

## Part 2 Management and Corporate Governance

### 7. Securities and Shareholders information

#### 7.1 Securities Information

The registered and issued and paid-up share capital of the Bank as of 31 December 2016 are as follows:

- Registered Capital : THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand and eight hundred thirty-nine baht and fifty satang), which comprises:
- : 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
  - : No preference shares
- Issued and Paid-up Share Capital : THB 12,387,365,839.50 (twelve billion three hundred eighty-seven million three hundred sixty-five thousand and eight hundred thirty-nine baht and fifty satang), which comprises:
- : 24,774,731,679 (twenty-four billion seven hundred seventy-four million seven hundred thirty-one thousand six hundred and seventy-nine) ordinary shares, with a par value of THB 0.50 (fifty satang)
  - : No preference shares

#### 7.2 Shareholder

##### (1) Major Shareholder of the Bank

##### a. Top 10 shareholders of the Bank as of 19 April 2016:

No.	Name of Shareholders	Number of Shares	% of Total
1.	CIMB BANK BERHAD	23,215,584,403	93.71
2.	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	3.07
3.	THAI NVDR CO., LTD.	145,854,988	0.59
4.	MR. PISIT PRUKPAIBOON	33,609,986	0.14
5.	MR. PREECHA SUJINANKUL	14,100,000	0.06
6.	MR. PRAWIT PHANSAICHUE	13,452,575	0.05
7.	SCB SET INDEX FUND	11,944,716	0.05
8.	SCB SET BANKING SECTOR INDEX	10,416,925	0.04
9.	MR. WORAPOJ DEEJARIYA	10,000,005	0.04
10.	MRS. JAROONLUK PANICHSHEEWA	9,623,250	0.04
	Other Shareholders	549,388,684	2.22
	Total 6,955 shareholders holding	24,774,731,679	100.00
	Thai shareholders	789,071,961	3.18
	Foreign shareholders	23,985,659,718	96.82
	Total number of shares	24,774,731,679	100.00

##### b. Major shareholders with significant influence over planning and directing the Bank's operations

Major shareholder with significant influence over planning and directing the Bank's operations is CIMB Bank Berhad. It holds 23,215,584,403 of the total issued and paid-up shares of the Bank, which is equivalent to 93.71%.

##### (2) Operating Business as a Holding Company

- None -

**(3) Major shareholder agreements regarding share issuance or the Company management**  
- None -

**7.3 Issuance of Other Debt Securities**

Issuance of Debt Securities of the Bank (As of 31 December 2016)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Subordinated debenture <sup>1</sup>	None	22 December 2003	None	None	544,502,520	None	None
2. Subordinated and unsecured debenture, with debenture holder representative (Issued: 9 November 2012)	4.80% per annum	9 November 2022	None	The debenture is redeemable if written approval from the Bank of Thailand has been obtained and subject to the following conditions: 1) Upon the end of 5-year period from the issue date or at any interest payment date after the 5-year period from the issue date, or 2) The issuer can prove that interest payable under the debenture cannot be deducted as expense of the issuer for the taxation benefit of the issuer, or 3) Any other conditions as the Bank of Thailand may prescribe later. To seek approval from the Bank of Thailand as stated above, the issuer shall first propose its redemption and substitution plans to the Bank of Thailand.	3,000,000,000	Issue rating A+ (tha) by Fitch Ratings (Thailand) Limited	Bank of Ayudhya Plc.

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
3. Tier 2 subordinated debt <sup>2</sup>	5.60% per annum	5 July 2024	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least thirty (30) days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt). The optional redemption by the issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the	3,371,180,000 (MYR 400,000,000)	Issue rating AA3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			
4. Tier 2 subordinated debt <sup>2</sup>	5.35%per annum	11 July 2026	None	For early redemption for each tranche of the subordinated debt where call option is applicable, the issuer may, at its sole discretion and subject to prior approval of the Bank of Thailand and submission to the Bank of Thailand redemption and substitution plans at least thirty (30) days prior to the call date, redeem and cancel the subordinated debt in whole but not in part on the call date in the principal amount together with all deferred and accrued but unpaid interest (if any), under the subordinated debt). The optional redemption by the	(MYR 570,000,000)	Issue ratingAA 3 by RAM Rating Services Berhad	None

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2015 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				issuer of the subordinated debt of one tranche does not trigger the redemption of the subordinated debt of other tranches. This is provided that, if required by the Bank of Thailand, 1) the redemption and substitution plans will include the issuance, either immediately or before the redemption, of financial instruments of equivalent or superior quality in substitution for the subordinated debt to be redeemed; and 2) the issuance of these substitute instruments will not affect the issuer's ability to perform its business operation.			

- Notes:**
1. Referring to a subordinated debt instrument transferred from a financial institution under regulatory intervention, i.e. Union Asia Finance Plc., in the amount of THB 544.50 million.
  2. Referring to a subordinated debt instrument with cash flow hedge in the amount of MYR400 million and MYR 570 million .

#### 7.4 Dividend Policy of CIMB Thai

The Bank's policy is to allocate dividend to shareholders at not over 40% of its net profit (after corporate income tax) of each operational year. Article 43 of the Bank's Articles of Association states: "No dividend shall be paid otherwise than out of profits. If the Company has incurred accumulated losses, no dividend may be paid. The remaining profit from paying the dividend can be allocated as the reserve funds as the Board of Directors may think fit. The Board of Directors may pay interim dividend to shareholders from time to time as it deems that the Company has enough profit to do so, and the payment of such dividend shall be reported to the shareholders at the next meeting. The payment of dividend shall be made within the time prescribed by law and the written notice of such payment of dividend shall be sent to the shareholders and also published in a newspaper." With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the

discretion of the respective subsidiaries' Boards of Directors and is dependent upon the subsidiaries' net earnings.

## 8. Management Structure

### 8.1 Board of Directors

As of 31 January 2017, the Board of Directors was composed of the following eight directors:

	Name	Positions
1.	Mr.Chakramon Phasukavanich <sup>/1</sup>	Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Altenate Chairperson of Nomination ,Remuneration and Corportate Governance Committee
3.	Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee
4.	Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee
5.	Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee
6.	Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairman of Board Risk Committee
7.	Dato' Lee Kok Kwan	Director/Chairman of Board Risk Committee
8.	Ms. Serena Tan Mei Shwen	Director/Member of Board Risk Committee
9.	Mr.Pravej Ongartsittigul <sup>/2</sup>	Independent Director / Member of Audit Committee
10.	Mr. Kittiphun Anutarasoti <sup>/3</sup>	President and Chief Executive Officer

#### **Note**

<sup>/1</sup>The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich,as Director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

<sup>/2</sup>The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittigul,as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

<sup>/3</sup>The Board of Director meeting, held on 27September 2016, resolved to appoint Mr. Kittiphun Anutarasoti,as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

### **Directors Nominated by Major Shareholder**

CIMB Bank Berhad (CIMB Bank) has appointed three representatives to the Board, namely Dato' Robert Cheim Dau Meng, Dato'Lee Kok Kwan and Ms. Serena Tan Mei Shwen.

### **Authorised Signatories**

The directors who are authorised signatories of the Bank are Mr. Kittiphun Anutarasoti and Mr. Chitrapongse Kwangsukstith, with both of whom to jointly sign and affix the Bank seal.

### **Meeting Attendance of Board of Directors**

In 2016, the Bank arranged meeting of Board of Directors totalling 12 times. Details of the meeting attendance of each Board members are shown in the table below:

No.	Name	Position	Numbers of the meetings attended
1.	Mr.Chakramon Phasukavanich <sup>/1</sup>	Chairman	8/12
2.	Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Altenate Chairperson of Nomination ,Remuneration and Corportate Governance Committee	10/12
3.	Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee	11/12
4.	Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee	10/12
5.	Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee	12/12
6.	Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairperson of Board Risk Committee	12/12
7.	Ms. Serena Tan Mei Shwen	Director/Chairperson of Board Risk Committee	12/12
8.	Dato'Lee Kok Kwan	Director/Member of Board Risk Committee	10/12
9.	Mr.Pravej Ongartsittigul <sup>/2</sup>	Independent Director / Member of Audit Committee	8/12
10.	Mr. Kittiphun Anutarasoti <sup>/3</sup>	President and Chief Executive Officer	3/12

**Note:**

<sup>/1</sup>The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich, as Director of the Board . The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

<sup>/2</sup>The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittigul, as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

<sup>/3</sup>The Board of Director meeting, held on 27September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

## 8.2 Executive Management

As of 31 January 2017, the Bank's executive management was composed of:

- |     |  |  |
|-----|--|--|
| 1.  | Mr. Kittiphun Anutarasoti <sup>/1</sup>  | President and Chief Executive Officer  |
| 2.  | Mr. Sutee Losoponkul                     | Senior Executive Vice President<br>Treasury Group                            |
| 3.  | Mr. Adisorn Sermchaiwong                 | Senior Executive Vice President<br>Consumer Banking Group                    |
| 4.  | Mr. Arthit Masathirakul <sup>/2</sup>    | Senior Executive Vice President<br>Risk Management Group                     |
| 5.  | Mr. Pornchai Padmindra                   | Senior Executive Vice President<br>Wholesale Banking Group                   |
| 6.  | Mrs. Bussakorn Puttinan <sup>/3</sup>    | Senior Executive Vice President<br>Group Information and Operations Division |
| 7.  | Ms. Siriporn Sanunpairaue                | Senior Executive Vice President<br>Internal Audit Division                   |
| 8.  | Mrs. Wareemon Niyomthai <sup>/4</sup>    | Senior Executive Vice President<br>Commercial Banking Group                  |
| 9.  | Mrs.Kanokpai Vongsatitporn <sup>/5</sup> | Senior Executive Vice President<br>Human Resources Management Division       |
| 10. | Mr. JasonLeong kok Yew <sup>/6</sup>     | Senior Executive Vice President<br>Finance Group                             |



- |     |  |   |
|-----|--|---|
| 11. | Mr. Tan Keat Jin <sup>/7</sup>         | Senior Executive Vice President<br>Strategy Division                        |
| 12. | Mr. Prapas Thongsuk                    | Executive Vice President<br>Corporate Communications Division               |
| 13. | Mr. Phisit Sucharitsopit <sup>/8</sup> | Executive Vice President<br>Transaction Banking Group                       |
| 14. | Mr. Thaphop Kleesuwan                  | Executive Vice President<br>Office of the President & Compliance Department |

- Notes**
- /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
  - /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
  - /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
  - /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.
  - /5 The Board meeting, held on 24 November 2016, resolved to appoint Mrs. Kanokpai Vongsatitporn as Senior Executive Vice President Human Resources Management Division effective from 30 December 2016.
  - /6 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Jason Leong kok Yew as Senior Executive Vice President Finance Group effective from 30 December 2016.
  - /7 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Tan Keat Jin as Senior Executive Vice President Strategy Division effective from 30 December 2016.
  - /8 The Board meeting, held on 27 November 2015, resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

As of 31 January 2017, CIMB Thai has 14 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives' as below:

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer
2.	Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group
3.	Mr. Pornchai Padmintra	Senior Executive Vice President Wholesale Banking Group
4.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Retail Banking Group
5.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group
6.	Mr. Pao Chatakanonta	Senior Executive Vice President Deputy Treasurer
7.	Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division
8.	Mrs. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group
9.	Ms. Siriporn Sanunpairaue	Senior Executive Vice President Internal Audit Division
10.	Mrs.Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division
11.	Mr. Jason Leong kok Yew	Senior Executive Vice President Finance Group
12.	Mr.Tan Keat Jin	Senior Executive Vice President Strategy Division
13.	Mr. Phisit Sucharitsopit	Executive Vice President Transaction Banking Group
14.	Ms. Winita Kimsawadi	Senior Vice President Financial Reporting Department Finance Division

**Management Structure (as at 31 December 2016)**



\*Reorganization of Bank's Organization Chart is effective from 1 January 2017 onwards.

### 8.3 Company Secretary

The Board has appointed Mr. Thaphop Kleesuwan as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. His duties include providing legal advice and ensuring that the Board activities are complied with applicable laws and regulations as well as be in line with corporate governance principles, as follows:

- Providing preliminary advice and recommendations pertaining to legal, regulatory and governance issues and practices to the Board.
- Arranging board and shareholder meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passes at those meetings.
- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations,
- Communicating with shareholders on their legal rights and material Bank information.
- Maintaining the register of directors, reports of Board meetings, reports of stakeholder meetings, reports of beneficial interests of directors and executives, other as required by relevant laws.

Profile of the Company Secretary is shown in attachment 1

### 8.4 Director and Management Remuneration as of 31 December 2016

#### (1) Monetary remuneration

##### a. Remuneration of Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each person during his/her directorship in 2016. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,142,400 in 2016 (compared with THB 10,384,000 in 2015), as described below:

1.	Board of Directors	THB	7,272,400 (2015: THB 6,136,000)
2.	Audit Committee	THB	2,057,600 (2015: THB 1,824,000)
3.	Nomination, Remuneration and Corporate Governance Committee	THB	1,359,200 (2015: THB 1,104,000)
4.	Board Risk Committee	THB	1,453,200 (2015: THB 1,320,000)

Unit: THB

	Name	Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
1	Mr. Chakramon Phasukavanich	Chairman	1,600,000	-	-	-
2	Dato' Robert Cheim Dau Meng	Vice chairman	1,464,400	-	302,000	-
3	Mr. Sukont Kanjana-Huttakit	Independent Director	704,000	993,600	-	-
4	Mrs. Watanan Petersik	Independent Director	508,000	120,000	577,200	-
5	Dato' Shaarani Bin Ibrahim	Independent Director	528,000	552,000	480,000	-
6	Mr. Chitrapongse Kwangsukstith	Director	528,000	-	-	444,000
7	Ms. Serena Tan Mei Shwen	Director	528,000	-	-	444,000
8	Dato' Lee Kok Kwan	Director	488,000	-	-	565,200

Name		Positions	Monetary Remuneration			
			Board and Board Committee Members			
			Board of Directors	Audit Committee	Nomination, Remuneration and Corporate Governance Committee	Board Risk Committee
9	Mr. Pravej Ongartsittigul	Independent Director	396,000	392,000	-	-
10	Mr. Kittiphun Anutarasoti <sup>1</sup>	President and CEO	132,000	-	-	-
Total			7,272,400	2,057,600	1,359,200	1,453,200

**Notes:**

/1 Most of the committees are chaired by the President and CEO or have the President and CEO as member. Nevertheless, the President and CEO has declared his intention not to receive the meeting allowances in those committee

**b. Remuneration for senior executives**

The Board is responsible for determining the procedures for evaluating the performance of senior executives based on the responsibilities, challenges and risks faced by each of them, and how their personal contributions help deliver sustainable shareholder value. The Board is also responsible for determining the appropriate remuneration packages for permanent and contract employees or any other persons having done business for the Bank, as recommended by executive management. In 2016, the aggregate remuneration for 15 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 105.92 million. In addition, the aggregate remuneration for 44 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 212.91 million.

