



# **Corporate Governance Policy**

## **(Revised November 2022)**

Version : 9<sup>th</sup> Revision  
Date : 23 November 2022

## **Message from President and CEO**

CIMB Thai is well aware of the importance of corporate governance principles viewing that business growth is based principally on good governance. Therefore, the Bank has been committed to consistently developing and updating its corporate governance with due consideration of the responsibility and accountability to all stakeholders on a transparent and equitable basis. This is a key factor to the enhancement of its competitiveness, increase in equity value for shareholders in the long run, and stable business growth, embracing corporate governance standard that can ensure efficient, transparent and examinable business operations.

The Bank has also adhered to business ethics and code of conduct which are fundamental to creating and promoting corporate governance to a higher standard, and hence the solid foundation for sustainable business growth and achievement of business goal.

For adherence by directors, executives and staff in their performance of duties, the Board of Directors has now considered it proper to revise the Corporate Governance Policy to ensure its compliance with Corporate Governance Code for Listed Companies 2017 (CG Code 2017), including CGR 2023, to enhance trust among investors, increase profits in the long run, and strengthen the trust among all stakeholders and parties concerned in order to sustainably increase business value to be up to the expectation of business sectors, investors, the entire capital market, and the society as a whole.



(Mr. Paul Wong Chee Kin)  
President and CEO  
23 November 2022

## VISION

“To be a digital-led bank with ASEAN Reach”

## PURPOSE


“To build a high performing sustainable organization to help advance customers and society, through leveraging our best-in-class financial solutions, ASEAN network and technology”

## CORE VALUES


In January 2022, CIMB Group launched a refreshed set of core values called EPICC which captures critical themes identified from employee engagement studies and focus groups. These themes are pivotal in shaping and improving our organizational effectiveness and ensuring we deliver impact together as an organization. To align ourselves to the new set of core values introduced by CIMB Group, CIMB Thai is revamping our original set of values from Performance, Integrity & Accountability and Passion to EPICC.

- **E – Enabling Talent**
- **P – Passion**
- **I – Integrity & Accountability**
- **C – Collaboration**
- **C – Customer Centricity**



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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, for adherence of the Board of Directors, executives, and staff, 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 with a purpose driven as a sustainable organization, whereby the rights of all stakeholders and the good balance of different expectations of each stakeholder and the Bank on a fair basis are also taken into account.
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 objectives, direction, policy, target and strategy to ensure its operational efficiency and effectiveness. The Board also oversees, assesses and monitors the Bank's operation on a regular basis. In this regard, 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 determines the Board structure by taking into account the Board diversity in terms of gender, professional skills, fields of expertise, age, and also inclusion of diverse ethnicity and nationality. The Board Skill Matrix shall be considered to be appropriate and align with the Bank's business strategy, for example, accounting, finance, and banking, business administration, laws, risk management, administrative management, economics, business relations, international strategy, etc. In order to cover the full extent and provide the sustainable benefits towards the Bank's business operation, the Board of Directors should have at least one director who possesses information technology knowledge, expertise, and experience; at least one director who has accounting degree or expertise; and at least one director who has experience in finance and banking businesses.

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 shall comprise both executive directors and non-executive directors, preferably with at least 2 female directors. Of the total members, more than half shall be independent directors.

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1.2.4 The Board shall appoint one of its independent directors or non-executive directors to be the Chairman of the Board. The person so appointed shall not be the same person as the Bank's top executive, namely the President and CEO. 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 should not chair any Board Committee to enable Board Committee members to give independent opinions.

"Independent director" and "executive director" shall be as per criteria prescribed in Bank of Thailand (the "BOT")'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, associated company, major shareholder or controlling person of the Bank, 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, associated company, major shareholder or controlling person of the Company in which he/ she holds directorship.

