has opened the Laos branch as Laos has had close business relationship with Thailand. However, business volume there is still small, so the Bank is considering if it should continue its branch business there or have it transformed. For Myanmar, CIMB Group has already opened a branch there.

The Chairman thanked the shareholders for their comments and suggestions, and said that the Board of Directors would perform its duty in the best interests of all the shareholders.

No other questions and comments were raised and no other matters were proposed at the meeting. The Chairman thanked the shareholders and proxies for their attendance and their comments and suggestions that would be of great benefits to the Bank. He accordingly declared the meeting closed.

The meeting adjourned at 16.30 hrs.

Signed                    - *Chakramon Phasukavanich* -                    Chairman  
(Mr. Chakramon Phasukavanich)

Signed                    - *Zethjak Leeyakars* -                    Company Secretary  
(Mr. Zethjak Leeyakars)                    Minutes Taker