**2.2 Other benefits**

In 2016 the Bank's contribution towards the provident fund for 15 Senior Executive Vice Presidents and above including the executives of Finance and Accounting (in accordance with the SEC definition of the term 'executives') was THB 4.60 million. Meanwhile, its contribution towards the provident fund for 44 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 10.12 million

**8.4 Organisation and Personnel**

As of 31 December 2016 the total manpower of the Bank was 2,699 employees, of whom 802 work at Bank branches and 1,897 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Risk Management Group	98
3. Business Support Group	81
4. Finance Group	90
5. Group Information and Operations Division	562
6. Wholesale Banking Group	114
7. Retail Banking Group	1,299
8. Commercial Banking Group	155
9. Treasury Group	68
10. Transaction Banking Group	50
11. Human Resources Management Division	52
12. Office of the President	14
13. Corporate Communications Division	20

14. Internal Audit Division	55
15. Strategy Division	7
16. Compliance Department	21
17. Private Banking	12
<u>Total</u>	<u>2,699</u>

### Staff Development Programme and Human Resource Management Plan

The Bank has continued to develop a robust human resources management system with focus on talent management and succession planning to ensure stronger talent pipeline for internal career progress to key positions in the organization. As for Branch Staff, the competency training roadmap was designed and developed by job role and position to become a professional financial advisor and wealth advisor to the customers implemented since 2015. The Bank has offered various training programmes such as Winning Wealth Management Programme and Branch Network Talent Development Programme on a continuous basis. The Bank has also emphasized on strengthening leadership skills at all staff levels with various leadership programmes as well as implementing Learning Management System (LMS) for self-learning of all mandatory training programmes. In addition, there were many staff engagement initiatives in 2016 as part of our culture building (A Better CIMB Culture) across the region.

### Employee Benefits

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff. The total fixed salary paid to Bank employees for the fiscal year was THB 2,058.08 million. To be an employer of choice, the Bank will continue to improve its staff benefits to attract and retain quality staff.

### Training Courses and Human Resources Development

In 2016, the Bank organized 258 training courses, comprising 115 internal and 143 external courses at a total cost of THB 19.1 million covering 2,838 staff or 98% of total staff. Average training man days was 5 days per staff per year. In addition to existing leadership development program, the bank has support our internal trainers to acquire the certification program of DDI (Development Dimensions International) to internally conduct new leadership programmes i.e. Working as a High-Performing Team, Embracing Change, Fostering Innovation etc. The functional training program included Omega Credit Skills, Product Knowledge, Work System, Standard Operating Procedures, etc. The Bank has provided scholarship to employees to pursue study in MBA and promoted cross-board learning within CIMB Group by sending its employees to undertake regional training programmes such as Group Orientation, INSEAD Programme, Middle Management Development Plan, etc.

### Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2016 %	2015 %
Sick leave	30.11	30.76
Work related injury and sick leave	0.0	0.0
Others	69.89	69.24
No. of average sick leave days (days/person)	2.77	2.71
Work related accident death (persons)	0	0

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

## Policy of 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 for Reporting of Interests of Directors and Executives

In order to control and monitor transactions made between the Bank and its directors, executives and related persons, the Bank has formulated a policy for reporting the interests of directors and executives (reports of interests). Directors and executives of the Bank shall submit their reports and those of related persons within seven business days from the end of each fiscal quarter as well as when there are changes (if any). In addition, they are required to 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.

## Policy and Procedures on Anti-Corruption

The Bank signed the declaration of intention to participate in the “Private Sector Collective Action Coalition against Corruption” and prepared the “Policy and Procedures 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. Currently, the Bank has been certified by the Private Sector Collective Action Coalition against Corruption Council as an official **“Member of the Private Sector Collective Action Coalition against Corruption”**.



## 9. Corporate Governance

### 9.1 Corporate Governance Policy

CIMB Thai firmly believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organisation will help it deliver value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

#### Corporate Governance Principles

The Bank has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes are established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Internal Audit Division and the Compliance Department have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements. A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the Bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, was formulated. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, hence improving its competitiveness, enhancing value and promoting stability. The policy was updated to comply with the good governance principles and relevant regulatory requirements. Details of the Bank's corporate governance policy are available on its website: [www.cimbthai.com](http://www.cimbthai.com).

### Corporate Governance

#### 1. Rights of Shareholders

The Bank has recognised the rights of all shareholders and encouraged them to exercise their basic rights on an equitable basis, as well as proactively communicated with them regularly. Such rights include the rights to sell, purchase or transfer shares, access Bank information, ensure fair distribution of profit, attend meetings to cast votes, express opinions and comments, and decide on important matters including appointment of directors and auditor, allocation of profit, dividend payment, increase or decrease of capital, and approval of any special items, etc.

The Bank is required to hold its annual general meeting of shareholders (AGM) within four months from the fiscal year end. Meetings of shareholders other than general meetings are called extraordinary meetings, which can be convened by the Board at any time it deems fit. The 2016 AGM was held on 19 April 2016.

Before the AGM, from 1 November 2015 to 31 January 2016, shareholders were invited to propose matters for inclusion in the meeting agenda and propose names of qualified candidates for election as directors of the Bank in accordance with the Bank's rules and criteria. For the 2016 AGM, no agenda items and no director nominations were proposed by the shareholders.

To convene the 2016 AGM, the Bank sent an invitation notice in which each agenda item was clearly identified whether it was for acknowledgement or consideration, together with background, rationale, and recommendations of the Board, as well as supporting documents which comprised criteria of meeting attendance and voting, proxy grants by shareholders, and the 2015 annual report in hard copy. The Bank has assigned Thailand Securities Depository, the Bank's share registrar, to send the notice to shareholders for consideration 14 days before the meeting. This allowed shareholders to have time to study information beforehand. The Bank also published the notice and other supporting documents on its website 14 days before the meeting. The notice was also made available to public via the disclosure channel of the Stock Exchange of Thailand (SET). Furthermore, in accordance with regulatory requirements, the notice was published in newspapers for three consecutive days at least three days before the meeting. On the day of the AGM, various measures were taken to facilitate



participation by the shareholders or proxy holders, including assigning staff to verify their related credentials to preserve their rights and ensure equitable treatment is offered to all shareholders. Registration of attendees was conducted through a bar code system with separate voting slips provided for each agenda item.

The shareholders and proxy holders had the opportunity to register at least two hours before the meeting began. Also, during the meeting, the shareholders could register their attendance to exercise their voting rights for any agenda item for which resolutions had not yet been passed. The Bank prepared proxy forms and details on proxy granting for shareholders who have appointed proxies to attend the meeting on their behalf. The proxy form and details on proxy granting were submitted together with the invitation notice to all shareholders. The Bank also provided an additional option to shareholders by providing the names and backgrounds of independent directors whom shareholders could consider for their proxy appointment. At the 2016 AGM, nine shareholders appointed the member of the Audit Committee who is independent director to attend the AGM and vote on the shareholder's behalf.

At the 2016 AGM, 100% of the Board members and 500 shareholders and proxies attended the meeting, with total shares held of 24,018,606,645 shares representing 96.9480% of the total issued shares. Before the meeting began, the Chairman had assigned the Company Secretary to give an explanation regarding voting rights and procedures to the attendees. The Chairman had assigned the Vice Chairman to run the meeting in order to assure that the shareholders would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction. In addition, the Bank gave multimedia presentation of the proposed information for the meeting and provided simultaneous English translation for foreign shareholders. At the meeting, members of the Board and relevant executive officers answered or clarified related issues clearly and comprehensively. Issues raised and recommendations given were recorded in the meeting minutes. Voting was conducted in an open and transparent manner whereby vote casting for each agenda item followed the order specified in the notice and no modifications were made to the original agenda. Voting results on each agenda item were tallied through the bar code system and ballots of shareholders who disagreed and abstained from voting were kept. After the meeting, the minutes of the meeting were prepared in an accurate and comprehensive manner, including a summary of issues raised and clarifications or views provided as well as detailed votes for each agenda item which showed the number of votes cast for and against the motion, etc. The minutes of the 2016 AGM were submitted to the relevant supervisory authorities within 14 days from the meeting date as prescribed by law, and posted on the Bank's website, [www.cimbthai.com](http://www.cimbthai.com), for shareholders' reference.

## **2. Equitable Treatment of Shareholders**

The Bank recognises the importance of fair treatment of all shareholders including its duty on protection of shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underage children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public. Moreover, members of the Board and executives from levels of senior executive vice president or the equivalents upward, and those holding executive positions or department heads or the equivalents upward in the accounting or finance function line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated codes of conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest.

## **3. Role of Stakeholders**

The Bank places great importance to the rights of all its stakeholders including directors, executive officers, employees, shareholders, clients, business partners, creditors and the relevant authorities.

## CIMB Thai Codes of Conduct

### 1. Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, it has set up CIMB Thai Care Centre to efficiently handle client complaints and queries. The centre maintains a database of client complaints and classifies them by source and type. A report is prepared and forwarded to the Office of the President, the Internal Audit Division, the Compliance Department and other relevant units, to jointly resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the client.

### 2. Shareholders

The Bank recognises the critical importance of ensuring work systems and processes are in place to provide assurance of effective and efficient operations, internal controls and compliance with laws and regulations. Business conduct and ethics policies are implemented and employees are bound by these policies. The Bank focuses on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner except when they have material interests in the matter considered at the shareholders' meeting. In such case, the shareholders concerned are required to abstain from voting thereon, but they are eligible to participate in the election of directors.

### 3. Employees

The Bank believes in fair treatment accorded to all employees, and is fully committed to enhancing the quality of its human capital. In this context, it consistently offers training and support, including opportunities to enhance performance and career development options. Such efforts will help build sustainable growth and serve expansion plans in the increasingly competitive markets.

### 4. Creditors and Business Partners

The Bank is committed to maintaining high standards of business conduct in compliance with all applicable laws and regulations. It conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

### 5. Competitors

The Bank recognises the importance of a fair and competitive business environment. It is committed to conducting business in a fair and confidential manner posing no impairment to the reputation of its competitors and upholding best ethical and legal practices among its employees.

### 6. Responsibility towards the Community and the Environment

The Bank recognises its ability to make positive impacts on the community and the environment. It is actively involved in a range of charitable activities, including robe offerings, blood donation drives and fund-raising to help monks, underprivileged children and local community at large. Details of the Bank's activities are available on Corporate Social Responsibility section.

## 4. Disclosure and Transparency

The Bank places great importance to ensuring that accurate, timely and clear information, both in English and Thai, is communicated to the shareholders and other concerned parties across a variety of media channels, including those provided by the SET and the Bank's website. In addition, as required by regulatory criteria, the Bank discloses relevant information in such annual reports as Forms 56-1 and 56-2. Various projects have been launched and activities held to boost investor confidence in the Thai capital market. Communication of clear and accurate information on the Bank's activities has been made to regulatory bodies, investors, shareholders, analysts and the general public. These initiatives include:

- Investor Relations (IR) and Office of the President to take charge of disseminating the Bank's information and maintaining good communications with investors, securities analysts, media and other interested persons. Reports on financial results and material transactions are made in an accurate, fair, and transparent manner and in compliance with the applicable laws and regulatory requirements.

In 2016, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether 14 investors and analysts to meet with management team for inquiry on operating results, altogether seven meetings.
2. Press release issued whenever the Bank had significant investment or business activities.
3. Availability of channels for inquiries via email at [ir@cimbthai.com](mailto:ir@cimbthai.com), phone at +662-626-7738, or website at [http://www.cimbthai.com/CIMB/investor\\_relations/](http://www.cimbthai.com/CIMB/investor_relations/).
- Dissemination of information to the general public via the media when financial results and business directions are to be announced to interested parties. This allows local and foreign investors and analysts to keep abreast of the Bank's performance and growth.

## 5. Responsibilities of the Board

### 5. Responsibilities of the Board

#### A. Board Structure

Members of the Board comprise professionals with diversified backgrounds in finance, banking, business management, marketing, legal, auditing, accounting and government affairs. At present, there are 10 Board members.

Election of Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The number of directors on the Board shall not be fewer than 5 and not more than 12. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bank of Thailand (BOT)'s notification regarding corporate governance of financial institutions and the Capital Market Supervisory Board's notification regarding application and permission for initial public offering and other amendments. The Board composition is as follows:

- 2 executive directors
- 4 non-executive directors
- 4 independent directors (accounting for 40% of the entire Board)

The three independent directors who concurrently serve on the Audit Committee must satisfy the criteria based on the good corporate governance principles.

The Board appoints one of its directors to be the Chairman. The President and CEO is not eligible to be appointed as the Chairman. In the interest of good governance, the roles of the Chairman and the President and CEO stay separate, with each of them having clearly defined responsibilities. A clear division of responsibilities helps ensure that no single individual has unfettered decision-making power and enables the Chairman to give objective views on the decisions made by management.

Each director's term of office is prescribed in the Articles of Association. 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 retiring director may be re-elected.

The Bank has incorporated a policy on directors holding positions in other companies into its corporate governance principles in line with the corporate governance guidelines of relevant regulators, e.g. the BOT and the SET, details of which are as follows:

- Directors, managers and persons with managing authority of the Bank can take one or several positions of chairman, executive director, or authorised director in other companies subject to a maximum of three business groups.
- Directors should hold directorship in not more than five listed companies.

