



Corporate Governance Policy (Revised 2019)

CIMB Thai has reviewed and updated its Corporate Governance Policy to be consistent with the Corporate Governance Code for Listed Companies 2017 (CG Code 2017). The updated policy has been approved by CIMB Thai Board of Directors' meetings, held on 22 February 2019 and 28 August 2019.

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Date : 18 September 2019

Vision

"To be Thailand's Leading ASEAN Bank for all stakeholders."

Mission

"To strive towards being Thailand's Leading ASEAN Bank by providing innovative financial products, excellent service, and compelling cross border solutions through synergy with CIMB Group."

We are in our journey to achieve our Aspiration as follows:

- To become **Top 3 most Profitable Bank** (by ROE)
- To be **Market Leader** in at least 3 business segments (products / customer group)
- To be **Employer of Choice** through strong brand equity driven by a high performance culture

Corporate Value

Core values reflect what is truly important for CIMB Thai. These are not values that change over time, according to situations or by persons, but rather they are the foundation of our culture, and the soul of our Bank.

CTHAI:

Customer
Teamwork
Honesty
ASEAN
Innovation

Customer

We appreciate the unique needs of each individual and organization. By putting their needs first and delivering quality solutions, we strive to create relationships of lasting value.

Teamwork

We strive to deliver results by maximizing our potential. We believe that true potential can only be unleashed from collaboration and teamwork.

Honesty

We place a high value on integrity as professionals in a business where trust is essential. We are accountable for both our shortcomings and successes. This mindset allows our customers to entrust their business with us.


ASEAN

As a member of CIMB Group, we aspire to be the leading ASEAN bank in Thailand. It is through integration of our people, products and processes that we can bring the best ASEAN opportunities to our stakeholders.

Innovation

We are always looking to improve ourselves through innovation. By constantly encouraging creativity, improving capability and identifying opportunities, we are able to collectively ensure that we deliver market-leading solutions to our stakeholders.

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Corporate Governance Policy of CIMB Thai Bank Public Company Limited

Corporate governance is a set of structures, principles and procedures that affects the way an organization is administered and includes the relationships among the Board of Directors, the management and all stakeholders. It is used as a framework for setting direction, objectives and procedures in the business operations so that the targets and mission are achieved, and competitiveness and enterprise value are enhanced, which will lead the organization to sustainable growth and stability.

The Bank has formulated the framework based on eight principles which are of international standards as follows:

1. Accountability
2. Responsibility
3. Equitable treatment
4. Transparency
5. Code of ethics and conduct
6. Creation of long-term value added
7. Good corporate citizenship
8. Corporate resilience

Chapter 1 Structure and Responsibilities of Board of Directors

1. Structure of Board of Directors

1.1 Leadership and vision

The Board of Directors has a major role in corporate governance, with duties and responsibilities in formulating the Bank's policy, direction, target and strategy to ensure its operational efficiency and effectiveness. The Chairman of the Board is in charge of leading the Board and encouraging all Board members to share accountability and express ideas and comments in the capacity as directors on an equitable basis and in the best interests of the organization as well as fair treatment of shareholders.


1.2 Composition and qualifications of Board of Directors

1.2.1 The Board of Directors is composed of professionals with diversified backgrounds and specialization which can most benefit the Bank, with at least one director who possesses information technology knowledge, expertise, and experience. Board Skill Matrix shall be considered and determined for the best benefits towards the Bank's business operation. Board members shall have no disqualifications prescribed by law.

1.2.2 Pursuant to the Bank's Articles of Association, the Board shall have at least five members but not more than 12 members, and at least half of the members shall have domicile in the kingdom.

1.2.3 The Board of Directors by the consent of the shareholders' meeting shall comprise both executive directors and non-executive directors. Of the total members, at least three members or one-third shall be independent directors and the remaining shall be in a fair proportion to and commensurate with the shareholding of the controlling shareholders.

1.2.4 The Board shall appoint one of its members to be the Chairman of the Board. The person so appointed shall not be the same person as the President. There is clear segregation of authority and duties in formulating policy, governance and administration of day-to-day business to prevent excessive use of power by any person. The Chairman of the Board must be independent from the management and does not chair or be a member of any Board Committee to enable Board Committee members to give independent opinions.

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“Independent director” and “executive director” shall be as per criteria prescribed in Bank of Thailand's Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions, Capital Market Supervisory Board's Notification No. ThorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, and any amendment of the notifications (if any). An independent director shall hold shares not exceeding 0.5 percent of the total number of shares with voting rights of the Bank, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director. Prohibition against holding more than 0.5 percent of the total number of shares is deemed stricter than the criteria prescribed in Capital Market Supervisory Board's notification which specifies that an independent director shall hold shares not exceeding 1.0 percent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person.

1.3 Nomination, appointment and term of director

1.3.1 The Bank has put in place the director nomination procedure that is transparent and disclosed in the annual report. The Nomination, Remuneration and Corporate Governance Committee shall be delegated to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending through the Board of Directors before submitting to the Bank of Thailand (BOT) and/or shareholders' meeting for approval and appointment. This shall be compliant with the rules and procedure specified in the Bank's Articles of Association and the relevant laws.

1.3.2 Each director has a term of office as prescribed in the Articles of Association, i.e. at every annual general meeting, one-third of the directors shall retire. In any subsequent years, the directors who have been in office the longest shall retire. The retired directors may be re-elected.


1.3.3 An independent director may hold his/her position in the Bank for no more than nine consecutive years, including the period during which he/she serves as an independent director of companies in the Bank's financial business group. If the independent director who has held the position for nine years in the Bank wishes to be re-appointed as an independent director, he/she must have been discharged from the position of director, manager, person with managing power, advisor or staff member of the Bank and companies in its financial business group at least two years before the day the re-appointment request is submitted.

In addition, an independent director of the Bank who has held the position for less than nine years, if he/she has been discharged from the position of independent director of the Bank and companies in its financial business group for less than two years, and during such period, he/she has not been appointed as a director, manager, person with managing power, advisor, or staff member of the Bank and companies in its financial business group, he/she may be re-appointed as an independent director, but the term of office shall be counted in continuation from the term of office from which he/she has been discharged.

Independent directors who have qualifications according to the BOT Notification No. SorNorSor. 13/2552 Re: Corporate Governance of Financial Institutions dated 9 July 2009 (B.E. 2552) and have already been in office before the effective date of the BOT Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions dated 22 May 2018 (B.E. 2561) but do not have qualifications as specified in Clause 5.2.3 thereof, shall observe the following:

(1) Independent directors already in office as of the effective date of the BOT Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions may continue holding the positions further on until 1 May 2022 (B.E. 2565).

(2) Independent directors already in office as of the effective date of the BOT Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions but due to complete the term of office after the effective date of this Notification may be requested for re-appointment by the Bank with the term of office to be held until 1 May 2022 (B.E. 2565).