### 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 open for examination. The Nomination, Remuneration and Corporate Governance Committee, which has independent structure, shall be delegated to take charge of selecting and nominating qualified persons by taking into account Director Pool Database, required qualifications, Board diversity, as well as considering skills or expertise in accordance with Board Skill Matrix, in order to align with the Bank's business direction and strategy, including to be in compliance with the laws and regulations related to directorship. Such nominated persons shall also have no disqualifications as prescribed in the laws. The Committee shall then propose for the Board of Directors' approval or endorsement prior to submitting to the shareholders' meeting for approval (as the case may be). In either case, the appointment of a new director or a former director for another term shall be subject to approval from the BOT.

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. The directors who have been in office the longest shall retire. In this regard, the retired directors may be re-elected.

1.3.3 An independent director shall hold his/her position in the Bank for no more than nine consecutive years from the date on which he/she was appointed for the first time as the independent director. Such duration shall also include the period that he/she serves as an independent director of companies in the Bank's financial business group.

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.

1.3.4 In the case of a vacancy on the Board of Directors for any reason other than the expiration of the director's term of office, unless the remaining term of office of the vacating director is less than 2 months, the Nomination, Remuneration and Corporate Governance Committee shall nominate a person who has the qualifications and possesses no prohibited characteristics under the laws as the substitute director and propose to the Bank's Board of Directors to appoint at the next meeting of the Board of

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Directors. The resolution of the Board of Directors on such appointment shall be done by a vote of not less than three-quarters (3/4) of the remaining directors. The substitute director shall be in office up to the remaining term of the director he/ she substitutes.

#### 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 persons with managing power can assume directorship in line with the corporate governance practices prescribed by the relevant regulators, such as the BOT and the Stock Exchange of Thailand (the “SET”) as follows:

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

1.4.2 Directors, managers, persons with managing power, advisors, and top executive 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 executive 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 such persons 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 from the appointment or the effective date.

1.4.4 The Bank requires directors and persons with managing power to inform the Board of Directors of all updates in terms of directorship in other companies or juristic persons.

1.4.5 Top executive of the Bank must not serve as an employee or an executive of other organizations, unless it deems necessary and is approved by the BOT.

**1.5 The Board of Directors’ appointment of Company Secretary**, who has a law or an accounting degree, or has completed company secretarial training courses, to perform duties of providing advice 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, 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 Form 56-1 One Report.
- 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 experiences 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.
- Undergo ongoing knowledge and skill training and development in the areas of law, accounting, or performance of duties as the Company Secretary.


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

### 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, business plans, 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 taken into account, as well as review business operation policies, strategies, business plans, and objectives, including risk governance framework and risk tolerance which have been previously approved.
4. Nominate individuals qualified for the shareholders' consideration and election as directors, and support the shareholders' exercise of rights to appoint directors 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 executive. Moreover, for continuity in business operation, the Board should ensure a succession plan is in place for preparedness of successors to top executive including the President.
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. 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, 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.




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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.

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 to ensure 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 to ensure 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 to ensure that the Bank and the subsidiaries in its financial business group hold stable and sufficient capital and liquidity to support both current and future business operations.
21. Ensure that the Bank has in place and maintains adequate, appropriate and effective internal control and audit systems for the benefits of the Bank, along with determining clear practice guidelines to prevent and eliminate conflict of interests, formulating policy and procedure to control and prevent abuse of the Bank's inside information for own benefits, and assessing as well as reviewing 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.

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25. Ensure that 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.
26. Prepare report of the responsibility of the Board of Directors in the Form 56-1 One Report alongside the auditor's report, covering important points as per the Code of Conduct for the Board to ensure that the Bank's financial report is accurate, complete, and reliable.
27. Oversee to ensure that senior executives of the Bank and the subsidiaries in its financial business group implement the specified targets, policies and strategies across the organizations, as well as set out processes and operating systems, and make the relevant arrangements so that the Bank and subsidiaries in its financial business group reach the targets according to the policies and strategies as specified or approved by its Board of Directors.
28. Oversee to ensure that the Bank and subsidiaries in its financial business group prepare the complete minutes of the Board of Directors' 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 the subsidiaries in its financial business group, including the appointment of qualified persons with managing power, and that there is a succession plan for top and senior executives to ensure that the Bank and the subsidiaries in its financial business group 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 Board Committees 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/Board Committees.
34. Oversee to ensure that there is the appropriate balance of power among the Board members by placing importance on the component or number of independent directors and the effective duty performance by the Board members for the 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.