The Board has appointed Mr. Thaphop Kleesuwan as Company Secretary and Secretary to the Board of Directors to assist the Board in fulfilling its tasks. His duties include providing legal advice and ensuring Board activities comply with applicable laws and regulations in line with corporate governance principles, as follows:

- Providing preliminary advice and recommendations pertaining to legal, regulatory and governance issues and practices to the Board.
- Arranging Board and shareholder meetings in accordance with the laws and the Bank's Articles of Association, preparing minutes of these meetings and monitoring compliance with the resolutions passed at those meetings.

- Ensuring that corporate information disclosures to regulatory agencies are in accordance with laws and regulations.
- Communicating with shareholders on their legal rights and material Bank information.
- Maintaining the register of directors, minutes of Board meetings, invitation notices and minutes of shareholder meetings, reports of beneficial interests of directors and executives, and other tasks as required by relevant laws.

## **B. 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 scrutinising specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

## **C. Roles, Duties and Responsibilities of the Board**

### **1. Leadership and Vision**

The Board consists of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise as well as business ethics. The roles and responsibilities of the Board, including the appointment and removal of directors, are set out in the Bank's corporate governance guidelines and Articles of Association. The Board is committed to maintaining the highest standards of corporate governance and has good understanding of the Bank's business. It is responsible for ensuring independent oversight of internal controls and risk management while providing an objective assessment of management in the execution of the Bank's policies and strategies.

### **2. Ethics and Conflict of Interests**

The Bank has formulated code of conduct in its corporate governance guidelines which the Board, management, and all employees must comply with when interacting with the customers, shareholders, employees, business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to keep uppermost in their mind the principles of good corporate governance, use good judgment, and act in compliance with rules and regulations. Alleged breaches of code of conduct are investigated in accordance with the procedures set out, and disciplinary penalty is imposed if someone is found guilty. Details of the Bank's code of conduct are available on [www.cimbthai.com](http://www.cimbthai.com).

The Bank has communicated to all staff guidelines for compliance with code of conduct and corporate governance policy by making such information available online through the learning management system (LMS) and having them sign in acknowledgment thereof.

The Bank has in place policies to prevent conflicts of interest, connected transactions or related-party transactions. These include:

- Policy for consideration of the granting of credits and investments to, and undertaking contingent liabilities or other credit-like transactions with, the Bank's major shareholders or businesses with beneficial interest to directors or persons with managing authority of the Bank, which must adhere to the ratio stipulated by the BOT. Any such grant must be approved unanimously by the Board, and no director or person with managing authority who benefits from the granting of credits and investments, and the undertaking of contingent liabilities or other credit-like transactions can take part in the decision-making process.
- Policy for undertaking major transactions. Major transactions include an agreement to undertake connected transactions and/or an agreement to undertake transactions to acquire or dispose of core assets and/or rights to acquire or dispose of the Bank's core assets. The Bank must comply with requirements of regulatory agencies.

When considering related party transactions, if the transactions are related to major shareholders, directors, senior executive vice presidents or those holding the equivalent positions thereto, and executives in the Finance Group, and other related parties pursuant to the SEC criteria, the Board and management members must:

- 1) ensure that the transaction is legitimate, that is, it is reasonable, and is in the best interest of the Bank, including ensuring that the terms and conditions are not different from similar transactions made with unrelated parties; and
- 2) ascertain that the procedures for considering and approving any such transaction are fair, transparent, and verifiable, and that sufficient information on such transaction is disclosed to investors.

Connected transactions are subject to approval by the Board. Persons who review or recommend a transaction for approval must have no interests therein. Directors with material interests therein are not allowed to attend the meeting and vote thereon. The Bank may request additional opinion from an independent financial advisor if the transaction has to go to the shareholders' meeting.

#### **D. Board Meetings**

Board meetings are scheduled in advance for the entire year, with at least one held every quarter. In addition to the scheduled Board meetings, further Board meetings can also be held as and when they are required. The Board Secretary is responsible for providing all directors with the agenda, supporting papers and relevant information for each meeting seven days before the meeting to give the directors adequate time for studying business agendas and to ensure time spent efficiently during the meeting. The Board Secretary is also responsible for taking the minutes of each meeting and preparing the minutes of the meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2016, the Bank held 12 Board meetings (details as disclosed under "Meeting Attendance of Directors").

#### **E. Board/Board Committee Performance Review**

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 for increased operational efficiency. The evaluation form is divided into: a) self-assessment of Board/Board committee as a whole, comprising six sections: 1) structure and qualifications of the Board/Board committee members, 2) roles, duties and responsibilities of the Board/Board committee, 3) Board/Board committee meetings, 4) Board/Board committee's performance of duties, 5) relationship with the management, and 6) self-development of the Board/Board committee members and executive officers, and b) self-assessment on an individual basis, 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 committee. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board/Board committee for review to ensure compliance of the practices with the Board/Board committee Charter.

Moreover, the Bank has made annual evaluation of President and Chief Executive Officer'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.

#### **F. Remuneration of Directors and Senior Executives**

The Bank discloses information on the remuneration of its directors and senior executives in compliance with the Public Limited Companies Act and the requirements of the supervisory and regulatory bodies. The Board aims to ensure that the Bank maintains competitive policies on remuneration in accordance with the following guidelines:

- **Remuneration of Directors**

The Bank's Articles of Association set out broad policies and practices to allow flexibility in determining directors' remuneration based on excellence in business and personal performance as well as the prevailing market conditions. The remuneration packages for directors, as approved by the meeting of shareholders, comprise meeting allowance, pension, bonus and other benefits. In this respect, the shareholders' meetings shall have remuneration determined either in specific amount or



as per general guidelines, and either set from time to time or set to take effect until any change thereafter. Employees who also serve on the Board are still entitled to receive salary and remuneration in their capacity as staff or employees of the Bank.

The Board is responsible for proposing the remuneration packages for directors at the meeting of shareholders. Such remuneration shall commensurate with long-term value and returns to be delivered by them to the Bank and the shareholders, and shall also be in line with that in the industry.

The 2016 annual general meeting of shareholders no. 22 held on 19 April 2016 passed a resolution approving the remuneration for the Board and Board Committee members for 2016, as detailed below:

1. Meeting and entertainment allowances for Board members:

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Meeting allowance		
• Chairman	71,500 THB/person	58,500 THB/person
• Vice Chairman	48,400 THB/person	39,600 THB/person
• Director	24,000 THB/person	20,000 THB/person
2. Entertainment allowance		
• Chairman	70,000 THB/person	-

*Directors are responsible for paying their own income tax.*

2. Remuneration for Board Committee members as appointed by the Board shall be paid in form of additional meeting allowances on a monthly basis as below:

Remuneration (Position)	Year 2016	
	Allowance (Monthly)	Allowance (Per attendance)
1. Audit Committee		
• Chairman	39,600 THB/person	32,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person
2. Other Committees		
• Chairman	28,600 THB/person	23,400 THB/person
• Committee member	22,000 THB/person	18,000 THB/person

*Directors are responsible for paying their own income tax.*

- Directors who are required to serve on other Board committees are entitled to receive additional fees based on the increase in responsibilities, as the Board sees fit.
- The Board has access to independent expert advice where needed, including determination of appropriate remuneration.
- The Board is duty-bound to disclose information on remuneration packages in compliance with the Public Limited Companies Act and relevant regulatory requirements.

## G. Executive Development Programme

The Bank encourages all directors to participate regularly in the executive development programme, which is designed to familiarise the directors with the Bank's businesses, while providing them with an insight into their roles and responsibilities as Board members, and assisting them in developing

visionary thinking. So far, the directors have participated in two programmes organised by the Thai Institute of Directors (IOD), namely the Director Certification Programme (DCP) and Director Accreditation Programme (DAP). Details on the directors' IOD training programmes are in the directors' profiles.

In 2016, there were two new directors elected by the shareholders' meeting. The new directors undergo an in-house induction programme to provide an overview of the Bank and its business plans. They also receive an information pack that explains the Bank's corporate governance policies and practices and the roles and responsibilities of directors and of the Board as a whole, including the various laws and regulations they need to know.

## H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources Management Division has been tasked with formulating a succession plan to ensure that the Bank has identified executives or talents as successors and an appropriate training and development plan to upskill each individual to be ready to replace key positions with immediate effect or within the specified timeframe. The significant process requiring approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors is as follows:

1. Identify key positions in each Group/Division
2. Identify successor's required qualifications/core competencies
3. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions with immediate effect or within one year
4. Identify qualified managerial personnel/executives individually as appropriate successors to replace key positions within a period more than one year
5. Identify talents in key areas as high potential resources to be successors within the respective timeframe
6. Provide training and development plan for the identified staff to upskill and bridge any gaps
7. Review and complete annual succession plan for approval by the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors

### 9.2 Board Committees

The Bank has various board committees as follows:

#### a. Board of Directors

##### 1. Non-executive director

Means a director who does not hold any position in the Bank other than a member of the Board. A non-executive director may or may not be an independent director.

##### 2. Executive director

Means a director who holds an executive position, or a director who is in charge of any action deemed to be taken by an executive, and shall include any authorised director.

##### 3. Director who is delegated authorised signatory

Means one or several director(s) authorised by the Board to execute contracts or other written instruments on behalf of the Bank.

##### 4. Independent director

Means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision. An independent director of a public listed company is also required to comply with the provisions in the Capital Market Supervisory Board Notification No. ThorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows:

- (a) Hold shares not exceeding one per cent 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;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;
- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, of executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (d) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgment, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar action, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of three percent or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to connected transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurring during the period of one year prior to the date on which the business relationship with the person commences;
- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the Office;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
- (i) Have no other characteristics which would disable expression of independent opinions on the Bank's business operations.

Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis.



**B. Powers of Board of Directors**

1. Appoint and remove regular and temporary employees, determine payment of bonus and compensation to regular and temporary employees or any person doing business for the Bank, and declare dividend payment to shareholders.
2. Establish Board committees as deemed necessary to assist the Board in overseeing the Bank's business affairs, and determine remuneration for committee members as appropriate.
3. Appoint any person as advisor to the Board to give opinion on the Bank's business affairs, and determine remuneration as appropriate.
4. Delegate authority to any one or more director(s) or other person(s) to perform any duty on behalf of the Board.
5. At the Board meeting, each director shall have one vote. Director with beneficial interests in any matter shall not be entitled to vote on that matter. In the event of a vote tie, the Chairman of the meeting shall have the casting vote.

**C. Duties and Responsibilities of Board of Directors**

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that they reasonably believe to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Set vision, targets, policies, strategies, administration, utilisation of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.
2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors, as well as encourage the shareholders to nominate candidates for election as directors.
3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment to executive management positions.
4. Review and approve budgets proposed by executive management under joint consideration with executive management.
5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in normal course of business of the Bank and hence warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in case where the Board's ratification is required, including the matter with conflict of interest, and an approval by the shareholders' meeting has to be sought; the Board is duty-bound to give opinion to the shareholders on such matter.
6. Determine the issues to be brought to its attention by executive management.
7. Set measures for executive management to communicate and ensure there is communication of operational targets and policies to Bank staff at all levels.
8. Monitor and supervise executive management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.
9. Monitor and ensure that the Bank has in place efficient and effective risk management system.
10. Monitor and ensure that the Bank has in place adequate, proper and effective internal control system for the benefit of the Bank; formulate and implement a clear procedure to cope with conflict of interest; put in place policies and processes preventing executive management and other concerned parties from using confidential inside information for personal gains; and assess and review the adequacy of the Bank's internal controls every year-end.
11. Ensure that all stakeholders are treated fairly.
12. Assume responsibility for the financial statements of the Bank and its subsidiary companies and in that process, ensure that the notes to the financial statements contain all important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.
13. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.

14. Establish procedures for evaluating the performance of senior executives to determine the appropriate levels of remuneration, taking into account risks and responsibilities involved as well as added value to shareholders in the long run.
15. Review the pay structure and criteria for authorising bonuses, incentives and benefits for regular and temporary staff or any person doing business for the Bank, regardless of whether on a regular basis or not, as recommended by executive management.
16. Appoint any person as advisor to the Board, or seek professional advice from an external advisor, to give opinion and suggestion on the Bank's business affairs at the expense of the Bank; and determine the remuneration for whom as deemed appropriate.
17. Appoint Board committees as necessary to assist the Board in overseeing the Bank's business affairs in the areas assigned, and determine the remuneration for whom as deemed appropriate. Board committees may, at the Bank's expense, engage independent experts to give additional advice and also have regular staff available to assist in data compilation and coordination to support the Board committees' discharge of duties.
18. Ensure that adequate, accurate and reliable information is disclosed in a timely manner.
19. Appoint Board secretary to assist the Board in managing its business affairs and ensure compliance with the relevant laws, rules and regulations.
20. Put in place corporate governance principles and business ethics, Board and Board committee charters, and human resource management policies.
21. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organisation.
22. Conduct self-assessment every year.

The Board shall under no undue influence make independent decisions, or objections in case of disagreement or conflict of interests, and make approvals of matters or recommendation to the shareholders' meeting for approvals as appropriate, based on the following principles:

**Sufficiency:**

- To act in the best interests of the Bank;
- To exercise sound and prudent judgment; and
- To decide dispassionately without consideration of personal gains.

**Prudence:**

- To act with due care taking all steps in the manner a director should take under similar circumstance;
- To make informed decisions; and
- To act with reasonable grounds that information is reliable and correct.

**Integrity:**

- To act in good faith;
- To make decisions free of possible or appearance of conflict of interest; and
- Not to make use of the Bank's information and opportunities for personal or other persons' gains.