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1.4 Directorship in other companies

The Board has well realized the importance of efficient performance of duties as directors and executives of the Bank. It has thus put in place a policy to determine the number of companies in which directors, manager or the persons with managing power can assume directorship in line with the ethical practices prescribed by the relevant regulators, such as the Bank of Thailand (BOT) and the Stock Exchange of Thailand (SET) as follows:

1.4.1 Directors, managers, persons with managing power, and advisors of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business sectors, excluding directorship in financial institutions.


1.4.2 Directors, managers, persons with managing power, and advisors of the Bank may hold directorship in no more than five listed companies, both at home and overseas (with directorship at the Bank counted as one out of five), excluding listed companies the Bank has acquired from debt restructuring.

1.4.3 President and CEO and top executives may assume directorship in other companies as approved by the Board of Directors prior to assuming the directorship. The Board of Directors shall take into consideration the position type and number of companies in which the persons with managing power can assume directorship. Assuming directorship in other companies shall not violate any rules or regulations of relevant supervisory bodies and shall be reported to the Bank within seven days the appointment or effective date.

1.4.4 A senior executive of the Bank must not serve as a full time employee of other organizations, unless the Bank of Thailand considers that it does not affect the efficiency in his/her duty performance at the Bank.

1.5 Appointment of Company Secretary by the Board to perform duties of advising on laws, rules and regulations relevant to the Board members, and taking care of the activities of the Board members to ensure adherence to good corporate governance standards as below:


- Give preliminary advice and suggestions to Board members on legal issues, and rules, regulations and practices of the Bank to ensure performance under good corporate governance principles.
- Make arrangements for holding of Board meeting and shareholders' meeting in line with the law and Articles of Association of the Bank, and take minutes of such meetings, as well as follow up the execution in accordance with the resolutions passed at such meetings.
- Prepare and maintain directors' register, invitation notices and minutes of Board meetings, invitation notices and minutes of shareholders' meetings, and annual reports.
- Prepare documents and information that will benefit performance of duties of new directors, and brief them about the Bank's nature of business and business framework.
- Make available training courses and seminars to enhance directors' knowledge and develop their skills and experience that will benefit the directors' performance of duties.
- Ensure the disclosure of information and information memorandum on the part under responsibility to the supervisory bodies under the relevant rules and regulations.
- Contact and communicate with shareholders in general to ensure they are aware of their rights and have access to the news and information of the Bank.
- Undertake other tasks as announced/prescribed by the Capital Market Supervisory Board.
- Company Secretary undergoes ongoing knowledge and skills training and development in the areas of law, accounting, or performance of duties of company secretary.

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2. Roles, Duties and Responsibilities of Board of Directors, Directors and Senior Executives of the Bank


Duties of Board of Directors:

1. Ensure that all directors and executives perform duty of care and duty of loyalty, and as prescribed by law in accordance with the objectives and Articles of Association of the Bank as well as the resolutions of the shareholders' meeting.
2. Ensure that the Bank has put in place its policies and procedures as well as approval processes for important operations (e.g. investment, transactions with material impact on business, connected transactions, acquisition/disposal of assets, dividend payment, etc.) as prescribed by law.
3. Determine the Bank's business operation policies, strategies and objectives, consider and approve its business policies and framework, and control and monitor the management's discharge of functions in accordance with the policies set forth and in an efficient and effective manner in order to enhance financial value to the Bank, customers, stakeholders, and the society as a whole, with sustainability in business operation into account.
4. Select and nominate individuals qualified for the shareholders' consideration and election as directors, and support the shareholders' exercise of rights with channels available for them to nominate candidates to stand for election as directors.
5. Select and nominate qualified individuals from diverse professional expertise and experience for appointment as top executives.
6. Approve business budgets based on joint consideration with the management.
7. Delegate authority to executives to carry out tasks in accordance with the targets, except in case of significant issues with drastic impacts and those not in normal course of business of the Bank, such as investment in other businesses, making sizable transactions, etc., or the issues with conflict of interests of the executives, thereby the Board shall handle in order to relieve managerial risks, or make recommendation to the shareholders' meeting if shareholders' approval is required pursuant to the regulatory criteria.
8. Determine the issues to be brought by the management to the attention of the Board.
9. Establish measures for the management to take in order to meet the targets and plans set out, and ensure that the management communicates the policies, targets and plans to staff at all levels across the organization.
10. Supervise and monitor the management's business administration to ensure the Bank's operations comply with the laws and provisions in the relevant agreements.
11. Supervise to ensure that the Bank and its subsidiaries in the financial business group have in place risk factors determination, risk assessment, risk management measures, risk monitoring and examination, and review of risk management system on a regular basis, including the building of risk culture within the organization as well as having the remuneration structure that is effective and promotes risk culture.


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Duties of Board of Directors relating to the risk governance framework:

12. Formulate or approve the overall risk management policies and strategies, transaction making or new product launch policy, and risk appetite that is in line with risk profile and business model of the Bank and its subsidiaries in financial business group.
13. Oversee that the Bank and its subsidiaries have in place risk taking policies and processes, including internal pricing process (if any), that are in accordance with the overall risk management policies and strategies and risk appetite.
14. Assign and oversee that senior executives set the risk limit in accordance with the risk appetite, and communicate with related persons to ensure their acknowledgment and understanding on a regular basis.
15. Assign and oversee that senior executives formulate detailed policies, processes, and systems for managing overall risks and each type of risk, as well as frameworks or procedures for identifying, assessing, monitoring, controlling and reporting risks.
16. Approve an organizational structure that facilitates the monitoring, oversight, control and examination to ensure that the Bank's operations comply with policies, strategies, processes and procedures on risk management.
17. Oversee that there is the building of risk culture.
18. Review and verify the adequacy and effectiveness of the policies and strategies on overall risk management and risk appetite at least once a year or promptly upon any significant change.
19. Monitor the overall risk exposure and the exposure of each type of risk.
20. Oversee that the Bank and its subsidiaries hold stable and sufficient capital and liquidity to support both current and future business operations.
21. Ensure the Bank has in place and maintains adequate, appropriate and effective internal control and audit system for the benefits of the Bank, determine clear guidelines to prevent and eliminate conflict of interests, formulate policy and procedure to control and prevent abuse of the Bank's inside information for own benefits, and assess as well as review adequacy of internal control system at every year-end.
22. Oversee that the Bank discloses important good governance data at the shareholders' meeting and to the public to promote and demonstrate that the Bank is committed to good governance.
23. Coordinate and maintain good balance among diverse groups of stakeholders and the Bank through fair treatment of all parties.
24. Be accountable for the Bank's financial statements and disclosure thereof, and ensure monitoring by the Board of the management's operations and that of the Bank in overall by the shareholders.
25. Ensure there is operational reporting system to track whether the actual operations are on track compared with the targets and identify problems and obstacles so that the Board can monitor and improve or modify the action plans and strategies as deemed appropriate.