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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, e.g. Corporate Governance Policy and Code of Ethics and Conduct, which define roles and 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 objectives, targets and strategy of each business function to be in line with the main objectives and targets of the business in order to drive the Bank as a sustainable growth organization, 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 objectives and targets.
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 main business objectives and targets.
43. Oversee to ensure that the Bank and the subsidiaries in its financial business group have fair market conduct according to the BOT Re: Guidelines on Market Conduct.
44. Oversee to ensure that the Bank and the subsidiaries in its financial business group have the efficient whistleblowing Policy and Procedure.
45. Oversee to ensure 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.
46. Approve appointments, relocations, dismissals, and assessment of efficiency and effectiveness of Head of Risk Management, Head of Compliance, and Head of Internal Audit. The Board of Directors can delegate such authority to other Board Committees as deemed appropriate.
47. Consider, approve, review, and audit to ensure that the Bank has the policy and governance framework on Sustainable Banking in place, which take into account the environmental, social and corporate governance aspects.

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#### **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. The Chairman of the Board of Directors should take the role in promoting the open discussion at the meeting, including strengthening good relationship between executive directors and non-executive directors, and between the Board of Directors and the management.
4. Chair the shareholders' meetings, control the meetings to proceed in accordance with the Bank's Articles of Associations and with the businesses on the agenda, unless the resolutions of the meetings suggested otherwise, 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. Call the Board of Directors' meetings and consider agenda drawn up for Board meetings by discussing with President and CEO and ensure important matters are put on the agenda.
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.

#### **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. Use the results of the annual performance assessment for self-development.
4. Comply with the public limited company laws and other related laws and regulations, 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 BOT'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.

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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), Sustainable Banking business practices, including environmental, social and corporate governance aspects as 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 subsidiaries in its financial business group to be at the appropriate and acceptable level, which must be 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, including constantly promote knowledge enhancement in new areas that benefits the Bank's business operation.
9. Support the Bank's Board of Directors in overseeing that persons with managing power have appropriate qualifications and competence in managing businesses of the Bank and subsidiaries in its financial business group.

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### 3. Establishment of Board Committees

The Board has established Board Committees, comprising Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Board Risk and Compliance 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 the Audit Committee members must have 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 SET 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, or any Board Committees in charge of risk oversight, nomination, and/or determination of remuneration.

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, which is in charge of nomination and determination of remuneration, is composed of at least three members. All of the members shall be 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:

##### Selection and nomination

Determine policy, criteria and procedure of selecting and nominating candidates for appointment as directors, managers, 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 to ensure that there is the disclosure of a policy and process for the selection of directors, and persons with managing power in the Form 56-1 One 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, managers, and persons with managing power, with clear and transparent criteria to ensure that the directors, managers, 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 directors, managers, and persons with managing power, as well as disclose in the Form 56-1 One Report 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).

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In this regard, the Nomination, Remuneration and Corporate Governance Committee should closely liaise and discuss with the Committee in charge of risk oversight, to ensure that the policy on payment of remuneration determined is able to well reflect key risks of the Bank and subsidiaries in its financial business group.

## 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, together with proposing report 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 and Compliance Committee

The Board Risk and Compliance Committee, which is in charge of risk oversight, must consist of at least three 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 and Compliance Committee cover appointing members of risk committees, endorsing 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 subsidiaries in its financial business group, determining the Bank's overall strategy guidelines, and reviewing 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.