**D. Selection, Appointment and Removal of Directors**

The Board of Directors shall be elected by the shareholders. 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 as follows:

- a. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than 5 and no more than 12 members, with at least half the board members having domicile in Thailand.
- b. Article 16 of the Bank's Articles of Association provides for the following voting procedure:
  - (1) Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
  - (2) Votes shall be cast for either an individual or several directors in the number required to be elected at the respective meeting and as deemed appropriate by the meeting. In the election of either an individual or several directors, each elected person shall receive votes

- from each shareholder in the full amount of shares held by that shareholder pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and
- (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman of the meeting.
4. 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.
5. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of at least 75% of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

### Board of Directors

As of 31 January 2017, the Board of Directors was composed of the following eight directors:

Name	Positions
1. Mr.Chakramon Phasukavanich <sup>1</sup>	Chairman
2. Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Alternate Chairman of Nomination, Remuneration and Corporate Governance Committee
3. Mr. Sukont Kanjana-Huttakit	Independent Director /Chairman of Audit Committee
4. Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination and Remuneration and Corporate Governance Committee
5. Dato' Shaarani Bin Ibrahim	Independent Director/ Member of Audit Committee/ Member of Nomination and Remuneration and Corporate Governance Committee
6. Mr. Chitrapongse Kwangsukstith	Director/Member and Alternate Chairman of Board Risk Committee
7. Dato' Lee Kok Kwan	Director/Chairman of Board Risk Committee
8. Ms. Serena Tan Mei Shwen	Director/Member of Board Risk Committee
9. Mr.Pravej Ongartsittikul <sup>2</sup>	Independent Director / Member of Audit Committee
10. Mr. Kittiphun Anutarasoti <sup>3</sup>	President and Chief Executive Officer

### Note

<sup>1</sup>The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich, as Director of the Board. The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016.

<sup>2</sup>The Annual general Shareholder meeting no. 22, held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittikul, as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

<sup>3</sup>The Board of Director meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti, as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

## Directors Nominated by Major Shareholder

CIMB Bank Berhad (CIMB Bank) has appointed two representatives to the Board, namely Dato'Lee Kok Kwan and Ms. Serena Tan Mei Shwen.

## Authorised Signatories

The directors who are authorised signatories of the Bank are Mr. Kittiphun Anutarasoti and Mr. Chitrapongse Kwangsukstith, with both of whom to jointly sign and affix the Bank seal.

## E. Board Committees (as of 31 January 2017)

The Board has appointed the following principal committees to assist it in overseeing and ensuring the Bank's business operations with prudence and efficiency:

1. Audit Committee
2. Nomination, Remuneration and Corporate Governance Committee
3. Board Risk Committee
4. Shariah Sub-Committee
5. Management Committee
6. Risk Management Committee
7. Credit Committee Level 2
8. Retail Business Committee
9. Assets and Liabilities Management Committee
10. IT Strategic Planning Committee
11. Thailand Underwriting Committee
12. Marketing and Communications Committee
13. Asset Quality Committee

### 1. Audit Committee

The Audit Committee (AC) is composed of:

- |    |   |  |  |
|----|---|--|--|
| 1. | Mr. Sukont Kanjana-Huttakit             | Independent Director                                       | as Chairman                              |
| 2. | Dato' Shaarani Bin Ibrahim              | Independent Director                                       | as Member                                |
| 3. | Mr. Pravej Ongartsittigul <sup>/1</sup> | Independent Director                                       | as Member                                |
| 4. | Ms. Siriporn Sanunpairaue               | Senior Executive Vice President<br>Internal Audit Division | as Secretary for Internal Audit function |
| 5. | Mr. Thaphop Kleesuwan                   | Executive Vice President<br>Compliance Department          | as Secretary for Compliance function     |

*Notes* /1 The Board meeting, held on 28 April 2016, resolved to appoint Mr. Pravej Ongartsittigul, as Member of Audit Committee in place of Mrs. Watanan Petersik who had resigned from the Audit Committee with effective from 1 May 2016.

### Powers, Duties and Responsibilities:

1. Assist the Board in discharging its statutory duties and responsibilities relating to accounting, reporting practices and corporate governance.  
The AC shall review the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant BOT Guidelines and SEC's and SET's listing requirements.
2. Review the effectiveness of Internal Audit Division.
3. Recommend to the Board and shareholders the appointment of external auditors, including the appropriate remuneration as well as review the effectiveness of external auditors.
4. Review the effectiveness of Compliance function and monitor Compliance Department work to ensure compliance with relevant regulations.
5. Review the findings and compliance issues identified by regulators and to ensure that appropriate and prompt remedial actions are taken by management.

6. Review the correctness and adequacy of financial statements for submission to the Board of the relevant entities within the CIMB Thai Group.
7. Review all related party transactions submitted by management that may arise within the CIMB Thai Group and keep the Board informed of such transactions.
8. Report to the Board any corrective action or improvement required should the AC have concerns over conflict of interest activities, fraud, irregularities, significant internal control weakness, or violation to the relevant regulations. If the Board or management does not take appropriate action within the timeframe determined by the AC, any member of the AC has to report such activity to the SEC or SET.
9. Report all activities of the AC in the Bank's annual report, which must be signed by the AC Chairman. The report must contain minimum information as stipulated in the SET regulations.
10. Clearly document the scope, roles and responsibilities of the advisory service from external expert to AC or appointment of management to perform duty on behalf of AC, if any.
11. Approve, revise and conduct annual reviews of the Bank's internal policies related to Compliance, which are not required by regulatory bodies to obtain the Board of Directors' approval.
12. Approve Annual Compliance Report as required by regulators.
13. Approve Internal Audit Division and Compliance Unit Charter.
14. Perform any other duties as specified in Audit Committee Charter.
15. Perform any other assignments delegated to it by the Board.

Scope: CIMB THAI Bank Group-wide

## 2. Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee is composed of:

- |                                |                                     |                                     |
|--------------------------------|-------------------------------------|-------------------------------------|
| 1. Mrs. Watanan Petersik       | Independent Director                | as Chairperson                      |
| 2. Dato' Robert Cheim Dau Meng | Vice Chairman                       | as Member and Alternate Chairperson |
| 3. Dato' Shaarani Bin Ibrahim  | Independent Director                | as Member                           |
| 4. Mrs. Kanokpai Vongsatitporn | Senior Executive Vice President     | as Secretary                        |
|                                | Human Resources Management Division |                                     |

### Powers, Duties and Responsibilities:

#### 1. Nomination:

- To formulate policies, criteria and methods of nominating candidates as the Bank's directors or persons with management power (EVP upwards) for further proposal to the Board for consideration and approval, and to submit such policies, criteria and methods to the Bank of Thailand upon its request.
- To select and nominate names of qualified candidates for the following positions to the Board of Directors for approval:
  - a) Member of the Board of Directors,
  - b) Member of the Board of Directors appointed to sit at any board committee, and
  - c) EVP upwards
- To ensure that the size and composition of the Board of Directors is appropriate for the organization and the dynamic business environment. Board members shall possess appropriate expertise and experience.
- To disclose the nomination policy and process in the Bank's annual report.

- To consider the appointment and appropriate remuneration of the Bank subsidiaries' directors and recommend to the Board of Subsidiaries for approval.

2. Remuneration:

- To develop the policies on remuneration and other benefits payment, as well as remunerations and benefits for directors and persons with management power (EVP upwards) under clear, transparent criteria for proposal to the Board of Directors for consideration and approval, and to submit such policies to the Bank of Thailand upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, as well as relevant options and benefits.)
- To ensure that directors and persons with management power (EVP upwards)'s remunerations are commensurate with their duties and responsibilities. Board members who take extra assignments should receive remunerations commensurate with their designated duties and responsibilities.
- To determine performance assessment criteria for board members and persons with management power (EVP upwards) for use in annual remuneration review, taking into account their responsibilities and relevant risks, as well as increase of shareholders' equity in a long run.
- To disclose the policy on remuneration determination and remunerations in various forms, and to prepare a report on remuneration determination that at least covers the objectives, activities and opinions of the Remuneration Committee in the Bank's annual report.
- To review the remuneration and compensation schemes for CIMB Thai employees in line with the industry practices and remuneration framework of the CIMB Group.
- To recommend the annual salary adjustments and bonuses framework for CIMB Thai Group to the Board of Directors for approval.

3. Corporate Governance:

- To review the Corporate Governance Policy and Codes of Conduct for directors and employees of the Bank to ensure consistency with the corporate governance criteria of relevant regulatory authorities, and to submit to the Board of Directors for approval.
- To approve corporate governance guidelines for relevant units to align with and present to the Board of Directors for acknowledgement on a yearly basis so as to enhance good corporate governance of the Bank.

4. The Board may assign any additional assignment to the Nomination, Remuneration and Corporate Governance Committee for consideration and approval.

**3. Board Risk Committee**

The Board Risk Committee (BRC) is composed of:

- |                                    |   |                                  |
|------------------------------------|---|----------------------------------|
| 1. Dato' Lee Kok Kwan <sup>1</sup> | Director  | as Chairman                      |
| 2. Mr. Chitrapongse Kwangsukstith  | Director  | as Member and Alternate Chairman |
| 3. Ms. Serena Tan Mei Shwen        | Director  | as Member                        |
| 4. Mr. Arthit Masathirakul         | Senior Executive<br>Vice President<br>Risk Management Group | as Secretary                     |



Note /1 The Board meeting, held on 22 January 2016, resolved to appoint Dato' Lee Kok Kwan, as BRC Chairman and Mr.Chitrapongse Kwangsukstith as BRC member and alternate Chairman.

### **Powers, Duties and Responsibilities:**

1. Approve the appointment of risk committees and the appointment of new members and changes of members as well as powers, duties and responsibilities of the following risk committees:
  - 1.1. Risk Management Committee (RMC)
  - 1.2. Assets and Liabilities Management Committee (ALCO)
  - 1.3. Thailand Underwriting Committee
  - 1.4. Credit Committee
  - 1.5. Other risk committees appointed to report directly to BRC
2. Concur or approve risk frameworks, policies, limits and MAT (eTo concur or approve risk frameworks, policies, limits and MAT (e.g. Market Risk, Credit Risk, Operational Risk, Strategic Risk, etc.) of CIMB Thai and its Financial Group as follows:-
 

Frameworks/Policies/Limits and MATs of CIMB Thai

  - 2.1 To approve new or changes resulted in material increase in risk to the existing risk frameworks/policies permitted by regulator(s) to be approved by Board of Directors (BOD) delegated committee; and
  - 2.2 To approve all risk limits and MATs permitted by regulator(s) to be approved by BOD delegated committee.

Frameworks/Policies/Limits and MAT of Financial Group

  - 2.3 To concur on new (only required for Financial Group) or changes resulted in material increase in risk to the existing risk frameworks/policies prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
  - 2.4 To concur on all risk limits and MATs prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.
- 3 To oversee the entire risk and capital management functions of CIMB Thai and its Financial Group including but not limited to the following:-
  - 3.1 To ensure capital management frameworks, policies and strategies and its related frameworks, policies and strategies operate effectively and being complied with.
  - 3.2 To review and approve the Stress Testing Scenario and Risk Posture.
- 4 To review and concur or approve proposals recommended by risk committees including but not limited to the following:-
 

New 3rd party of CIMB Thai and its Financial Group

Approve the new 3rd party(ies) of CIMB Thai (excluding CIMB Principal and CIMB Thai's subsidiaries) before selling their products or to concur on the new 3rd party(ies) of Financial Group prior to submission to the respective Board of Directors of the companies within the Financial Group for approval.

  5. To provide strategic guidance and review decisions made by the various risk committees.
  6. To ensure that infrastructure, resources, systems including risk measurement tools and other capabilities of CIMB Thai and its Financial Group are in place for risk management in order to maintain a satisfactory level of risk management and discipline and the risk awareness culture is pervasive throughout the organization.
  7. To appoint external consultants, from time to time, to review and advise BRC on risk management matters.
  8. To approve and ensure the following are in line with regulatory requirements:-
    - 8.1. Risk-related disclosures; and
    - 8.2. Internal control over process of risk-related disclosures.

Coverage: CIMB Thai Financial Group (where appropriate)

#### 4. Shariah Sub-Committee

The Shariah Sub-Committee It consists of Islamic specialists who are not the Bank's employees and/or do not take positions in any other banks shall consist of:

1. Dr. Ismaae Alea
2. Dr. Maroning Salaming

#### Powers, Duties and Responsibilities

1. Explore all possibilities in conducting a financial service of Shariah business by the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other Sub-Committees involved.

#### 5. Management Committee

The Management Committee is composed of:

- |  |   |              |
|--|---|--------------|
| 1. Mr. Kittiphun Anutarasoti <sup>/1</sup>   | President and Chief Executive Officer                                     | as Chairman  |
| 2. Mr. Sutee Losoponkul                      | Senior Executive Vice President Treasury Group                            | as Member    |
| 3. Mr. Adisorn Sermchaiwong                  | Senior Executive Vice President Consumer Banking Group                    | as Member    |
| 4. Mr. Arthit Masathirakul <sup>/2</sup>     | Senior Executive Vice President Risk Management Group                     | as Member    |
| 5. Mr. Pornchai Padmintra                    | Senior Executive Vice President Wholesale Banking Group                   | as Member    |
| 6. Mrs. Bussakorn Puttinan <sup>/3</sup>     | Senior Executive Vice President Group Information and Operations Division | as Member    |
| 7. Mrs. Wareemon Niyomthai <sup>/4</sup>     | Senior Executive Vice President Commercial Banking Group                  | as Member    |
| 8. Mrs. Kanokpai Vongsatitporn <sup>/5</sup> | Senior Executive Vice President Human Resources Management Division       | as Member    |
| 9. Mr. Jason Leong kok Yew <sup>/6</sup>     | Senior Executive Vice President Finance Group                             | as Member    |
| 10. Mr. Tan Keat Jin <sup>/7</sup>           | Senior Executive Vice President Strategy Division                         | as Member    |
| 11. Mr. Prapas Thongsuk                      | Executive Vice President Corporate Communications Division                | as Member    |
| 12. Mr. Phisit Sucharitsopit <sup>/8</sup>   | Executive Vice President Transaction Banking Group                        | as Member    |
| 13. Mr. Thaphop Kleesuwan                    | Executive Vice President Office of the President & Compliance Department  | as Secretary |
| <u>By invitation</u>                         |   |              |
| Ms. Siriporn Sanunpairaue                    | Senior Executive Vice President Internal Audit Division                   |              |

- Notes**
- /1 The Board meeting, held on 27 September 2016, resolved to appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer effective from 19 October 2016.
  - /2 The Board meeting, held on 24 November 2016, resolved to appoint Mr. Arthit Masathirakul, Senior Executive Vice President as Head of Risk Management Group and Chief Risk Officer effective from 1 January 2017.
  - /3 The Board meeting, held on 27 October 2016, resolved to appoint Mrs. Bussakorn Puttinan, Senior Executive Vice President as Head of Group Information and Operations Division effective from 4 January 2017.
  - /4 The Board meeting, held on 27 November 2015, resolved to appoint Mrs. Wareemon Niyomthai, Senior Executive Vice President as Head of Commercial Banking Group effective from 8 February 2016.