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26. Prepare report of the responsibility of the Board of Directors in the annual report alongside the auditor's report, covering important points as per Board member's code of conduct to ensure that the Bank's financial report is accurate, complete, and reliable.
27. Oversee that senior executives implement the specified targets, policies and strategies throughout the Bank and its subsidiaries, as well as set out processes and operating systems, and make the relevant arrangements so that the Bank and its subsidiaries reach the targets according to the policies and strategies as specified or approved by its Board of Directors.
28. Oversee that the Bank and its subsidiaries prepare the complete minutes of Board of Director's meeting, where the comments on important agenda/issues of each individual director must be recorded.
29. Oversee to ensure that senior executives have skills needed for performing functions of the Bank and its subsidiaries, including the appointment of qualified persons with managing power, and that there is a succession plan for senior executive to ensure that the Bank and its subsidiaries can operate their business on an ongoing basis.
30. Set guidelines for evaluation of executives' performance to support annual consideration and adjustment of salaries and bonuses taking into account duties and responsibilities and associated risks, as well as enhancement of shareholder value in the long run.
31. Consider structure and criteria of bonus and compensation payments to employees, contract employees or any person doing business for the Bank, whether full-time or part-time, as proposed by the management.
32. Appoint any person as advisor to the Board or request any professional opinion from external advisor to assist and advise on the Bank's operations at the Bank's own expense, and determine remuneration and bonuses as deemed appropriate.
33. Appoint a number of Board members to sit on other committees or subcommittees to take charge of any one or several activities, determine remuneration and bonuses for them as deemed appropriate, and render support to them with delegation of authority so that they can fully function and engage consultants/advisors with specialized expertise to give additional opinions at the Bank's own expense, as well as make available full-time staff to follow up, seek information and coordinate in support of the operations of the committees/subcommittees.
34. Oversee that there is the appropriate balance of power between the Bank's Board of Directors members by placing importance on the component or number of independent directors and the effective duty performance by that Bank's Board of Directors members for balance of power.
35. Ensure the Bank's complete, adequate, reliable and timely disclosure of information.
36. Revise the segregation of duties among Board of Directors, President and CEO, and management on a regular basis to be consistent with the organization's direction.
37. Take into consideration the business operation impact on the society and the environment besides financial profits.
38. Put in place policies as written operation guidelines for directors, executives and staff members, i.e. Corporate Governance Policy and Code of Ethics and Conduct, which define roles and


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responsibilities of the Board of Directors so that they can use as reference, ensure that there is enough communication for directors, executives and employees' understanding, with enough mechanism that enables their compliance with such policies, and monitor compliance results as well as review the policies and actual operation on a regular basis.

39. Supervise and monitor objective, target and strategy of each business function to be in line with main targets and objectives of the business, with adoption of new innovations and technologies to enhance the Bank's competitiveness and respond to the needs of stakeholders in a safe and appropriate manner and with social and environmental responsibility.
40. Ensure that there is data security system, and put in place policies and procedures regarding confidentiality, integrity and availability of information, and management of market sensitive information.
41. Ensure that management has efficiently and effectively managed and allocated resources, taking into consideration impacts and development of resources to enable the Bank to achieve its main targets and objectives.
42. Establish an IT governance and management framework at organizational level that is aligned with the business needs and priorities, and ensure use of IT to maximize business opportunities, develop operational performance, and strengthen risk management in support of the business objectives.
43. Oversee that the Bank and its subsidiaries in financial business group have fair market conduct according to the Bank of Thailand's Notification Re: Market Conduct Guidelines.
44. Oversee that the Bank and its subsidiaries have the efficient whistleblowing Policy and Procedure.
45. Oversee that there is an annual assessment of the performance of the Bank's Board of Directors and each individual director in the forms of (i) self-evaluation and (ii) cross evaluation or third party evaluation and there is an assessment of the performance of the top executive of the Bank, and that the directors must continuously obtain the skill training needed for their duties.

Duties of Chairman:

1. Supervise, monitor and oversee the board process of the Board of the Directors including that of Board Committees to achieve the objectives set forth.
2. Chair the Board of Directors' meetings and cast a deciding vote in case of a tie vote at the Board of Directors' meetings.
3. Chair the shareholders' meetings and control the meetings to proceed with the businesses on the agenda.
4. Promote and ensure Board members' adherence to good corporate governance and code of conduct of the Bank.
5. Ensure all Board members participate in promoting organization culture which fosters code of ethics and good corporate governance.
6. Draw up agenda for Board meetings by discussing with President and CEO and ensure important matters are put on the agenda.

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7. Allocate sufficient time for the management to propose matters and for directors to discuss thoroughly on the matters, and encourage directors to exercise due discretion and give independent opinions.
8. Strengthen good relationship between executive directors and non-executive directors, and between the Board of directors and the management.

Duties of Directors:

1. Perform duty of care and duty of loyalty with no self-seeking, discrimination, conflict of interest and self-dealing and oversee that there is no intervention in any decision-making that may cause the Bank and its subsidiaries in financial business group to be exposed to more risks.
2. Make a rational decision or voting. The directors must have sufficient information before making any decision or voting on any issues to ensure that such decision or voting has been made based on reasonable business grounds that should be expected from professional financiers and bankers.
3. Chairman of Board of Directors must take the role in promoting the open discussion at the meeting as well as good relationship between executive directors and non-executive directors.
4. Use the results of the annual performance assessment for self-development.
5. Comply with the public limited company laws and other related laws, including the Bank's objectives, Articles of Association and the resolutions of the Board of Directors and the shareholders' meeting and strictly take actions as instructed by the Bank of Thailand's examiners.

Duties of President and Chief Executive Officer:

1. Ensure that the Bank's business operation is in line with its strategies, policies, Articles of Association, and targets as assigned by the Board of Directors.
2. Manage the Bank's operation in accordance with the action plan or budget approved by the Board of Directors.
3. Ensure that staff and employees at all levels perform their duties in accordance with the policies approved by the Board of Directors.
4. Contact, build relationship, and coordinate with other banks and organizations, both domestically and internationally.
5. Represent the Bank or perform as the Bank's authorized person in dealing with external agencies or supervisory bodies, or perform any legally binding acts as assigned by the Board of Directors and within the scope of the Bank's objectives and Articles of Association.
6. Consider other matters as assigned by the Board of Directors.

Duties of Senior Executives:

1. Strictly implement policies and business strategies, risk governance framework (including risk management policies and strategies as well as risk appetite), remuneration policy, and corporate governance policy approved by the Board of Directors throughout the entire organization.
2. Set out processes and systems as well as the arrangements to ensure that the Bank and its subsidiaries in financial business group can reach the targets according to the policies and strategies approved by the Board of Directors.
3. Build risk culture and communicate risk management policies and strategies, risk appetite and risk limit to all staff members so that they understand and are aware of their importance.
4. Control the risks of the Bank and its subsidiaries in financial business group to be at the appropriate and acceptable level, which is below the specified risk limit.