The Board Risk and Compliance Committee also has the duty to oversee and monitor compliance risk, which includes proposing recommendation on compliance risk management to the Board and the management, reviewing and assessing compliance risk issues, including those related to Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and evaluating the performance of Head of Risk Management and Head of Compliance.

## 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 The Board meeting may be held via electronic means in compliance with the relevant laws and/or rules and regulations, as well as the Bank's Articles of Association.

4.4 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. Such beneficial interests must also be recorded in the meeting resolutions of the agenda.

4.5 The Board shall hold at least six meetings per year, and the schedule thereof shall be set in advance for the entire year, in order 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. In case that the Board of Directors' meeting is not held on monthly basis, non-executive directors can make a request for monthly performance report from the management or the Company Secretary, in order for the



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Board of Directors to constantly supervise, control and oversee the management's operations in a timely manner.

4.6 The Chairman and the President and CEO 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.

4.7 The Chairman or any assigned person shall have the duty to send invitation notice to the Board members at least seven days prior to the meeting date. Meanwhile, the meeting documents should be sent out to the Board members at least three business days prior to the meeting date (except for where it is necessary and urgent to safeguard the rights and benefits of the Company, the meeting may be summoned via electronic means or by other methods and an earlier meeting date may be scheduled) to allow them to study the issues in advance and seek additional information necessary for their decision making through the Board Secretary.

4.8 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.

4.9 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.

4.10 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 shared to the President and CEO for acknowledgement.

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


4.12 In case a Board member needs additional supporting document for any agenda item, the Board member should request the document from the President and CEO, Company Secretary, or any assigned executive.

4.13 In case deemed necessary, the Board of Directors shall seek independent opinion from external consultant or specialist at the Bank's own expense.

4.14 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.

4.15 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 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.



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## 5. Board and Board Committee Self-assessment

The Bank has conducted annual evaluation of the Board performance to allow the Board 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 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 members, 2) roles, duties and responsibilities of the Board, 3) Board meetings, 4) Board's performance of duties, 5) relationship with the management, and 6) self-development of the Board members and executive officers; and assessment at the individual level comprising three sections: 1) structure and qualifications of the Board members, 2) Board meetings, and 3) roles, duties and responsibilities of the Board. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board for review and amendment.

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 Form 56-1 One Report.

The Bank has also conducted evaluation of the Board Committees, comprising six sections: 1) structure and qualifications of the Board Committee members, 2) roles, duties and responsibilities of the Board Committees, 3) Board Committee meetings, 4) Board Committees' performance of duties, 5) relationship with the management, and 6) self-development of the Board Committee members and executive officers.


Moreover, the Bank will conduct 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 targets, 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 rates 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 financial performance, customers, 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 delegate authority to the Nomination, Remuneration and Corporate Governance Committee to take charge of selecting and nominating qualified persons by taking into account Director Pool Database and considering skills or expertise in accordance with Board Skill Matrix, in order to align with the Bank's business direction and strategy, including to be in compliance with laws and regulations related to directorship. Such nominated persons shall also have no disqualifications as prescribed in the laws. The Committee shall then propose for the Board of Directors' approval or endorsement prior to submitting to the shareholders' meeting for approval (as the case may be). In either case, the appointment of a new director or a former director for another term shall be subject to approval from the BOT.

The Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of candidates for executive positions of the Bank. Then the Committee will present to the Board of Directors to approve prior sending to the BOT for approval. The Bank has set the executive hiring governance in order to ensure that all executive nomination and appointment are qualified as per the BOT's notification and other regulators' requirements.

## 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 shall make available orientation session for new directors presented by senior executives, so that the new directors are well informed of the Bank's and subsidiaries in its financial business group's nature of business, strategic plans, business plans, financial reports, relevant rules and regulations, roles, duties, and responsibilities of directors. New directors should also be advised in terms of legal and regulatory requirements in regard to directorship in a listed company, including information about the Bank's and subsidiaries in its financial business group's business operations. The Company Secretary should prepare director's handbook which features role, duties and responsibilities of directors and relevant rules and regulations, and deliver such director's handbook to the directors for acknowledgement of sufficient information before commencing performance of duties.