- /5 The Board meeting , held on 24 November 2016,resolved to appoint Mrs.Kanokpai Vongsatitporn as Senior Executive Vice President Human Resources Management Division effective from 30 December 2016
- /6 The Board meeting , held on 24 November 2016,resolved to appoint Mr. Jason Leong kok Yew as Senior Executive Vice President Finance Group effective from 30 December 2016.
- /7 The Board meeting , held on 24 November 2016,resolved to appoint Mr.Tan Keat Jin as Senior Executive Vice President Strategy Division effective from 30 December 2016
- /8 The Board meeting , held on 27 November 2015,resolved to appoint Mr. Phisit Sucharitsopit, Executive Vice President as Head of Transaction Banking Group effective from 22 February 2016.

### Powers, Duties and Responsibilities:

1. Advise the President and CEO;
2. Monitor and evaluate performance of each business division;
3. Review financial and other management reports of the Bank;
4. Devise strategy, business and capital management plans and budgets for the Bank;
5. Identify cross-divisional and cross-border synergies;
6. Deliberate key regulatory issues;
7. Approve delegated authorities on internal operations of non-risk related business unit;
8. Approve, revise and conduct annual reviews of the Bank's internal policies related to administration/operation/others, which are not required by regulatory bodies to obtain the Board of Directors' approval.
9. Approve the revision of Delegation of Authority and Policies which will be related to the Bank's reorganization;
10. Approve the appointment and revision of members, duties and responsibilities of Marketing and Communications Committee;
11. Consider and decide on non-financial issues under 1 Platform Project;
12. Review, give opinions, consider and approve the proposed legal provision in case the Bank and executives are sued for damages as recommended by Corporate Legal Division;
13. Approve fee sharing scheme for investment product selling and/or referring customers through RBG only in case of 3rd Party Products which are not related parties transaction or do not have material change from the existing ones already approved by Risk Management Committee;
14. Approve 3rd Party Products with non-material change to the existing 3rd Party Products which have already been approved by Risk Management Committee;
15. Appoint insurance broker for the bank;
16. Other matters as directed by the Board/President & CEO.

Coverage : CIMB THAI group

### 6. Risk Management Committee

Risk Management Committee shall consist of:

- |    |                              |   |                        |
|----|------------------------------|---|------------------------|
| 1. | Mr. Kittiphun Anutarasoti    | President and Chief Executive Officer   | as Chairman            |
| 2. | Mr. Arthit Masathirakul      | Senior Executive Vice President<br>Risk Management Group                        | as Member              |
| 3. | Mr. Jason Leong Kok Yew      | Senior Executive Vice President<br>Finance Group                                | as Member              |
| 4. | Mr. Phisit Sucharitsopit     | Executive Vice President<br>Transaction Banking Group                           | as Member              |
| 5. | Mrs. Bussakorn Puttinan      | Senior Executive Vice President<br>Group Information and Operations<br>Division | as Member              |
| 6. | Mr. Pornchai Padmintra       | Senior Executive Vice President<br>Wholesale Banking Group                      | as Member              |
|    | or Ms. Chittavadee Sangthong | Executive Vice President<br>Credit and Risk Analytics Division                  | as Alternate<br>Member |

7.	Ms. Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
8.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
9.	Mr. Sutee Losoponkul	Senior Executive Vice President Treasury Group	as Member
10.	Mr. Tan Keat Jin	Senior Executive Vice President Strategy Division	as Member
11.	Mr. Thaphop Kleesuwan	Executive Vice President Office of the President & Compliance Department	as Member
12.	Mr. Anuwat Chuenchon	Vice President Risk Management Group	as Secretary

### **Powers, Duties and Responsibilities:**

#### Capital management policies and strategies

- Review and concur on, but not limited to the following, prior to submission to CIMB Thai's Board of Directors (BOD) or board of directors of the companies within the financial group for approval:
  - Capital management policies and strategies including capital management framework, strategic risk framework and annual integrated planning framework;
  - Policies related to Basel - Internal Capital Adequacy Assessment Process (ICAAP) including identifying, measuring, monitoring and controlling of risks to be in line with the risk and capital strategies and regulatory requirements; and
  - Risk appetite statement.

#### Stress testing scenario and risk posture

- Concur on stress testing scenario and risk posture prior to submission to Board Risk Committee (BRC) for approval.

#### Risk frameworks, policies, limits and management action triggers (MATs)

- Approve or concur on risk frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial group as follows:

#### For matters required by regulator(s) to be approved by BOD

- To concur on risk frameworks, policies, limits and MATs prior to submission to BOD or board of directors of the companies within the financial group for approval;

#### For matters permitted by regulator(s) to be approved by BOD delegated committee

- To concur on new or changes resulted in material increase in risk to the existing risk frameworks/policies prior to submission to BRC for consideration;
- To concur on risk limits and MATs of all types prior to submission to BRC for consideration and to approve risk limits of retail loans;
- To approve changes not resulting in material increase in risk levels to the existing risk frameworks/policies of CIMB Thai;
- To concur on changes not resulting in material increase in risk to the existing risk frameworks/policies of companies in the financial group prior to submission to board of directors of the companies in the financial group for approval;

#### Products/Services ("products") of CIMB Thai or CIMB Thai's financial group

- Review and concur new/annual review or changes to the existing treasury products prior to submission to BOD for approval.
- Approve new/annual review or changes resulting in material increase in risk to the existing non-treasury products.
- Concur new/annual review or changes resulting in material increase in risk to the existing products of the financial group prior to submission to the respective board of directors of the companies within the financial group for approval.

#### New third party of the Bank and its financial group (excluding CIMB Principal and CIMB Thai's affiliated companies)

- Concur new third party(ies) prior to submission to BRC for consideration.

#### Post-implementation review

- Review and assess the products of the Bank and its financial group and make recommendation for improvement post-implementation.

#### Underwriting criteria and delegated authorities

9. Approve underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of CIMB Thai;
10. Concur on underwriting criteria (if required) and delegated authorities (including credit facility approval) under product program and other risk-related delegated authorities (excluding credit facility approval) of the financial group prior to submission to board of directors of the companies within the financial group for approval.

Infrastructure, resources, systems

11. Review and ensure that infrastructure, resources, systems and other capabilities of CIMB Thai and its financial group are in place for risk management.

Risk-related disclosures

12. Review and ensure that the Risk-related disclosures and internal control over process of risk-related disclosures are in line with regulatory requirements prior to submission to BRC for consideration.

Compliance

13. Enforce compliance with all the risk management frameworks, policies, risk limits and delegation of authorities of CIMB Thai and its financial group.

Risk identification and measurement

14. Consider or approve methodologies/standards to identify and measure all the risks and strategies to assess, monitor and control the risks to be within the appropriate levels. (e.g. score cut-off for retail portfolio).

Risk measurement tools

15. Review and concur on risk measurement tools including risk models and validation reports (as appropriate) prior to submission to BRC or board of directors of the companies within the financial group for consideration.

Maintenance of asset quality

16. Ensure the asset quality of CIMB Thai and its financial group through close monitoring of credit approval process, approval of new loans and remedial actions for non-performing loans.  
Business continuity management (BCM) framework and policy
17. Review and concur business continuity management framework and policy of CIMB Thai and its financial group prior to submission to BOD or board of directors of the companies within the financial group for approval.

Appointment of new risk committees

18. Consider and propose the appointment of new risk committees to BRC for approval.  
Coverage: CIMB Thai financial group (where appropriate)

## 7. Credit Committee Level 2

The Credit Committee Level 2 is composed of:

- |    |  |  |   |
|----|--|--|---|
| 1. | Mr. Kittiphun Anutarasoti                              | President and Chief Executive Officer  | as Chairman                             |
| 2. | Mr. Arthit Masathirakul                                | Senior Executive Vice President<br>Risk Management Group   | as Deputy<br>Chairman                   |
| 3. | Mr. Pornchai Padmindra<br>or Ms. Chittavadee Sangthong | Senior Executive Vice President<br>Wholesale Banking Group<br>Executive Vice President<br>Credit and Risk Analytics Division | as Member<br><br>as Alternate<br>Member |
| 4. | Mrs. Wareemon Niyomthai<br>Mr. Kusol Sripaoraya        | Senior Executive Vice President<br>Commercial Banking Group<br>Executive Vice President<br>Middle Market Division            | as Member<br><br>as Alternate<br>Member |
| 5. | Mr. Pakorn Moj dara                                    | Senior Vice President<br>Special Asset Management<br>Risk Management Group   | as Member                               |
| 6. | Mr. Adisorn Chanpong                                   | Executive Vice President<br>Corporate Sales Team 3<br>Treasury Sales Division  | as Member                               |

7. Representative from Credit Risk Management Group as Secretary  
 Committee Secretary Team

**Powers, Duties and Responsibilities:**

The Credit Committee Level 2 reports to the Board Risk Committee on all credit related activities of the group. The responsibilities of the Credit Committee Level 2 include the following:

Credit related decisions

1. Approve credit facilities for customer and/or group of customers/<sup>1</sup> having aggregate limits and global rating (on group basis) as follows:

**Table 1**

<b>Customer Group Rating<sup>/2</sup></b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Ratings	Up to THB 500 Mil.	Up to THB 500 Mil.
Rating 9 and better	Up to THB 800 Mil.	Up to THB 800 Mil.
Rating 7 and better	Up to THB 2,000 Mil.	Up to THB 2,000 Mil.
Rating 4 and better	Up to THB 3,000 Mil.	Up to THB 3,000 Mil.

<sup>/1</sup> Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

<sup>/2</sup> Group Rating is the weighted average of the Global Obligor Rating (based on credit limit excluding DSR Limit) of all companies in the group

- Revolving credit: Credit Limit = Approved credit line
- Non-revolving credit: Credit Limit = Outstanding + Available line for drawdown

2. Approve for temporary excess of facility limit for a period of no longer than 1 year and the excess shall not be more than 10% of total limit extended to such customer for customer and/or group of customers/<sup>1</sup> having aggregate limit and/or global rating beyond the Credit Committee Level 2's approval authority as stated in Table 1 but customer and/or group limit (excluding DSR limit) after temporary excess shall not exceed 15% of total capital funds of the Bank.
3. Review and approve annual review for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for the customer and/or group of customers/<sup>1</sup> having aggregate limits as follows:

<b>Customer Group Rating</b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Rating	Up to 15% of the Bank's total capital funds	All Limits

<sup>/1</sup> including banking institutions/groups which include bank holding companies and all subsidiaries and Sovereign

4. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives, and such changes cause material effect on risk exposure for the customer and/or group of customers/<sup>1</sup> having aggregate limits as follows:

<b>Customer Group Rating</b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Rating	Up to 15% of the Banks total capital funds	All Limits

<sup>/1</sup> Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

**Note** To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

5. Review and approve changes of terms and conditions for credit facilities originating group-wide and investments in debt instruments including perpetual bond and hybrid financial instruments

without embedded derivatives, and such changes do not cause material effect on risk exposure for the customer and/or group of customers/1 having aggregate limits as follows:

<b>Customer Group Rating</b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Rating	Up to Legal Lending Limit (BOT criteria)	All Limits

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities.

**Note** To consider whether the changes of terms and conditions cause material effect on risk exposure or not is at the discretion of Credit Committee Level 2.

6. Approve temporary extension of annual review for all credit limits.
7. Ensure that CIMB Thai's overall loan portfolio meets with the guidelines of regulatory authorities and approved credit policies, procedures and risk appetite.
8. Review and approve debt restructuring and rescheduling and any recovery action including compromised settlement and write-off within the existing loan loss provision for credit facility extended to the customer and/ or group of customers/1 having aggregate limit as follows:

<b>Customer Group Rating</b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Rating	Up to THB 500mn	Up to THB 500mn

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

9. Review and approve debt restructuring and rescheduling and any recovery action with no write-off/ hair cut for credit facility extended to the customer and/or group of customers/1 having aggregate limit as follows:

<b>Customer Group Rating</b>	<b>Customer and/or Group Limit (excluding DSR Limit)</b>	<b>Customer and/or Group Limit (DSR Limit only)</b>
All Rating	Up to 15% of total capital funds of the Bank	All Limit

/1 including banking institutions/groups which include bank holding companies and all subsidiaries and Sovereign

10. Review and approve loan classification, loan loss provisions, final obligor risk rating of all credit limits submitted to/ through the Committee for approval.
11. Assess the risk return trade-off when approving loans and advances to ensure that facilities granted are within the risk appetite of CIMB Thai.
12. Approve PSR passive excess of all credit limits.
13. Review and approve investment in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for customer and/or group of customers/1 having aggregate limits and global rating (on group basis) as per Table 1.
14. Recommend for the Board approval, where necessary, all credit proposals and/or investments in debt instruments including perpetual bond and hybrid financial instruments without embedded derivatives for those customers and/or group of customers/1 not under authorities of the Credit Committee Level 2, and all proposals for investment in debt instruments including perpetual bond and hybrid financial instruments with embedded derivatives and all lending to related parties.
15. Recommend to the boards of companies in the financial group for approval of credit facilities and debt restructuring/ debt settlement without or with hair cut/write off (if any) within the existing loan loss provision for the customer and/or group of customers/1 having aggregate limit up to 15% of total capital funds including the management of non-performing assets.

/1 Including banking institutions/groups, bank holding companies, subsidiaries and sovereign entities

#### Other matters

16. Review and approve the sale of non-performing asset (NPA) which was used for the Bank's operation or for the use of the staff and employees of the Bank with the costs of each NPA of not exceeding THB 50 million.

17. Review and approve the management of NPAs received from the transfer of collateral to the Bank to settle debt or from the public auction of the collateral including approval of offering sale price, sale procedures/ payment conditions and sale of NPAs to a person or group of persons of which the costs of such NPAs are not over THB 500 million.