5. Report risk exposures, effectiveness and risk management framework, progress on the implementation of risk culture, as well as important factors and significant problems and issues requiring rectification to the Board of Directors and related Board committees regularly or once the issue is discovered so as to timely impose remedial measures.
6. Set out appropriate command hierarchy or reporting line, as well as clear duties and responsibilities for each unit/function under that reporting line, which will promote effective and efficient risk management and the execution of compliance, control and audit functions.
7. Review risk management processes and systems as well as risk limit regularly or upon any significant incident that may significantly affect the stability of the Bank and its subsidiaries in financial business group.
8. Put in place staff who have sufficient knowledge, competence and understanding of financial techniques and relevant business operations that are required for performing risk management and internal control functions.
9. Support the Bank's Board of Directors in overseeing that persons with managing power have appropriate qualifications and competence in managing the Bank and its subsidiaries in financial business group' businesses.

3. Establishment of Board Committees

The Board has established Board committees, comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Board Risk Committee, Management Committee, and others, to assist in screening and scrutinizing specific operations and to support the performance of duties of the Board to ensure efficiency and effectiveness and so that the Bank has good corporate governance system. The Board committees have duties and responsibilities as prescribed and ordered by the Board.

3.1 Audit Committee


The Audit Committee is composed of at least three independent directors, with the Chairman also being an independent director, and at least one of them has good knowledge, expertise and experience in accounting and finance. All of them shall be qualified as regards independence pursuant to the Notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand regarding qualifications and scope of operations of audit committee. Moreover, the Chairman of the Audit Committee must not be the Chairman of the Board of Directors, Risk Management Committee, Nomination Committee and/or Remuneration Committee.

The Audit Committee's duties and responsibilities comprise review of the accuracy and reliability of the Bank's financial reports, review of the adequacy, appropriateness and efficiency of internal control, internal audit and risk management systems, review of the Bank's compliance with relevant laws and regulations, selection of auditors and determination of auditor remuneration, consideration of significant transactions that may have conflict of interests, and supervision of the disclosure of accurate and complete information, including review and assessment of efficiency and effectiveness of Head of Internal Audit's performance.

3.2 Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee is composed of at least three independent or non-executive directors and the chairman of the committee should be an independent director.

The Nomination, Remuneration and Corporate Governance Committee has the following main duties and responsibilities:

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Selection and nomination

Determine policy, criteria and procedure of selecting and nominating candidates for appointment as Directors and persons with managing power, and nominating candidates for appointment as members of Board committees to the Board for consideration and approval as well as oversee that there is the disclosure of a policy and process for the selection of directors and persons with managing power in the annual report.

Determination of remuneration

Determine policy on payment of remuneration and other benefits and set the amount of remuneration and other benefits to the Directors and persons with managing power, with clear and transparent criteria to ensure the President and persons with managing power receive proper remuneration commensurate with the duties and responsibilities assigned, for submission to the Board for consideration and approval, and formulate guidelines of annual evaluation of the performance of the President and persons with managing power as well as disclose the remuneration policy and various forms of remuneration packages, and a remuneration report that must, at least, contain details of factors used for assessing the overall performance and methods and tools for determining remuneration packages that respond to relevant risks (if any) in the annual report.

Corporate Governance

Review the Corporate Governance Policy and Code of Conduct for directors, executives and employees of the Bank to be consistent with the corporate governance criteria of relevant regulatory authorities, for submission to the Board of Directors for approval, and also approve corporate governance procedure for relevant work units to follow, report on which will be submitted to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

3.3 Board Risk Committee


The Board risk committee must consist of at least 3 members, and the chairman of the committee must be an independent director or non-executive director. All committee members must be directors, senior executives or advisors of the Bank, and at least half of the members must be independent directors, non-executive directors or advisors who serve as directors. Moreover, at least one committee member must have knowledge, competence and understanding of risks relating to financial institution business.

Duties and responsibilities of the Board Risk Committee cover appointing members of risk committees, approving risk management scope/policies, risk limits, and management action trigger (MAT), supervising and monitoring all types of risk, managing the capital funds of the Bank and the companies in the financial business group, determining the Bank's overall strategy guidelines, and revising resolutions of all risk committees of the Bank. In addition, the Committee is to report to the Board of Directors about risk exposures of the Bank and express an opinion or take part in the evaluation of the effectiveness and efficiency of Head of Risk Management.

3.4 Management Committee

The Management Committee is composed of the President and CEO as the Chairman and committee members coming from Senior Executive Vice Presidents and Executive Vice Presidents in the relevant function lines.

The Management Committee principally takes charge of controlling, supervising and assessing results of the Bank's operations, and reviewing and adjusting business strategies to be in line with the policies approved by the Board of Directors.

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4. Board of Directors' Meeting

4.1 The Board meeting shall be attended by at least one-half of the total number of directors to constitute a quorum in accordance with the law.

4.2 There shall be at least two-thirds of total number of directors present during vote casting.

4.3 Directors with beneficial interests in any issues on the agenda shall not participate in the consideration of such issues or shall abstain from voting thereon to prevent conflict of interests. Moreover, the directors having or expected to have involvement in the consideration process should avoid or cease participating in such process or practice.

4.4 The schedule of the Board meeting shall be set in advance for the entire year to be held at least once a quarter to allow the directors to arrange their timetable for attendance of every meeting. A special session of the meeting may be called by the Chairman as deemed appropriate.

4.5 The Chairman and the President or the Board Secretary shall jointly determine the businesses on the agenda for proposal to the Board meeting to ensure significant issues have been addressed.

4.6 The Board Secretary shall have the duty to send invitation notice together with meeting agenda and documents to the Board members at least seven days in advance to allow them to prior study the issues and seek additional information necessary for their decision making through the Board Secretary.

4.7 The Chairman has the duty to take care of and allocate sufficient time for the management to present the proposed issues and the Board meeting to discuss and comment on key points at their discretion.

4.8 All directors have the duties of attending every Board of Directors meeting unless the absence is truly necessary. In case of a necessary absence, the director shall inform Chairman or Board Secretary in advance. All Board members should attend Board of Directors meeting at least 75 percent of the total number of Board of Directors meetings held in a year. Each individual director must take part in making constructive inquiries or giving comments at the meeting on a best effort basis.


4.9 The Board shall require that non-executive directors hold meeting among them at least once a year without participation by any executive directors to open room for broad discussion on management problems. The result of the meeting should also be reported and share to President and CEO.

4.10 The Board of Directors should support President and CEO in inviting executives to attend Board of Directors meeting to give additional information necessary for the consideration of Board of Directors and to give Board Members opportunity to meet and know the executives for the benefit of considering on succession plans.

4.11 In case a Board member needs additional support document for any agenda item, the Board member should request the document from President and CEO, Company Secretary, or any assigned executive. In case deemed necessary, Board of Directors shall seek independent opinion from external consultant or specialist at the Bank's own expense.

4.12 The Board Secretary has the duty to prepare and submit the written draft minutes of the Board meeting to the Board members for their consideration within 14 days after the meeting. The minutes duly approved and adopted by the Board shall be kept and made available for inspection by the Board and relevant agencies.