The Bank is committed to consistently developing people capability at all levels, both executives and operational staff, with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of the staff. The training roadmap is designed and developed through identifying required skill set for each job role to support career advancement. The Bank has initiated the "Digital & Data Academy" aimed at equipping the staff with new skills which are essential for coping with the currently rapid changes in business operations and in line with the Bank's future business strategies. The Bank has also carried on its leadership development programs alongside continued development of integrated learning approaches through various programs, covering mentoring and coaching, peer-to-peer learning and learning on mobile (e-learning modules) etc., to promote learning anytime anywhere.

## 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 with immediate effect or within one year and more than one year. The significant implementation process of the plan is subject to approval from the Board of Directors.

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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.
- 1.4 Right to equitable treatment in terms of shareholders' meeting attendance and voting on the basis of One Right One Vote. Shareholders who have beneficial interests in any issues on the agenda shall abstain from voting thereon.

### **2. Shareholders' Meeting**


- 2.1 The Bank shall convene an "annual general meeting of shareholders" within four months from the end of each fiscal year. All other shareholders' meetings held as deemed necessary are called "extraordinary meeting."
- 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 with avoidance of scheduling the meeting during commercial banks holidays. In this regard, the shareholders' meeting may be held via electronic means, if necessary or if deemed appropriate, such as during pandemic, which the meeting arrangement shall be in compliance with the relevant laws and/or rules and regulations, as well as the Bank's Articles of Association.
- 2.3 The minority 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](http://www.cimbthai.com)).
- 2.4 The Bank shall have an invitation notice sent to the shareholders via postal service, both in Thai and English, giving details of the meeting agenda with specific purposes whether it seek for acknowledgement, approval, or consideration (as the case may be), including factual information and rationale, opinions of the Board and criteria and procedure of meeting attendance or appointing a proxy to attend the meeting, voting in each agenda item, as well as the Form 56-1 One Report. According to the timeframe set by law, the invitation 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 invitation notice to shareholders at least 21 days before the meeting date under corporate governance principle. The invitation notice shall also be posted on the Bank's website at least 30 days before the meeting date and advertised on daily newspaper three consecutive days before the meeting date 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](mailto:cs@cimbthai.com) or via postal service.

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- 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, position in any business of the same nature as and competing with that of the Bank or related businesses, relationship of such independent directors with the Bank and subsidiaries in its financial business group, 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 accommodate the shareholders and the proxy by allowing the shareholders and proxy to register for meeting attendance no less than 2 hours prior to meeting time, and allowing the shareholders and proxy who attend the meeting late to be able to exercise their rights to vote in agenda items that are still ongoing and not yet close from voting.
- 2.7 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 equality of shareholders. The barcode scanning system for printing the ballots for each agenda item is also implemented.
- 2.8 Shareholders are entitled to attend the meeting and to vote on the agenda items, except for any specific agenda item in which they have conflict of interest. The Chairman of the meeting shall also give opportunity for the shareholders to raise questions and comments independently on each agenda item.
- 2.9 The Chairman of the Board of Directors, presiding as the Chairman of the shareholders' 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 for each agenda item specified in the invitation notice.
- 2.10 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.
- 2.11 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.
- 2.12 The Bank shall support the attendance of every meeting by directors and the Chairmen of all the Board Committees, including top executive, to learn about the opinions and comments raised by the shareholders and answer their questions on the relevant issues.
- 2.13 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.
- 2.14 The Bank shall support using ballots as well as support having an independent person to count and verify the vote results of the meeting together with the Bank.