18. Perform any other functions as and when directed by Board Risk Committee.

Coverage: CIMB Thai Bank

## 8. Retail Business Committee

The Retail Business Committee consists of:

1.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2.	Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Alternate Chairman
3.	Mr. Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Member
	or Ms.Sasima Thongsamak	Senior Vice President Risk Management Group	as Alternate Member
4.	Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
5.	Mrs. Bussakorn Puttinan	Senior Executive Vice President Group Information and Operations Division	as Member
6.	Mrs.Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
7.	Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Member
8.	Ms. Dusanee Klewpatinontha	Executive Vice President Head of Wealth Advisory Acting Head of Wealth Products	as Member
9.	Ms. Onanong Udomkantong	Executive Vice President Retail Loan Products	as Member
10.	Head	Cards and Fee Based Products	as Member
11.	Mr. Boonsong Teachakidatikul	Senior Vice President Customer Segment and Digital Banking (Acting)	as Member
12.	Ms. Piyawan Thianphranon	Senior Vice President Head of Retail Business Finance Team	as Member & Secretary

## Powers, Duties and Responsibilities:

1. Formulate strategies and initiatives for business growth of retail business taking into consideration the prevailing market conditions and the Bank's resources, competitive environment and risk appetite;
2. Analyze the medium to long-term development strategies and investment decisions of the Retail Banking Group and the subsidiaries in retail business (including lending, collection, deposit-taking, branch and branch services, credit card, all retail products or services, and back office infrastructure) (hereon referred to as "Retail Business") for submission to Management Committee;
3. Approve/ concur business plans, budgets, strategic plans and sales promotion of Retail Business;
4. Review and monitor overall performance of Retail Business and details are as follows:
  - 4.1. Retail banking portfolio performance and retail banking profitability (P&L) by product, customer, channel, campaign and special promotion



- 4.2. Marketing plan including branding, sales promotion, advertising and product design
- 4.3. Operation/IT which related to Retail Business; for example, down time issue, turn-around time, etc
- 4.4. Risk Performance which have impacts on Retail Business; for example, credit criteria, credit processing and others
- 4.5. Staff turnover of Retail Business including other arising issues;
5. Delegate an authority of approval to Head, Retail Banking Group and Head, Strategy & Finance Group for the framework and concept of incentive\* scheme designed for the bank's staff, and any changes in relation to framework and payout of the new or existing scheme only with the case that expenses  $\leq$  0.5 Million Baht;
6. Delegate an authority of approval to Head, Retail Banking Group and Head, Strategy & Finance Group for new marketing plan, sales promotion plan, media and advertising, and other related expenses\*\* (excluding interest rates and fees) only with the case that expenses  $\leq$  0.5 Million Baht;
7. Delegate an authority of approval to the Chairman, Director and Managing Director of subsidiaries for the framework and concept of incentive\* scheme designed for the subsidiaries' staff, and for new marketing plan, sales promotion plan, media and advertising, and other related expenses\*\* only with the case that expenses  $\leq$  0.5 Million Baht and acknowledge in the next RBC Meeting; and
8. Perform any other functions as designated by the Management Committee or the President and CEO

\* Incentive: any form of payment to the bank's employees (staff and direct sale staff) in the form of cash or other properties i.e. gold and other benefits for tax calculation i.e. trip, etc. which are on top of compensation in the form of salary.

Remark: In case that proposed incentive was approved at  $\leq$  0.5 Million Baht; however, actual incentive paid is over 0.5 Million Baht, it is required to acknowledge in the next RBC Meeting

\*\* Other related expenses: Sales Promotion Expense, Advertising & Public Expense, Marketing Activity & Event Expense and Other Acquisition Expense, excluding Regular Marketing Expenses i.e. Marketing Material Expense, brochure, leaflet, welcome pack, lounge, etc.

## 9. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee consists of:

- |                                  |  |                     |
|----------------------------------|--|---------------------|
| 1. Mr. Kittiphun Anutarasoti     | President and Chief Executive Officer                    | as Chairman         |
| 2. Mr. Arthit Masathirakul       | Senior Executive Vice President<br>Risk Management Group | as Member           |
| or Mr. Radhapol Chudhangkura     | Senior Vice President<br>Risk Management Group           | as Alternate Member |
| or Mr. Somchai Yongkrittaya      | Executive Vice President<br>Market Risk Team             | as Alternate Member |
| 3. Mr. Jason Leong Kok Yew       | Senior Executive Vice President<br>Finance Group         | as Member           |
| or Ms. Pannee Deesilpakij        | Senior Vice President<br>Wholesales Finance Team         | as Alternate Member |
| 4. Mr. Tan Keat Jin              | Senior Executive Vice President<br>Strategy Division     | as Member           |
| or Mr. Waravoot Tocharoentanapol | Senior Vice President<br>Strategy Division               | as Alternate Member |
| 5. Mr. Sutee Losoponkul          | Senior Executive Vice President<br>Treasury Group        | as Member           |
| or Mr. Pao Chatakanonta          | Senior Executive Vice President<br>Deputy Treasurer      | as Alternate Member |
| or Ms. Panawan Wongakkarakul     | Executive Vice President                                 |                     |

	Funding Division	as Alternate Member
6. Mr. Pornchai Padmintra	Senior Executive Vice President	as Member
or Ms. Somjittra Dhanasobhon	Wholesale Banking Group	
	Executive Vice President	as Alternate Member
	Business Management Division	
7. Ms. Wareemon Niyomthai	Senior Executive Vice President	as Member
or Mr. Preepop Woradithee	Commercial Banking Group	
	Senior Vice President	as Alternate Member
	Strategy & Portfolio Manager & RM	
	Performance & CRM Team	
8. Mr. Adisorn Sermchaiwong	Senior Executive Vice President	as Member
or Mr. Chayakom Piromrat	Consumer Banking Group	
	Vice President	as Alternate Member
	Deposit Products and ATM / Debit Cards	
9. Mr. Phisit Sucharitsopit	Executive Vice President	as Member
or Ms. Chanida Mujanatongsuk	Transaction Banking Group	
	Senior Vice President	as Alternate Member
	Business Development and Innovation Division	
10. Mr. Radhapol Chudhangkura	Senior Vice President	as Secretary
	Asset and Liability Management Team	

#### **Powers, Duties and Responsibilities:**

#### **Current Operating Environment and Market Update**

1. To review the economic outlook and market outlook.

#### **Balance Sheet and NII Review**

2. To review and analyze the Bank's balance sheet plan by business, asset and liability mix, currency, growth, yield and margin;
3. To review variations between actual and planned balance sheet and how these impact loan-deposit and other balance sheet ratios and funding plan and whether the Bank will remain within the established risk appetite;
4. To review net interest income and margin trends including forecast position, and the variances from the planned net interest margin, and detail any required actions as appropriate;
5. To review the impact on earnings (NII) under base case and stressed economic scenarios;
6. To review and ensure the FTP is appropriate and act as the arbitrator between business lines in designing and implementing FTP and promote consistency across the Bank and its subsidiaries; and
7. To review and approve the pricing that requires regulatory approval or notification e.g. Base Lending Rate (e.g. MLR, MOR, etc.), base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan.

#### **Contingency Funding Plans**

8. To review the Contingency Funding Plan ("CFP") as an operational business plan and assess the capacity of the plan to ensure that any management action is realistic; and
9. To ensure that early warning indicators are up-to-date and relevant.

#### **Asset Liability Management**

10. To review ALM framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of the Bank;
11. To promote consistent policies and practices in line with those of CIMB Group;
12. To review and recommend established Management Action Triggers ("MATs") / Limits for liquidity risk and interest rate risk in banking book to BOD for approval;



13. To set, monitor and review the hedging strategies of the Bank;
14. To review and ensure that the Bank's risk profile is within established MAT / Limits for liquidity risk and interest rate risk in banking book, including reviewing internal and regulatory stress testing results across material currencies within the Bank and its subsidiaries;
15. To review and recommend ALM risk model parameters and model validation results for approval by BRC; and
16. To identify and review the Bank liquidity and funding requirements and appropriate actions to address these requirements.

#### **Approval Authority**

17. To review and recommend ALM risks framework and policies for BOD approval;
18. To review and approve ALM risks methodologies and standard to be met to comply with approved policies;
19. To review and approve FTP framework, policies and methodologies for the Bank;
20. To review and approve the pricing that requires regulatory approval or notification e.g. MLR, MOR, base rate for consumer lending, board rates for fixed deposits and pricing for new products to be in line with the Bank's strategic objectives and business plan;
21. To approve the Delegated Authority ("DA") for pricing of deposits for the group business committees; and
22. To escalate to BRC and BOD any MAT / trigger / limits breaches (non-regulatory) that are not viewed as material variance to the approved Risk Appetite Statement and to the capital / liquidity / reputation of the Bank.

Coverage: CIMB Thai financial group (where appropriate)

#### **10. IT Strategic Planning Committee**

The IT Strategic Planning Committee is composed of:

- |    |                                 |   |                         |
|----|---------------------------------|---|-------------------------|
| 1. | Mr. Kittiphun Anutarasoti       | President and Chief Executive Officer                                     | as Chairman             |
| 2. | Mr. Jason Leong Kok Yew         | Senior Executive Vice President Finance Group                             | as Alternate Chairman   |
| 3. | Mr. Tan Keat Jin                | Senior Executive Vice President Strategy Division                         | as Member               |
| 4. | Mr. Adisorn Sermchaiwong        | Senior Executive Vice President Consumer Banking Group                    | as Member               |
|    | or Mr. Boonsong Teachakidatikul | Senior Vice President Customer Segment and Digital Banking (Acting)       | as Alternate Member     |
| 5. | Mr. Somchai Yongkrittaya        | Executive Vice President Market Risk Team                                 | as Member               |
|    | or Ms. Suchada Phokasub         | Executive Vice President Risk Analytics and Infrastructure Division       | as Alternate Member     |
| 6. | Mrs. Bussakorn Puttinan         | Senior Executive Vice President Group Information and Operations Division | as Member               |
| 7. | Mr. Tapakorn Siritanawutichai   | Executive Vice President Technology Division                              | as Member and Secretary |
| 8. | Mr. Boonkiat Ekwanich           | First Vice President Information Technology Audit Department              | as Advisor              |

#### **Powers, Duties and Responsibilities:**

1. Define short and long term IT plans, project priorities and appropriate budget and resources;
2. Determine the IT strategic plan to support the overall organisational strategic business plan;
3. Consider and determine technical projects, acquisitions and efficiencies of technologies as well as relevant equipment;

4. Define and monitor the effectiveness in implementing key IT policies and procedures, such as IT security policy, IT governance policy, and IT risk management framework;
  5. Approve, revise and conduct annual reviews of the Bank's internal IT-related policies;
  6. Monitor the overall efficiency, performance and effectiveness of IT services;
  7. Monitor the progress of each IT project in association with the strategies approved;
  8. Appoint appropriate sub-committees or working groups to carry out the assignments;
  9. Approve IT project the project cost of which exceeds THB 1 million but not exceeding THB 100 million;
  10. Review and endorse recommendations on IT project the project cost of which exceeds THB 100 million;
  11. Approve the purchases or the hiring under a special process for IT project;
  12. Approve a disbursement of the 1Platform R1.1 budget of up to RM 24 million and the R 2.0 budget of up to RM 2.467 million, totaling around RM 26.467 million;
  13. Ensure the success of the 1Platform project implementation through engagement with various stakeholders and relevant bodies;
  14. Make and approve decision on the strategy, direction, timeline, resources, staffing, finance and budget of the project;
  15. Review project status and approve key project deliverables;
  16. Remove roadblocks and provide ongoing support for the project teams;
  17. Review the project status;
  18. Ensure compliance of the governance and administrative structure of the 1Platform project.
  19. Resolve business-critical IT performance issues;
  20. Resolve cross-functional project delivery issues;
  21. Review post implementation review (PIR) papers for implemented projects to ascertain project management quality and meet the deliverables of business cases;
  22. Prioritise and examine status of IT projects to ensure compliance with service level agreements.
  23. Appoint Pre-IT SPC Review Team to review and ensure completeness of business case papers before submission to ITSPC.
- Coverage: CIMB Thai group

#### 11. Thailand Underwriting Committee

The Thailand Underwriting Committee Thailand is composed of:

- |  |   |                        |
|--|---|------------------------|
| 1. Mr. Kittiphun Anutarasoti                 | President and Chief Executive Officer                                     | as Chairman            |
| 2. Mr. Arthit Masathirakul                   | Senior Executive Vice President<br>Risk Management Group                  | as Member              |
| 3. Mr. Jason Leong Kok Yew                   | Senior Executive Vice President<br>Finance Group                          | as Member              |
| or Ms. Pannee Deesilpakij                    | Senior Vice President<br>Wholesales Finance Team                          | as Alternate<br>Member |
| 4. Mr. Pornchai Padmintra                    | Senior Executive Vice President<br>Wholesale Banking Group                | as Member              |
| or Ms. Suchada Phokasub                      | Executive Vice President<br>Risk Analytics and Infrastructure<br>Division | as Alternate<br>Member |
| 5. Head of Credit Risk Division              |   | as Member              |
| 6. Ms. Sumalee Boonanan                      | Senior Vice President<br>Treasurer's Office & Risk Analytics<br>Team      | as Member              |
| or Ms. Pacharin Sanglerdsilapachai           | Vice President<br>Credit Risk Analytics Section                           | as Alternate<br>Member |
| 7. Mr. Somchai Yongkrittaya                  | Executive Vice President<br>Market Risk Team                              | as Member              |
| 8. Representative from Risk Management Group |   | as Secretary           |

#### Powers, Duties and Responsibilities:

1. To evaluate underwriting proposals for primary and secondary market and off-market (resulting from mergers and acquisitions) deals for debt and equity instruments from the Group, namely:
  - Underwriting of IPO, equity offerings and rights issues and underwriting or bought deals for debt securities issuance.
  - Secondary markets block placements.
 and ensure that the pricing of any proposal is adequate to compensate the risk, sufficient measures are taken to mitigate against adverse market movement and assessment on the extent to which market conditions are conducive for the success of the deals.
2. To approve in firm Debt underwriting transaction for primary market of THB500million or less with the minimum debt rating of A-.
3. To review and recommend approval to the Board of Directors/ delegated Board member(s) of CIMB Thai the firm underwriting or bought deal for debt securities issuance.
4. To review and recommend to BOD/ delegated Board member(s) for approval of the holding amount of any debt securities for market making purpose with the following conditions:-
  - The debt securities are underwritten by CIMB Thai.
  - Within 90 days after the issue date, the holding amount must be within the limit approved by BOD/ delegated BOD member(s).
  - After 90 days from the issue date, the holding must not exceed 15% of the underwriting amount subject to the overall cap of market making portfolio.