4.13 If at any time the Chairman is absent or is unable to perform the duty and there is Vice Chairman, the Vice Chairman shall act as chairman of the meeting. If there is no Vice Chairman or the Vice Chairman is unable to perform the duty, the meeting shall elect one of the directors present at the meeting to act as chairman of the meeting. All resolutions of the Board meeting shall be passed by the affirmative

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vote of a majority of the directors. One director shall have one vote. In case of equality of votes, the chairman shall have a casting vote.

5. Board Self-assessment

The Bank has conducted annual evaluation of the Board/Board-committee performance to allow Board/Board committee members to make a joint review of their performance, raise concerned problems and obstacles, and give observations and recommendations to enhance operational efficiency. The annual assessment of the performance of the Board and Board committees undertaken at the Board level by means of (1) self-evaluation, and (2) cross-evaluation, comprising six sections: 1) structure and qualifications of the Board/Board committee members, 2) roles, duties and responsibilities of the Board/Board committees, 3) Board/Board committee meetings, 4) Board/Board committees' performance of duties, 5) relationship with the management, and 6) self-development of the Board/Board committee members and executive officers; and assessment at the individual level comprising three sections: 1) structure and qualifications of the Board/Board committee members, 2) Board/Board committee meetings, and 3) roles, duties and responsibilities of the Board/Board committees. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board/Board committees for review to ensure compliance of the practices with the Board/Board committee Charters.

If necessary, the Bank may appoint an external consultant to assist in setting guidelines and providing recommendations for assessment of the performance of the Board at least once every three years, and have such information disclosed in the annual report.


Moreover, the Bank will conducted annual evaluation of President and CEO's performance, taking into consideration the key performance indicators determined based on the Bank's strategies and targets each year. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board.

6. Remuneration for Directors and Executives

6.1 The Board has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors and executives at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks. The remuneration shall also be in line with the Bank's long-term strategy and target, experience, duties, accountability and responsibility and benefits the Bank expects to receive from each director. A director with additional assignment of duties and responsibilities, i.e. having been appointed as a member of another Board committee, should receive an appropriate increase in the remuneration.

6.2 Shareholders are to approve remuneration structure and rate for Board and Board Committee members, in both monetary and non-monetary forms. The Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of remuneration of each form as deemed appropriate.

6.3 The Nomination, Remuneration and Corporate Governance Committee is responsible for formulating a policy on payment and amount of remuneration and other benefits for executives (from a corporate title of Executive Vice President (U2) and upper), including the President and CEO, before proposal for the Board of Directors' approval. In this regard, the said payment will be linked to short- and long-term performance of the Bank and the work performance of each respective executive against indicators related to customer, work process improvement and staff. The Bank's executives will receive remunerations in monetary forms as well as other benefits as determined by the Bank.

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7. Nomination, appointment of Directors and Executives

The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board shall accordingly appoint Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association and relevant laws.

The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of senior candidates at the level of Executive Vice President onwards. Then the Committee will present to the Board of Directors to approve prior sending to the Bank of Thailand for approval. The Bank has set the hiring governance in order to make sure that all senior appointments are qualified as per the Bank of Thailand's notification and other regulators

8. Director and Executive Development


The Bank has set a policy to encourage its Board members to attend training courses on the roles, duties and responsibilities of directors on a regular basis in a bid to enhance their knowledge and broaden their vision so that they can efficiently and effectively supervise and monitor the Bank's business operations.

The Bank has also made available orientation session for new directors with provision of briefings on the Bank's overall business operations, business plan and operational plan, and director's handbook which features role, duties and responsibilities of directors and relevant rules and regulations to ensure the directors have sufficient information on these issues before commencing performance of duties.

The Bank is committed to consistently developing people capability at Executive level including other level of staff with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. The training roadmap is designed and developed through identifying required skill set for each job role to support career advancement. The Bank realize the rapid change in digital disruption environment, therefore, the 3D Academy was launched to equip our staff with new skills. This will enable the Bank to align people development with future business strategies and goals. In addition, the Bank continues to develop integrated learning approaches through various programs would include but not limit to mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

9. Succession Plan

The Bank has been well aware of the necessity in operating the business efficiently and consistently. Thus, Human Resources is responsible for preparing a succession plan to ensure that the Bank will have identified executives or talents as successors with appropriate training and development plan to up-skill each individual to be ready to be replacement in key positions in case of unexpected conditions/situations with immediate effect or within one year and more than one year.

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Chapter 2 Respect for Rights of Shareholders and Equitable Treatment of Shareholders


1. Rights of Shareholders

The Bank has recognized the rights of all shareholders and encouraged them to exercise their basic rights on an equitable basis, such as:

- 1.1 Right to acquisition, sale and transfer of shares, and access to news and information of the Bank quickly, completely and adequately via easy-to-access channels,
- 1.2 Right to sharing of profit on an equitable basis,
- 1.3 Right to attendance of meeting to exercise the right to vote, give opinion and suggestions, and make decision on the issues that have material impacts, such as election or removal of directors, payment of director remuneration, appointment of auditor, payment of audit fee, appropriation of profit, dividend payment, capital increase or decrease, setting or amendment of Articles of Association and Memorandum of Association, approval of one-off items, etc..


2. Shareholders' Meeting

- 2.1 The Bank shall convene an annual ordinary general meeting of shareholders within four months from the end of each fiscal year. All other general meetings held as deemed necessary are called extraordinary meetings.
- 2.2 The Bank shall specify the time, date, and venue for the shareholders' meeting taking into consideration shareholders' convenience in attending the meeting, i.e. appropriate and sufficient time for discussion, a venue that is convenient for traveling.
- 2.3 The shareholders are entitled to propose an issue to be included on the meeting's agenda and to propose names of persons to be elected as directors in advance of the meeting at least three months before the end of the fiscal year, the criteria and procedure of which shall be announced by the Bank through the SET and on the Bank's website (www.cimbthai.com).
- 2.4 The Bank shall have an invitation notice in CD ROM sent to the shareholders via postal service, both in Thai and English, giving details of the meeting agenda, such as factual information and rationale, opinions of the Board and criteria and procedure of meeting attendance or appointing a proxy to attend the meeting as well as the annual report. According to the timeframe set by law, the notice shall be sent to the shareholders at least seven days in advance of the meeting. The Bank has assigned Thailand Securities Depository Co., Ltd., as the Bank's securities registrar, to deliver the notice to shareholders at least 14 days before the meeting under corporate governance principle. The notice shall also be posted on its website 28 days before the meeting and advertised on daily newspaper three consecutive days before the meeting to allow the shareholders enough time to study the issues to support their voting. The shareholders are also allowed to submit their questions before the meeting via e-mail: cs@cimbthai.com or via postal service.
- 2.5 Any shareholder who cannot attend the meeting in person may appoint a proxy to attend and vote on his/her behalf at such meeting. The proxy may be appointed from the list of the independent directors designated by the Bank to be the proxy to act or vote on the shareholder's behalf. The Bank has provided the independent directors' background information, i.e. biography, education background, former position in peer banks or related businesses, relationship of such independent directors with the Bank and its subsidiaries, etc. Proxy letter delivered to shareholders shall contain list of items as prescribed by the Department of Business Development, Ministry of Commerce.
- 2.6 The Bank shall facilitate the registration process for shareholders and proxies appointed by shareholders who attend the meeting by preparing its staff to verify shareholder status verification document/evidence submitted by shareholders/proxies to preserve the rights and

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equality of shareholders. The barcode scanning system for printing the ballots for each agenda item is also implemented.