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- 2.15 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 that the shareholders can examine. The copies of the minutes of the meeting shall be submitted to regulatory authorities within specified timeframe and shall be posted on the Bank's website within 14 days from the meeting date so that the shareholders can examine.
- 2.16 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**

The Bank has realized the equitable rights of all stakeholders, namely shareholders, executives, 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 has focused on the "Digital & Data Academy" aimed at equipping the staff with new skills which are essential for coping with the currently rapid changes in business operations and in line with the Bank's future business strategies. The Bank has also continued development of integrated learning approaches through various programs, covering mentoring and coaching, peer-to-peer learning and learning on mobile (e-learning modules) etc., to promote learning anytime anywhere.

#### **Policy on Remuneration for Directors, Executives 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 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 targets, 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 rates for Board and Board Committee members while the Nomination, Remuneration and Corporate Governance Committee is in charge of determining payment of the remuneration as deemed appropriate.

#### **Remuneration Policy for Executives and Staff**

The Remuneration Policy is applicable to all CIMB Thai employees, and 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 bring sustainable success to the organization.

#### **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 Executives**

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 financial performance, customers, work process improvement and people. 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 (U3) 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 staff every year. The eligible staff shall be the one with evaluation score not below the criteria approved by the Board of Directors and have 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 and Appointment of Directors and Executives**

The Bank's Board of Directors has put in place director and executive nomination procedures that are transparent and open for inspection, and accordingly appointed the Nomination, Remuneration and Corporate Governance Committee, which has independent structure, to take charge of such duties.

For appointment of a director, the Nomination, Remuneration and Corporate Governance Committee has duties of selecting and nominating qualified persons who are equipped with knowledge and experiences in line with the Bank's business strategy and operation. Such nominated persons shall also have no disqualifications according to the laws and regulations. The Committee shall then propose for the Board of Directors prior to submitting to the shareholders' meeting for approval. 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.

For appointment of an executive, the Nomination, Remuneration, and Corporate Governance Committee is responsible for reviewing and screening qualifications of candidates for executive positions of the Bank. Then the Committee will present to the Board of Directors to approve prior sending to the BOT for approval. The Bank has set the nomination process in the executive hiring governance in order to ensure that all executive nomination and appointments are in accordance with the BOT's notification and other regulatory authorities' requirements.



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## 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, gender, age, personal status, social or financial status, religious beliefs, education, or political viewpoints which are not against the 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 and Copyrights

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.

## Anti-Corruption Policy and Procedures

The Bank has declared its intention to participate in the “Private Sector Collective Action Coalition against Corruption”, and prepared the “Anti-Corruption Policy and Procedure” along with the “Gift and Entertainment Policy and Procedure” to be strictly complied with by the directors, executives, staff and subsidiaries, in order to ensure their strict adherence and practice.

## Sustainability Policies

The Bank has instituted two sustainability policies, i.e. CIMB Thai Sustainability Policy and CIMB Thai Sustainable Financing Policy. The policies seek to provide guidance to the Bank’s business units on environmental, social and governance (ESG) risks as well as their related impacts on financing and capital raising decisions. This will then enable the Bank to make informed decisions in accordance to our key values and aspirations that aim to provide responsible and sustainable financial services to all of our stakeholders and community.


## Policies on Working Environment and Environmental and Energy Management

CIMB Thai has focused on taking measures for the good hygiene of work environment to safeguard our staff against the Covid-19 pandemic. New Normal practice guidelines have accordingly been worked out and implemented at the workplace. In addition, the Bank has in place the Energy Conservation Policy to be compliant with the Energy Ministerial Regulation on the Standards, Criteria and Procedures regarding Energy Management pursuant to the Energy Conservation Promotion Act. Measures taken comprise reduction of energy consumption and air pollution, and protection of the environment.

## 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, image, and relationship. Often an adverse situation, if skillfully handled, can result in building customer loyalty and confidence towards the Bank.