Scope: CIMB Thai Financial Group

## 12. Marketing and Communications Committee

The Marketing and Communications Committee is composed of:

1. Mr. Kittiphun Anutarasoti	President and Chief Executive Officer	as Chairman
2. Mr. Prapas Thongsuk	Executive Vice President Corporate Communications Division	as Alternate Chairman
3. Mr. Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
4. Mr. Adisorn Sermchaiwong	Senior Executive Vice President Consumer Banking Group	as Member
5. Mrs. Kanokpai Vongsatitporn	Senior Executive Vice President Human Resources Management Division	as Member
6. Ms. Sunitta Yodsheewan	First Vice President Public Relations & CSR Team	as Secretary

### Powers, Duties and Responsibilities:

1. Provide strategic direction and guidance for CIMB THAI group wide, aligning it to the Group brand management and positioning, across all businesses and markets;
2. Review and approve all marketing plans, including all ATL campaigns and major BTL campaigns;
3. Address all elements with regards to general advertising spend and associated media exposure; and
4. Review and approve all internal and external communications processes and mediums.

Scope: CIMB THAI Bank Group-wide

## 13. Asset Quality Committee

The Asset Quality Committee is composed of:

1. Mr.Arthit Masathirakul	Senior Executive Vice President Risk Management Group	as Chairman
2. Mr. Pakorn Moj dara	Senior Vice President Risk Management Group	as Deputy Chairman

	or Mr.Chalernpol Decharit	Senior Vice President Risk Management Group	as Alternate
3.	Head Credit Risk Division		as Member
4.	Mr.Pornchai Padmindra	Senior Executive Vice President Wholesale Banking Group	as Member
	or Ms.Chittavadee Sangthong	Executive Vice President Credit and Risk Analytics Division	as Alternate Member
5.	Mrs.Wareemon Niyomthai	Senior Executive Vice President Commercial Banking Group	as Member
	or Mr.Preepop Woradithee	Senior Vice President Strategy & Portfolio Manager & RM Performance & CRM Team	as Alternate Member
6.	Mr.Jason Leong Kok Yew	Senior Executive Vice President Finance Group	as Member
	or Mrs. Pannee Deesilpakij	Senior Vice President Wholesales Finance Team	as Alternate Member
7.	Representative from Risk Management Group		as Secretary

#### **Powers, duties and responsibilities:**

1. Deliberate on trends and developments as well as account strategy relating to non-performing loan (NPL)/impaired accounts under negotiation for debt restructuring, watch list medium and high accounts and any other concerned accounts managed by non-retail business units of CIMB Thai (on individual assessment basis). The accounts to be reviewed will be those with account exposure at or above THB 10 million;
2. Review progress/update of new and existing watch list accounts and existing NPL/impaired accounts under negotiation for debt restructuring, to agree on proper credit risk ratings and watch list classification;
3. Review and recommend for Credit Committee/Board's approval on amount of loan loss provisions which is beyond requirement of Bank of Thailand, and other matters in relation to impairment and write back of Impaired Loans;
4. Review and deliberate on possible impaired loan (PIL), NPL default trends and provision trend;
5. Review that the business units have clearly defined asset quality review and early warning indicators process in identifying, classifying, reporting, monitor any problem loan(s) (in particular impaired loans) in line with the Bank's credit risk policy/regulatory authorities/accounting standards.
6. Review restructure and rescheduling report (including TDR/rescheduling/grace period) prior to submission to senior management/relevant authorities.

### **9.3 Selection and Appointment of Directors and Executives**

#### **1. Independent director**

The Bank has the selection criteria of independent directors in place, and determines the qualifications of independent directors in accordance with the Capital Market Supervisory Board Notification No. ThorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares as follows:

- (a) Hold shares not exceeding one per cent 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;
- (b) Neither be nor have been an executive director, employee, staff, advisor who receives a salary, or controlling person of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing the application with the

Securities and Exchange Commission (SEC). Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government agency which is a major shareholder or controlling person of the Bank;

- (c) Not be a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of a child, executive, major shareholder, controlling person, or a person nominated as an executive or controlling person of the Bank or its subsidiary company;
- (j) Neither have nor have had a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, in the manner which may interfere with his/her independent judgement, and neither be nor have been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC.

The term 'business relationship' under the first paragraph shall include any normal business transaction for business operation, rent or lease of immovable property, transaction relating to assets or services, or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar action, which result in the Bank or the counterparty being subject to indebtedness to the other party in the amount of three percent or more of the net tangible assets of the Bank or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated by the valuation method applicable to connected transactions pursuant to the Capital Market Supervisory Board Notification regarding criteria on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurring during the period of one year prior to the date on which the business relationship with the person commences;

- (e) Neither be nor have been an auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person, or partner of an audit firm which employs the auditor of the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;
- (f) Neither be nor have been a provider of any professional services including those as legal advisor or financial advisor who receives service fee exceeding THB 2 million per year from the Bank, its parent company, subsidiary company, associated company, major shareholder or controlling person of the Bank, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing the application with the SEC;
- (g) Not be a director appointed as representative of directors of the Bank, major shareholder or shareholder who is related to the major shareholder;
- (h) Not undertake any business in the same nature as and in material competition with the business of the Bank or its subsidiary company, or not be a significant partner in a partnership, or not be a director involved in management, employee, staff, advisor who receives a salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature as and in material competition with the business of the Bank or its subsidiary company;
- (i) Have no other characteristics which would disable expression of independent opinions on the Bank's business operations.

Upon appointment as independent director with qualifications as stated from (a) to (i) in the first paragraph, the independent director may be assigned by the Board to take part in the business decisions of the Bank, its parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or controlling person of the Bank, on a collective decision basis.

## 2. Selection of Directors and Executives

### Selection, Appointment and Removal of Directors

The Board of Directors shall be elected by the shareholders. 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 as follows:

1. According to the shareholders' resolution, the Board of Directors shall comprise no fewer than 5 and no more than 12 members, with at least half the board members having domicile in Thailand.
2. Article 16 of the Bank's Articles of Association provides for the following voting procedure:
  - (1) Each shareholder shall have the number of votes equal to the number of shares held. One share is entitled to one vote;
  - (2) Votes shall be cast for either an individual or several directors in the number required to be elected at the respective meeting and as deemed appropriate by the meeting. In the election of either an individual or several directors, each elected person shall receive votes from each shareholder in the full amount of shares held by that shareholder pursuant to (1). The shareholder shall not allot his/her votes to any person in any number; and
  - (3) After the voting, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order in the number required in the election. Where the votes cast for candidates in the descending order are tied, and would otherwise cause the number of directors to exceed the number required to be elected at the respective meeting, the remaining appointments shall be made by drawing lots in the procedure to be determined by the Chairman of the meeting.
3. 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.
4. Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members shall at the next Board meeting appoint another qualified and suitable director to fill that position for the remainder of the term of office of his/her predecessor except in the event that the vacant position has fewer than two months left in the term. The motion shall require the majority consent of at least 75% of the remaining members of the Board.

In addition, pursuant to the Financial Institution Business Act B.E. 2551 (2008), the Bank of Thailand (BOT) is empowered to issue an order requiring a commercial bank to remove from office any director or any person in charge of business operation that has caused serious harm to the society at large, or has failed to comply with the directives prescribed by the BOT. In this respect, the Bank is obliged to select a suitable replacement subject to approval by the BOT. The decision taken by the BOT to appoint or remove any director is conclusive.

### **Selection of Executives**

In 2016, the Bank's principal focus was to attract talents with diverse professional backgrounds who could combine a broad spectrum of experience and expertise with integrity and drive to deliver on the Bank's business strategy and achieve its targets. An interview panel was set up in accordance with Bank policy and a selection and nomination process was formulated for all new senior executive appointments.

### **9.4 Governing Administration of Subsidiaries and Associate Companies**

To governing administration of subsidiaries and associate companies, the Bank has appointed its executives to sit on boards of directors of those companies. The executives are responsible for keeping the Bank's Management Committee apprised of all operations and progress of the subsidiaries and associate companies on a monthly basis. The Board of Directors has also established Risk Management Committee to monitor and supervise companies in the Bank's Financial Group to ensure that their operations are in compliance with Risk Management policy prescribed by the Bank as well as regulations of the Bank of Thailand. In addition, the Board of Directors has given full support to the Audit Committee to oversee the subsidiaries and associate companies enabling the Bank to supervise and monitor operations of such companies to be in accordance with the Financial Group's policies, and to conduct audits of their financial reports to ensure accuracy and adequacy.

## 9.5 Governing Use of Internal Information

The Bank has oversight of use of internal information in accordance with good corporate governance. It is determined in written form and included in Corporate Governance Policy of the Bank, details of which are as follows:

The Board has set a policy and procedure to prohibit unauthorised disclosure of material, non-public information which may affect the Bank's securities. Such policy and procedure require members of the Board, executives and employees, including spouses and underaged children thereof, to refrain from using information that has become privately known to them for purchase, sale, transfer or receipt of transfer of securities of the Bank during a one-month period before such information goes to public.

Moreover, members of the Board and executives from levels of senior executive vice-president or the equivalents upward, and those holding executive positions or department heads or the equivalents upward in the accounting or finance function line are duty-bound to report every of their sale or purchase of securities of the Bank and any change of the holding thereof, to the Office of the Securities and Exchange Commission (SEC), and keep copies of such reports at the Office of the President as evidence. In addition, to ensure an efficient and transparent management, the Bank has formulated codes of conduct and guidelines for the Board, executives and employees on the use of internal information and operation guidelines with avoidance of conflicts of interest. In this regard, the Board of Directors has concurred on the above practices.

## 9.6 Remuneration for external auditors

### Appointment of external auditors and consideration of audit fees

The Audit Committee considers the qualifications and performance of external auditors and recommends the appointment thereof as well as proposes audit fees to the Board of Directors annually. The Board then proposes the external auditor appointment and audit fees for the consideration and approval of the general meeting of shareholders. The list of external auditors to be proposed must also be endorsed by the Bank of Thailand.

### Remuneration for external auditors

For the year ended 31 December 2016, fees paid to the external auditors were as follows:

#### (1) Audit fees

CIMB Thai group paid the auditors audit fees totaling THB 11.2 million. Other incidental expenses included transport and photocopying expenses.

#### (2) Non-audit fees

CIMB Thai group paid fees for non-audit services to the Bank's auditors in the fiscal year 2016 amounting to THB 110,000 for the services provided in 2016.

## 9.7 Other Compliance of Corporate Governance

In 2016, meeting attendance of Board members and Board committee members was as follows:

Unit: Attendance

No	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remuneration and Corporate Governance Committee	(4) Board Risk Committee*	(5) Management Committee	(6) Risk Management Committee	(7) Credit Risk Committee	(8) Credit Committee Level 2
1.	Mr.Chakramon Phasukavanich <sup>†</sup>	8/12	-	-	-	-	-	-	-
2.	Dato' Robert Cheim Dau Meng	10/12	-	10/11	-	-	-	-	-
3.	Mr. Sukont Kanjana-Huttakit	11/12	15/15	-	-	-	-	-	-



No	Director Name (number of meetings attended/total meetings)	(1) Board	(2) Audit Committee	(3) Nomination, Remunera- tion and Corpo- rate Gover- nance Committee	(4) Board Risk Committee*	(5) Manage- ment Committee	(6) Risk Manage- ment Committee	(7) Credit Risk Committee	(8) Credit Committee Level 2
4.	Mrs. Watanan Petersik <sup>/2</sup>	10/12	2/15	10/11	-	-	-	-	-
5.	Dato' Shaarani Bin Ibrahim	12/12	15/15	11/11	-	-	-	-	-
6.	Mr. Chitrapongse Kwangsukstith	12/12	-	-	10/11	-	-	-	-
7.	Ms. Serena Tan Mei Shwen	12/12	-	-	11/11	-	-	-	-
8.	Dato'Lee Kok Kwan	10/12	-	-	11/11	-	-	-	-
9.	Mr.Pravej Ongartsittigul <sup>3</sup>	8/12	11/15		-	-	-	-	-
10.	Mr. Kittiphun Anutarasoti <sup>/4</sup>	3/12	-	-	2/11	13/47	3/14	2/11	10/52

No	Director Name (number of meetings attended/total meetings)	(9) Retail Business Committee	(10) Assets and Liabilities Manage- ment Committee	(11) IT Strategic Planning Committee	(12) Thailand Under Writing Committee	(13) Marketing & Commu- nication Committee	(14) Product Develop- mentCo mmittee	(15) Problem Loan Manage- ment Working Group	(16) Share holder meeting
1.	Mr.Chakramon Phasukavanich	-	-	-	-	-	-	-	0/1
2.	Dato' Robert Cheim Dau Meng	-	-	-	-	-	-	-	1/1
3.	Mr. Sukont Kanjana-Huttakit	-	-	-	-	-	-	-	1/1
4.	Mrs. Watanan Petersik	-	-	-	-	-	-	-	1/1
5.	Dato' Shaarani Bin Ibrahim	-	-	-	-	-	-	-	1/1
6.	Mr. Chitrapongse Kwangsukstith	-	-	-	-	-	-	-	1/1
7.	Ms. Serena Tan Mei Shwen	-	-	-	-	-	-	-	1/1
8.	Dato'Lee Kok Kwan	-	-	-	-	-	-	-	1/1
9.	Mr.Pravej Ongartsittigul	-	-	-	-	-	-	-	0/1
10.	Mr. Kittiphun Anutarasoti	3/12	3/14	3/11	4/16	0/0	3/11	2/7	0/1

**Note:**

/1The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Chakramon Phasukavanich,as Director of the Board . The Board of Directors meeting, held on 28 April 2016, resolved to appoint as the chairman effective from 1 May 2016

/2 The Board meeting, held on 28 April 2016, acknowledged Mr. Watanan Petersik's resignation form the Audit Committee effective from 1 May 2016.

/3The Annual general Shareholder meeting no. 22 , held on 19 April 2016, resolved to appoint Mr.Pravej Ongartsittigul,as Director of the Board. The Board of Director meeting, held on 28 April 2016, resolved to appoint Independent Director and member of Audit Committee effective from 1 May 2016

/4The Board of Director meeting, held on 27September 2016, resolved to appoint Mr. Kittiphun Anutarasoti,as Director in place of Ms. Sopawadee Lertmanaschai who had resigned and appoint Mr. Kittiphun Anutarasoti as President and Chief Executive Officer with effective from 19 October 2016.