- 2.7 Shareholders are entitled to attend the meeting and to vote on the agenda items, except for the item in which. The chairman of the meeting shall also give opportunity for the shareholders to raise questions and comments independently on each agenda item.
- 2.8 The Chairman of the Board of Directors, as the chairman of the meeting, shall supervise the meeting to be in line with law, relevant regulation, and the Bank's Articles of Association, and should allocate proper time and encourage the shareholders to raise questions and comments at the meeting.
- 2.9 To support shareholders to be able to vote on important matters, the directors, in the capacity of attendees and shareholders, should not support the unnecessary addition of agenda item without prior notice, especially important items that shareholders need sufficient time to study the information to support their voting.
- 2.10 Before the meeting start, the Bank shall announce the number of attendance and the proportion between shareholders who attend the meeting in person and appointed proxies, as well as procedure of meeting, voting, and vote counting.
- 2.11 The Bank shall support the attendance of every meeting by the directors and chairmen of all the Board committees to learn about the opinions and comments raised by the shareholders and answer their questions on the relevant issues.
- 2.12 In case there are more than one subjects in one agenda item, chairman of the meeting shall have the subjects voted separately, i.e. shareholders' voting to appoint board members shall be done separately per person.
- 2.13 The Bank shall support using ballots for voting in important agenda items as well as support having an independent person to count and verify the vote results of the meeting.
- 2.14 The Bank shall have the minutes of the meeting taken within 14 days from the meeting date. The minutes shall contain the list of attending directors and executives, absentees, proportion of attending directors, procedures of voting and vote result announcement that has been informed to shareholders before the meeting, as well as opportunity for the shareholders to raise questions and comments. Moreover, the minutes shall record questions and comments raised by shareholders, answers given to shareholders, and vote results of each agenda item whether how many shareholders agreed to/disagreed to/abstained from voting on each item so as to be inspected by the shareholders. The minutes of the meeting shall be posted on the Bank's website.
- 2.15 The Bank shall disclose to the public the vote results of each agenda item in the shareholders' meeting on the next working day through the SET's news system and on the Bank's website.

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	Chapter 3 Roles towards Stakeholders	

Chapter 3 Roles towards Stakeholders

The Bank has realized the equitable rights of all stakeholders, namely shareholders, management, employees, customers, business partners, creditors, the public sector, and other organizations in the society, who are considered significant mechanisms in the development and improvement of the Bank's business operations for long-term consistent growth. The practice and procedure for treatment of each group of stakeholders are thus stated in the Bank's codes of ethics and conduct to which all the personnel of the Bank shall mutually adhere.

Policies towards Stakeholders

Staff Development Program and Human Resource Management Plan

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. The training roadmap is designed and developed through identifying required skill set for each job role to support career advancement. The Bank realize the rapid change in digital disruption environment, therefore, the 3D Academy was launched to equip our staff with new skills. This will enable the Bank to align people development with future business strategies and goals. In addition, the Bank continues to develop integrated learning approaches through various programs would include but not limit to mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

Policy on Remuneration for Director, Executive and Staff

The Board has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria for payment of remuneration and other benefits to the directors and executives at appropriate rates commensurate with the scope of duties and responsibilities assigned and in line with or on a par with those paid by other banks of similar ranks. The remuneration shall also be in line with the Bank's long-term strategy and target, experience, duties, accountability and responsibility and benefits the Bank expects to receive from each director. A director with additional assignment of duties and responsibilities, i.e. having been appointed as a member of another Board committee, should receive an appropriate increase in the remuneration.

The Shareholders are to approve remuneration structure and rate for Board and Board Committee members, in both monetary and non-monetary forms. The Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of remuneration of each form as deemed appropriate.

For the Bank's executive and staff, the Remuneration Policy is formulated under transparent principles based on scopes of responsibilities of the job position and competitive edge of the Bank relative to other financial institutions and leading companies in Thailand to assure that the Bank can attract talents as well as retain and motivate high-performing employees to create sustainable success of the organization. The Policy is applicable to all CIMB Thai employees.

Composition of Remuneration

The Bank has defined remunerations for all employees, comprising monetary remunerations (such as salary, living allowance, overtime pay and holiday pay) and other remunerations in terms of benefits on medical treatment, health check-up, life insurance and accident insurance, provident fund, and welfare loans that are applicable at present or to be amended through the Bank's announcement in the future.

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Remuneration for Executive

The Nomination, Remuneration and Corporate Governance Committee is responsible for formulating a policy on payment and amount of remuneration and other benefits for executives (from a corporate title of Executive Vice President (U2) and upper), including the President and CEO, before proposal for the Board of Directors' approval. In this regard, the said payment will be linked to short- and long-term performance of the Bank and the work performance of each respective executive against indicators related to customer, work process improvement and staff. The Bank's executives will receive remunerations in monetary forms as well as other benefits as determined by the Bank.

Remuneration for Staff

Human Resources will determine the remuneration rates both in monetary form and other remunerations for employees from the corporate title of Senior Vice President and below as deemed appropriate in line with the nature of work, function, qualifications, professional experiences and responsibilities before proposing to the executives with DA-based approval authority for consideration.

Annual Merit Increase

The Bank's staff and their supervisors will evaluate the staff's performance in the previous year and set the target for next year. The annual merit increase will be considered based mainly on staff's own performance and overall performance of the Bank. The annual merit increase shall be subject to the Nomination, Remuneration and Corporate Governance Committee's concurrence and the Board of Directors' approval. The Bank reserves the right to change the remuneration rates as deemed proper and necessary.

Bonus Payment

The Bank will consider the bonus payment annually and announce its bonus payment criteria to all staff every year for staff with evaluated score not below the set ceiling approved by the Board of Directors and no prohibited characteristics under the Bank's regulations. The bonus payment shall be concurred by the Nomination, Remuneration and Corporate Governance Committee and approved by the Board of Directors.


Policy on Nomination Director and Executive

The Bank has put in place director nomination procedures that are transparent and open for inspection. The Board shall accordingly appoint Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified persons who have no disqualifications according to the law for appointment as directors by recommending them through the Board before submitting to the meeting of the shareholders for approval and appointment. This process shall comply with the rules and procedures on appointment and removal of directors as specified in the Bank's Articles of Association and relevant laws.