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## Whistle-blowing

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

- An employee or a stakeholder who finds any unlawful activities, misconduct, fraud, wrongdoings, including corruption, can report to the Audit Committee Chairman via E-mail: [whistleblow@cimbthai.com](mailto:whistleblow@cimbthai.com).
- 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.
- The Bank will carry out an investigation by keeping the lid on the whistleblower's name and the complainant's name to protect and prevent any impact on them. The Bank is to proceed in accordance with the steps and procedures in place, together with having a written record of the investigation results, which must be safely kept in confidentiality and only accessible by relevant persons.
- General questions, i.e. open hours of the Bank, interest rate, or general information of the Bank, shall not be identified as complaints. Such questions shall be passed on to responsible parties to make responses to questioners.


### 2. Complaints lodging channels

The Bank is well aware of reputational risk and customer satisfaction. Therefore, it has set up an independent central unit, i.e. Customer Experience Management (“CX”), which works closely with CIMB Thai Care Center and other customers’ contact points to efficiently govern handling of customers’ complaints and queries. The Customer Complaint Handling Policy and Procedures have been established to set out the standard framework and mechanism for dealing with customers’ complaints in accordance with local regulatory requirements and CIMB Group standards. This could ensure that all complaints are handled objectively by relevant subject matter experts in a fair and timely manner.

Furthermore, CX will collate complaint related information and customer knowledge based on surveys and voices of customers gathered from various touchpoints. This is to drive for improvement in all angles of customer experience with an aim to uplift customer engagement. The complaint-related information and the customer knowledge are prepared and reported by CX to Thailand Customer Experience Committee, Management Committee, Board Risk and Compliance Committee – Compliance Reporting and other relevant committees on a regular basis.

As per relevant regulatory requirements, i.e. Market Conduct of the BOT, Fair Dealing of the Office of the Securities and Exchange Commission (the “SEC”), the Bank is required 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](mailto:fcc@bot.or.th)
- The Office of the Securities and Exchange Commission  
Hotline: 1207  
Email: [compliant@sec.or.th](mailto:compliant@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 position 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 the Form 56-1 One Report (effective from 2022 onwards) 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 channels of 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 performance, balance sheet and income statement in both reviewed version and audited version, summary statement of assets and liabilities on every 21<sup>th</sup> 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 Form 56-1 One 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 Form 56-1 One 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 proportion

(3) Number of the meetings in the year of the Board of Directors and Board Committees as required by the BOT, namely the Audit Committee, Board Risk and Compliance Committee, and Nomination, Remuneration and Corporate Governance 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 BOT, namely the Audit Committee, Board Risk and Compliance Committee, and Nomination, Remuneration and Corporate Governance 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 nomination and selection of directors and persons with managing power

(8) Dividend payout policy

(9) Remuneration policy, 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 and persons with managing power and important risk-taker units/persons

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(10) Information relating to supervisor-imposed fines, namely fines imposed by the BOT, the SEC, 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 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 Link: SEP) as per rules, conditions and procedures governing the disclosure of information prescribed by the SET:

- Management Discussion and Analysis (MD&A)
- Form 56-1 One Report
- Financial statements
- Board of Directors' meeting resolutions, shareholders' meeting resolutions, and other information

2.2.2 The SEC

2.2.3 Department of Business Development, Ministry of Commerce

2.2.4 The Bank's website: [www.cimbthai.com](http://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 invitation notice to shareholders via postal service

3. Company Secretary and Administration 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](mailto:ir@cimbthai.com).

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## **Chapter 5 Internal Control and Risk Management**

The Bank has established the organisational structure, policies and work procedures to 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 appropriateness, and effectiveness.

- **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 to 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. The Board Risk and Compliance 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. The Board Risk and Compliance Committee and Risk Management Committee 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.

Management is required to bring to the attention of the Board any transactions associated with approval of loans for or investment in businesses in which the Bank, its shareholders, senior executives, and their related persons have material interests. Pertaining to any sale, offering, lease, purchase, or asset rent transactions undertaken with authorized directors, major shareholders, and their related persons shall be compliant with the Bank's policies and procedures set out.