The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of senior candidates at the level of Executive Vice President onwards. Then the Committee will present to the Board of Directors to approve prior sending to the Bank of Thailand for approval. The Bank has set the nomination process in the hiring governance in order to make sure that all senior appointments are qualified as per the Bank of Thailand's notification and other regulators

Human Rights Policy and Procedures

The Bank has established Human Rights Policy and Procedures to ensure its directors, executives and employees comply with and respect human rights as prescribed in the Thai Constitution. This includes the right to equal treatment irrespective of differences in homeland, race, religion, gender, age, personal status, social or financial status, religious beliefs, education, or political viewpoints which are not against the

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provisions of the Constitution. The policy and procedures also provide for the Bank to withdraw its support from, or not engage with, individuals or organizations which are proven to have acted in breach of human rights.

Policy on Non-violation of Intellectual Property Rights or Copyright

The Bank does not support its directors, executives and employees operating in violation of intellectual property rights or copyright. This includes duplicating, modifying or disseminating creative works with copyrights to the public without permission from the copyright owners.

Policy and Procedure on Anti-Corruption

The Bank has signed the declaration of intention to participate in the “Private Sector Collective Action Coalition against Corruption” and prepared the “Policy and Procedure on Anti-Corruption” to be strictly complied with by the directors, executives, staff and subsidiaries in order to ensure that the Bank has appropriate practice and regulation for corruption prevention.

Complaints Handling Policy

The Bank is committed to delivering a high standard of customer service by treating customers with fairness, transparency, accountability and reliability. Effective Complaints Handling Policy and Procedure have thus been established to ensure a prompt and constructive response that will help maintain the Bank’s good reputation and image. Often an adverse situation, if skillfully handled, can result in building customer loyalty and confidence towards the Bank.

Whistle-blowing on Fraud or Lodging of Complaints

The Board of Directors has put in place channels to receive report on suspicious fraud incidents or behaviors and encouraged the employees to report such conduct as soon as possible. When the employees and stakeholders believe or suspect that such conduct may violate the rules and procedures in place or there may be fraud in the future, they can report via the following channels:

1. Whistle-blowing channels


- If an employee finds corruption in the Bank or the employee is unsure whether such conduct is considered corruption, he/she can report, seek advice or recommendation by sending e-mail to internalfraud@cimbthai.com or Fraud Control and Investigation, Compliance.
- A stakeholder who finds illegal conduct, fraud or action against the rules and procedures in place can report to the Chairman of the Board, the Audit Committee Chairman, or the President and CEO:

Address: CIMB Thai Bank Plc.
 No. 44, 21st Floor, Langsuan Road, Lumpini, Patumwan, Bangkok 10330
 E-mail: chairman@cimbthai.com, ac_chairman@cimbthai.com, or ceo@cimbthai.com
 Tel. 02 626 7000 or 02 638 8000
 Fax: 02 657 3399

- The whistleblower shall provide real name and surname, address and phone number or e-mail address as well as the name of the person or the incident in question to show that the whistle-blowing is made with sincerity, without intention to defame or cause damage to the Bank or other persons.

2. Complaints lodging channels

The Bank is well aware of reputational risk and customer satisfaction. Therefore, it has set up work units and procedures for handling complaints from customers. The units acting as channels for receiving


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complaints from customers e.g. CIMB Thai Care Center, CIMB Thai Facebook page, and CIMB Thai branches. Customer Experience Management will be the center compiling and managing complaints received from such channels.

Customer Experience Management is responsible of managing customer complaint to ensure that related Business Units are receiving and managing complaint as per policy and procedure set out. This is also to ensure that investigation and fact finding are properly conducted, and resolution and/or clarification are provided to the customer. The root cause analysis is properly conducted to ensure the issue was appropriately resolved. As for complaint from regulators, directed to CEO or senior management, and “Serious Complaint”, Customer Experience Management is responsible for managing such complaint and responding for solution and clarification to the regulators and/or customers. Customer Experience Management is also responsible for compiling all received complaints and solutions or clarification provided to reporting to Customer Experience Work Group for acknowledgement and further consider for solutions in order to enhance customers’ satisfaction and prevent repetition of the complaint. Summary report on all the complaints and solutions thereto shall afterward be compiled and proposed by Customer Experience Management to Management Committee and Board Risk and Compliance Committee on a monthly basis.

As per relevant regulatory requirements, i.e. BOT Market Conduct, and SEC Fair Dealing Bank requires to disclose the following information for customers to contact regulators for filing of their complaints.

- Financial Consumer Protection Center (FCC), Bank of Thailand
 Hotline: 1213
 Email: fcc@bot.or.th
- The Securities and Exchange Commission
 Hotline: 1207
 Email: complian@sec.or.th

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	Chapter 4 Disclosure and Transparency	

Chapter 4 Disclosure and Transparency

1. The Bank has prepared information memorandum, financial report and other significant information such as that on financial status and operating results, corporate governance structure and other information in accordance with the relevant laws or regulations and as required by the regulators, and made such information available in annual report (Form 56-2), annual registration statement (Form 56-1) and others for accurate, complete, transparent and equitable disclosure to the public and all stakeholders.
2. The Bank has disclosed its information memorandum, reports and rules and regulations through supervisory bodies such as the SET and also through its own website in both Thai and English to ensure quick and convenient access to information by the shareholders and parties concerned.

2.1 Types of information to be disclosed

2.1.1 Information on business profits, balance sheet and income statement in both reviewed version and audited version, summary statement of assets and liabilities on every 21st day of the month, and management discussion and analysis (MD&A) to support disclosure of quarterly financial statements.


2.1.2 Report of responsibility of the Board of Directors for financial statements along with independent auditor's report in the annual report.

2.1.3 Corporate governance policy, code of conduct, policy and procedure on anti-corruption, etc.

2.1.4 Information memorandum of the business as per rules, conditions and procedures governing the disclosure of information prescribed by the SET.

2.1.5 The Bank must disclose the following information to the public in its annual report.

- (1) Organization chart by specifying the names and positions of persons with managing power, Head of Risk Management, Head of Compliance, and Head of Internal Audit.
- (2) List of top-10 major shareholders or groups of shareholders, together with number of shares and shareholding ratios.
- (3) Number of the meetings of the Board of Directors and Board committees as required by the Bank of Thailand, namely the Audit Committee, Risk Oversight Committee, Nomination Committee and/or Remuneration Committee, together with number of times that each member of the Board/Board committee participates in the meetings.
- (4) Lists of the members of the Board of Directors and the Board committees as required by the Bank of Thailand, namely the Audit Committee, Risk Oversight Committee, Nomination Committee and/or Remuneration Committee by specifying if a particular Board member is an executive director, non-executive director or independent director, as well as the scope of duties of each committee.
- (5) Oversight report of the Audit Committee.
- (6) Duties of the Audit Committee, together with any change in the composition that may affect the execution of the committee's duties.
- (7) Policies and detailed process for the selection of directors and persons with managing power.
- (8) Dividend payout policy.
- (9) Remuneration policy, as along with factors used for the evaluation of the overall operating performance, targets and operations, as well as opinions of the Remuneration Committee, and risk-based remuneration approaches or tools (if any), by disclosing only the remuneration policies for directors, persons with managing power and important risk-taker units/persons.
- (10) Data relating to supervisor-imposed fines, namely fines imposed by the Bank of Thailand, the Office of the Securities and Exchange Commission, and the Office of the Insurance Commission by disclosing the total amount of fines and significant fines due to the violation of particular section of

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laws/regulations. For fines due to unfair market conduct, the financial institution shall comply with the Bank of Thailand Notification Re: Guidelines on Market Conduct.