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. The policies on such transactions have been mapped out as below:

- The policy on granting of credit facilities to or making investments in or commitments or credit-like transactions with the Bank's major shareholders and their related persons, or the businesses in which the Bank, or directors, or persons with managing power of the Bank have beneficial interests must be in the ratios pursuant to the 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 commitments or credit-like transactions. Moreover, the Bank has imposed the policy related to prohibition and criteria on granting of credit facilities to or making commitments or credit-like transactions with directors, or persons with managing power of the Bank and/or subsidiaries in its financial business group, including their related persons. The governance and implementation of the policy set forth shall be compliant with the criteria, laws and regulations prescribed by relevant regulatory authorities.
- The Conflict Management and Chinese Wall Policy and the Personal Account Dealing Policy stipulate the Code of Conduct, prohibition, criteria, and practice guidelines on preventing all executives and staff, according to their performance of duties assigned by the Bank, from knowing or using customers' insider information, which has not yet been revealed to the public, either for their own personal benefit or other benefit.
- The policy related to making of any significant transactions as defined in the Bank's corporate governance regulations, i.e. connected transactions and/or acquisition or disposal of core assets and/or the rights to acquire or dispose of core assets of the Bank, which shall comply with the rules and regulations of the relevant regulators.

In considering Related Party Transactions, if any transactions are related to the major shareholders, the Bank's directors, senior executive vice presidents, or the positions equivalent to senior executives, and executives/supervisors of accounting or finance work unit, or other related parties in accordance with the regulations of the SEC, the Board of Directors and the management shall proceed as follows:

- 1) To oversee the transactions to be conducted fairly where such transactions shall be made reasonably and in the best interests of the Bank with the conditions made on arm-length basis.
- 2) To oversee the process of consideration and approval of such transactions to be carried out with fairness, transparency, traceability, with sufficient information disclosure made to investors.

Related Party Transactions shall be proposed to the Board of Directors for approval where the approvers must not have beneficial interests in such transactions. The directors who have beneficial interests shall not attend the meeting and abstain from voting for such transactions. Moreover, in case that the Related Party Transactions require further approval from shareholders' meeting, the Bank may seek additional opinions from independent financial advisors.

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


The Board of Directors has established policy and procedures governing the use of inside information, whereby 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 the public.

Moreover, directors and senior executives from the rank of senior executive vice president upward, or the equivalent, and executives/supervisors of accounting or finance work unit including persons having relationship with the foregoing, i.e. spouse or person cohabiting as husband and wife (without registration of marriage), underage children and any juristic person in which the directors or executives, or spouse or person cohabiting as husband and wife (without registration of marriage) or underage children thereof, who have a combined shareholding exceeding 30 percent of the total voting rights and representing the largest shareholding proportion in such juristic person, and wish to buy, sell, transfer, or receive transfer of securities and derivatives with the Bank's securities as the underlying asset, are duty-bound to report their securities and derivatives holdings as well as any change in such securities and derivatives holdings to the SEC within three business days from the transaction dates thereof.

In reporting such transactions to the SEC, directors and senior executives from the rank of senior executive vice president upward, or the equivalent, and executives/supervisors of accounting or finance work unit, or the equivalent, excluding persons having relationship with the foregoing, who wish to buy, sell, transfer, or receive transfer of securities and derivatives with the Bank's securities as the underlying asset, shall send a copy of such report to the Company Secretary and Administration Unit within the above specified timeframe.

- **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 Secretary 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 subsidiaries in the Bank's financial business group.

### Policy Monitoring

This Policy shall be reviewed and updated annually to keep abreast of and be compliant with latest regulatory authorities' rules and regulations.

**Remark** This Policy is governed under the Personal Data Protection Act, B.E. 2562 (2019) (PDPA). It should thus be read in conjunction with the Bank's Personal Data Protection Policy.