2.2 Channels for disclosure of information

2.2.1 Disclosure via electronic media (SET portal: SEP) as per rules, conditions and procedures governing the disclosure of information prescribed by the SET the following information:

- Management discussion and analysis (MD&A)
- Annual registration statement (Form 56-1)
- Financial statements and annual report (Form 56-2)
- Board of Directors' meeting resolutions, shareholders' meeting resolutions, and other information

2.2.2 Securities and Exchange Commission (SEC)

2.2.3 Department of Business Development, Ministry of Commerce

2.2.4 The Bank's website: www.cimbthai.com


2.2.5 Mass media and printing media

2.2.6 Analyst meeting

2.2.7 Company visit/one-on-one meeting

2.2.8 Delivery of notice to shareholders via postal service

3. Office of the President and Corporate Communication are in charge of handling and preparing the Bank's information memorandum and publicizing news and information beneficial to the shareholders, securities analysts and other relevant parties. In this regard, persons who wish to contact the Investor Relations of the Bank may call 0-2626-7738 or e-mail to ir@cimbthai.com.

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	Chapter 5 Internal Control and Risk Management	

Chapter 5 Internal Control and Risk Management

The Audit Committee has performed duties as assigned by the Board of Directors by review of adequacy, completeness and appropriateness of internal control system, risk management, financial report, and internal audit work system development, as well as attendance of joint meetings with the management and certified public accountants for improvement and rectification thereof and for the adequacy assessment of the internal control system of the Bank.

The Bank has established the organisational structure, policies and work procedures that ensure that effective risk management and internal control systems are put in place, enabling sustainable business growth and compliance with good corporate governance principles. In addition, the Bank has mechanism in place to consistently monitor, assess and audit its internal control system to ensure adequacy, effectiveness and appropriateness.

- **Organization and environment**

The Bank has structured its organization taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and auditing systems (Three Lines of Defense). It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its stakeholders. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

- **Risk management**

The Bank has realised the significance of risk management covering both internal and external risk factors. Board Risk Committee and Risk Management Committee have been appointed by the Board of Directors with relevant roles, duties and responsibilities defined and operations of which assessed to ensure conformity with the risk Governance Framework in place. Board Risk Committee and Risk Management are in charge of formulating comprehensive risk management policy and procedures of the Bank as well as setting up the risk control and monitoring mechanisms, and continuously strengthening the risk culture of the Bank.

- **Oversight of executive management**


The Bank has clearly defined, documented and regularly reviewed the scope of authority and responsibilities conferred on or delegated to executive officers at different levels. A clear division of responsibility between various management positions provides a mechanism for checks and balances between senior executives.

Executive Management is required to bring to the attention of the Board any transactions that concern major shareholders, directors, and senior executives or parties related to them. In addition, the Bank has put in place policies and procedures governing the approval of loans for, or investment in businesses in which the Bank or its senior executives have material interest, including in relation to shareholders or senior executives.

In addition to the above, the Bank has established the Compliance unit to provide oversight and support to ensure that the Bank conducts its businesses in compliance with all applicable laws and regulatory requirements. The Internal Audit has been set up as an independent unit to examine and ensure all Bank activities are effectively and efficiently managed and operated in line with the good risk management and internal control principles.

- **Information and communication infrastructure**

The Bank has established its accounting policies and procedures in line with generally accepted accounting principles that support the Bank's business requirements. It has developed and managed its information and database systems consistently so that significant information is accessible on an adequate and timely basis. The document management system provides an effective tool for retrieving and storing important electronic documents appropriately and safely. The policies and procedures have been communicated to relevant staff at all levels.

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- **Follow-up and monitoring system**

The Bank has put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. The Bank prepares an annual business plan, which is periodically reviewed to ensure its effectiveness in a rapidly changing environment. The Audit Committee is committed to ensuring that concrete actions are taken to execute recommendations and regularly monitors resolutions to ensure that any identified issues are brought to satisfactory conclusion.

- **Prevention of conflict of interests**

The Board has instituted measures to prevent transactions that may involve conflict of interests, or improper connected or related transactions. Policy, regulations and procedure in the consideration and approval of such transactions have been mapped out as below:


- Making of such significant transactions as connected transactions and/or acquisition or disposal of assets of the Bank shall comply with the relevant rules and regulations as well as notifications of the regulators, i.e. the SET, Office of the SEC, SEC, Capital Market Supervisory Board, and the BOT.
- The Bank and its subsidiaries in financial business group have established a policy to consider granting of credit to or making investments or commitments or making credit-like transactions with its major shareholder and related parties, or to the business in which the Bank and/or its subsidiaries in financial business group, or directors or persons with managing power of the Bank and/or its subsidiaries in financial business group have beneficial interests in pursuant to the conditions and ratios prescribed by the BOT. Such transactions are subject to unanimous approval by the Board and without involvement in the consideration and approval thereof by directors or persons with managing power who have beneficial interests in such credit or investment granting or credit-like transactions.
- All directors and executives are duty-bound to report their holdings of securities of the Bank as prescribed by law.

- **Monitoring of the use of inside information**

The Bank has established guidelines and regulations governing the use of inside information, thereby directors, executives and staff of the Bank, as well as their spouses and children that have not come of age are prohibited from using inside information which is of material aspect and has impact on the Bank's securities price that are not yet disclosed to public for buying, selling, transfer or receipt of transfer of the Bank's securities during a 1-month period before disclosure of such information to public. Moreover, directors and executives from the rank of senior executive vice president upward, or the equivalent, and executives/supervisors of accounting or finance work unit including those who have relationship with them as defined by the Office of SEC are duty-bound to report trading of securities (shares) of the Bank)including convertible securities and derivatives to be received as or by referring to the price or return with the Bank's stock and the changes in holding of the Bank's securities (shares) of the Bank to the SEC within the law-required period.

- **Report on beneficial interests of directors and executives**

In order to control and monitor transactions made between the Bank and its directors, executives and their related persons, the Bank has formulated a policy requiring preparation of a report on beneficial interests of directors and executives (report on beneficial interests). Directors and executives shall submit reports on their interests and those of their related persons within seven business days from the end of semi-annual period and when there are changes (if any). The Company Security shall submit copies of such reports to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within seven business days from the date the reports are received by the Company Secretary.

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Scope of the Policy

This Policy is applicable to the companies in the Bank's financial business group.