## 10. Corporate Social Responsibilities

The Bank gives importance to corporate social responsibilities in core business operation as it is aware that business sustainable growth can be achieved with social responsibilities.

### 10.1 Social responsibility policy

The Bank recognizes the importance of rights of all stakeholders, namely employees, shareholders, customers, trading partners, creditors and government agencies. The policy for stakeholders is determined as detailed below:

#### Customers

The Bank is determined to protect the interests of, pay attention to and take responsibility for, as well as bring maximum satisfaction to the customers, by offering quality and efficient services and products.

#### Shareholders

The Bank is determined to operate its business efficiently, effectively and transparently, with appropriate and consistent growth and stability of returns to the shareholders, and to put best efforts in maintaining its assets, reputation and good image.

#### Employees

The Bank considers all staff a valuable resource and is thus determined to promote and develop their knowledge and capabilities for their career progress and stability and proper remuneration commensurate with their capabilities and performance.

#### Trade partners/creditors

The Bank adheres to operating its business with integrity on the basis of contractual compliances and under business conditions which are fair and equitable to the creditors.

#### Corporate social responsibility

Corporate social responsibility (CSR) is part of the Bank's policy of giving back to the society by strictly complying with the relevant laws and regulations, and assisting and supporting activities that benefit the community and the society as a whole.

#### Responsibility for competitors

The Bank has a policy to promote competition under fair and transparent rules and circumstances, with no access to competitors' confidential information in an unethical manner and no ill intention to the reputation of competitors through false or unfair statements or acts.

**The Bank's corporate social responsibilities are determined and categorized into eight principles in line with the Stock Exchange of Thailand ("SET")'s corporate social responsibility guideline:**

#### 1. Business operation for fairness

The Bank has a policy to promote competition under fair and transparent rules and circumstances, with no access to competitors' confidential information in an unethical manner and no ill intention to the reputation of competitors through false or unfair statements or acts.

#### 2. Anti-corruption

The Bank has a policy to operate businesses with integrity, transparency and ethics. It emphasizes the importance of staff having mutual attitudes to countering, resolving and being accountable for the

corruption issue, and encourages all employees to have common knowledge and understanding and work with integrity and in accordance with the Bank's Corporate Governance Policy and Codes of Conduct.

### **3. Respect for human rights**

Respect the human rights specified in the constitution; for instance, to respect the rights and human dignity for all persons living in Kingdom of Thailand although there are differences in homeland, race, religion, sex, age, personal status, social or financial status, belief in religion, education, or political view points which are not against the purview of the constitution.

### **4. Fair treatment for labour**

- Strictly comply with the law, rules and regulations relating to employees.
- Treat every employee equally, without discrimination on race, sex, skin color, religion, origins, age, physical disability or personal characteristics irrelevant to performance of duties.
- Appointment, transfer, rewarding and punishment, as well as fringe benefits for employees shall be based on their knowledge, capabilities, suitability, and conduct or performance of duties.

### **5. Responsibilities to consumers**

- Aim at creating benefits to and satisfaction of customers by offering good quality products and services that can respond to customer needs timely and punctually.
- Strictly comply with contracts, agreements or conditions committed to customers. In case of inability to comply, the Bank shall inform the customers thereof in advance in order to jointly work out solutions to prevent any possible damage.

### **6. Environment maintenance**

The Bank complies with laws and regulations regarding environment as well as efficiently ensure the safety and environment. Its employees are encouraged be aware of and have responsibilities for environment and community seriously and continuously. Safety, Occupational Health and Working Environment Policy is prepared to ensure the efficiency of continuous operation of this issue as per the safety, occupational health and working environment standard.

### **7. Community and social development**

The main concept of CIMB Thai Community Link is not only for a long-term participation of the branch teams to create the most suitable project but the Bank will also invite executives, employees, and customers to participate in the activities. The Community Link project which will be financially supported by CIMB Foundation, Malaysia can be considered as a way to give back to the Thai society with the use of foreign capitals.

### **8. Innovation and its distribution**

The Bank has a policy to offer products and services that respond the customers' need. It also supports the energy reservation by offering CIMB Thai's Clean Energy Loan to facilitate the customers who want to make energy efficiency investment.

## **10.2 Operation**

The eight principles of the SET's corporate social responsibilities that the Bank conforms to are:

### **1. Business operation for fairness**

The Bank operates business using transparent and auditable credit underwriting criteria and complying with regulatory requirements. In addition, the Bank has measures to prevent any

transaction having conflict of interest, related party transaction or inappropriate related transaction. Policies are determined as follows:

- Making of such significant transactions as connected transactions and/or acquisition or disposal of assets of the Bank shall comply with the rules and regulations of the relevant regulators.
- The Bank has a policy to consider granting of credits to or making investments or commitments or making credit-like transactions with its major shareholder, or to the business in which directors or persons with managing power have beneficial interests in all cases pursuant to the ratio 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.

## **2. Anti-corruption**

Being aware of the responsibility for all stakeholders, the Bank's Board of Directors ensures that channel is provided for making whistleblowing or complaints directly to the Chairman, the Chairman of the Audit Committee or the President and Chief Executive Officer. The channel is provided on the Bank's website. During the Bank's investigation, the names of the whistleblowers or the complainants will be kept confidential to protect them from any impact.

To ensure that the Bank has appropriate practice and regulation for corruption prevention, the Bank has prepared the "Policy and Procedures on Anti-Corruption" to be strictly complied with by the directors, executives, staff and subsidiaries. The Bank has also reviewed the practice, responsibility structure, risk management system, internal control and audit to prevent any internal fraud. Apart from the announcement of the Policy and Procedures, e-learning on this matter is provided to enhance the staff's knowledge and understanding.

The Bank was among the first group of organizations participating in the declaration of intention to join the "Private Sector Collective Action Coalition against Corruption" or CAC on 9 November 2010. Mr. Chakramon Phasukavanich, the Bank's then Chairman, signed the declaration and had consistently supported the Bank to participate in the certification process in order to establish a standard in business operation with transparency, integrity and social responsibility. On 16 January 2015, the Bank was officially certified to be the "CAC Member" by the Private Sector Collective Action Coalition Against Corruption Council.

## **3. Respect for human rights**

Human rights are the fundamental rights all human beings equally have regardless of race, skin, gender, language, religion, political opinion, or other belief. To promote and protect human rights together with government agencies, the Bank has the following practices in place:

- All staff of the Bank has the equal rights in the workplace under the rules, regulations, announcements, and orders of the Bank.
- The Bank adheres to the principles of justice and sincerity in its management by complying with business ethics and etiquettes towards all stakeholders.
- The Bank has the employment standard laws, regulations, orders, and guidelines established devoid of use of forced labor and harassment or abuse in any case.
- All employees of the Bank receive safety rights protection according to the administration and management of the occupational health and safety and workplace environment.
- The Bank provides welfare benefits for the Bank's employees in addition to those required by laws as well as other benefits. Additionally, the Bank has set criteria and regulations for internal use as deemed appropriate

## **4. Fair treatment for labour**

The Bank has provided employee benefits such as provident fund, social security fund, life insurance, medical treatment, annual health check-up, staff clinic, housing loan, car/motorcycle loan, staff education loan and general purpose loan, that are competitive against other leading banks to attract and retain talented and competent staff.

In 2016, the Bank organized 258 training courses, comprising 115 internal and 143 external courses at a total cost of THB 19.1 million covering 2,838 staff or 98% of total staff. Average training man days was 5 days per staff per year. In addition to existing leadership development program, the bank has support our internal trainers to acquire the certification program of DDI (Development Dimensions International) to internally conduct new leadership programmes i.e. Working as a High-Performing Team, Embracing Change, Fostering Innovation etc. The functional training program included Omega Credit Skills, Product Knowledge, Work System, Standard Operating Procedures, etc. The Bank has provided scholarship to employees to pursue study in MBA and promoted cross-board learning within CIMB Group by sending its employees to undertake regional training programmes such as Group Orientation, INSEAD Programme, Middle Management Development Plan, etc.

## **5. Responsibilities to consumers**

Provide accurate, adequate and updated information on products and services to customers to support their decision-making, carrying no exaggerated statements that may mislead customers about the quality and conditions pertaining to the products and services.

Give importance to keeping customers' information confidential, and not use it to seek personal interests or those of related persons.

## **6. Environment maintenance**

In 2016, The Bank has also attached great importance to social and environmental projects. Altogether six projects were undertaken in the previous year with focus on community involvement and building of learning centres as well as passing on folk wisdom crystallised from real experiences of the elder generations to the younger generations. This has not only contributed to knowledge transfer, but also served as an aging therapy for the elderly.

## **7. Community and social development**

For the sixth straight year, CIMB Thai Bank has remained committed to carrying out CSR projects and activities to give back to the Thai society. Education is the area on which we have put emphasis considering it crucial foundations for national development. In 2016, we promoted ICT-based education with handover of 10 computer and Internet learning centres to 35 rural schools to broaden educational opportunities, upgrade educational standards for the youth in remote areas, and facilitate as well as strengthen the educational progress of the schools.

As one of the 15 CSR members of Thai Bankers' Association, we have consistently cooperated in a financial literacy program called "Saving for Change," which aims at fostering knowledge on financial planning, financial discipline, and corruption countering culture on an integrated basis for people in the society starting from their early age. This should pave way for the country's sustainable economic development looking forward. We have also invited our instructors from such program to assist in a seminar organised by us titled "4-Knows about Saving" to guide school children, parents and local communities in recording income and expenses for better understanding of saving and finance at the family level.

## **8. Innovation and its distribution**

The Bank is focusing on making continuous process improvement by adopting innovations to best serve customers. In 2016, many processes have been improved driven by innovations, allowing the Bank to receive many recognition awards internationally and locally. International awards include 'The Best Risk and Compliance Excellence in Technology Innovation' from Asian Banker 2016 under SOP Re-engineering with ARIS Process Modelling Project, 'Highly Recommended in the Most Innovation Business Model' from Retail Banker International 2016 under Business Transformation Project, and 'Elite Quality Recognition Award' from JP Morgan 2016 under US Dollar Clearing MT202 99.85% Project. Locally, CIMB Thai received 'The Excellence Award in Core Process Improvement' from TMA ICT 2016 under Loan Classification and Provision Project, 'Complementary Award in Business Enablement Project' under Payment Behavior Score Project and 'Thailand TQM Best Practices' from Foundation of TQM Promotion in Thailand. The Bank is committed to continued use of innovations to develop the organization with the target to provide the best services to our customers.

## 11. Internal Controls and Risk Management

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 stable business growth and compliance with good corporate governance principles.

### . Organisation and environment

The Bank has structured its organisation taking into account proper segregation of duties that will contribute to effective risk management and internal control as well as monitoring and audit systems. 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 has been appointed by the Board of Directors with relevant roles, duties and responsibilities defined on overseeing all types of risks and capital management of the Bank and companies in the financial business group and assessing operations to ensure conformity with the risk management plan. Risk Management Group is in charge of formulating risk management policy and procedures of the Bank as well as setting up the risk control and monitoring mechanisms, and continuously strengthening the risk ownership of all staff.

### . 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 Department to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements. The Internal Audit Division has been set up as an independent work unit to examine and ensure all Bank activities are effectively and efficiently managed and operated.

### ▪ 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.

### ▪ 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 the rapidly changing environment. The Audit Committee is committed to ensuring that concrete actions are taken to execute recommendations and regularly monitoring resolutions to ensure that any identified issues are brought to satisfactory conclusion.

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### **Internal Audit Division Head and Compliance Department Head**

The Bank appointed Ms. Siriporn Sanunpairaue, Senior Executive Vice President, to be Internal Audit Division Head having duties to audit the management and operation of the Bank's work units in order to ensure the efficiency and effectiveness. In this regard, the consideration and approval to appoint, dismiss and transfer Internal Audit Division Head are roles and responsibilities of the Audit Committee.

In addition, the Bank appointed Mr. Thaphop Kleesuwan, Executive Vice President, to be Compliance Department Head having duties to supervise and monitor the Bank's operation in compliance with relevant regulatory requirements.

Qualifications of Internal Audit Division Head and Compliance Department Head are as in Attachment 3.



## 12. Related Party Transactions

As of 31 December 2016, the Bank recorded significant business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons (directors or executives from the level of vice president upwards). These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as disclosed in the Notes to Financial Statements item 43 of Financial Statements as of 31 December 2016.

- Connected transactions with persons who may have conflicts of interest are as follows:

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Investment Bank Berhad, a subsidiary of CIMB Group which is indirect major shareholder of the Bank	<p>The Bank has utilized the available debenture budget by issuing subordinated debenture of up to THB 5,000 million in Thai Baht or Malaysian Ringgit currency with a tenure of up to 10 years and a call option at year 5.</p> <p>CIMB Investment Bank Berhad and/or affiliated parties within CIMB Group has been appointed to act as a financial advisor / principal advisor / lead arranger / lead manager / book runner / underwriter, with an underwriting fee charged at 0.15% of total issue size in Malaysian Ringgit equivalent to THB 5,000 million</p> <p>This transaction is considered the Banks normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 2/2016 held on 26 February 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support under general trading terms.</p>
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has renewed the insourcing service agreement with CPAM for two years, valid from 14 April 2016 to 15 April 2018. The provided services cover two areas, including information technology and human resources, with estimated revenue to be generated of THB 970,000.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 3/2016 held on 17 March 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>CIMB Bank by Group Decision Management, Consumer Banking has assisted the Bank in transferring the knowledge of decision management, customer analysis and statistical model by accessing to non-confidential information of CIMB Thai's customer and performing the analysis of such non-confidential information. There is no cost chargeable to CIMB Thai by CIMB Bank.</p>	<p>The Board of Directors' meeting no. 4/2016 held on 28 April 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
	This transaction is considered the Bank's normal business support under general trading terms.	proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>The Bank has made 1P pay back to CIMB Bank at the revised rate of MYR 39.72 per new account opened.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 5/2016 held on 25May 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has made customer referral to CPAM for private fund and provident fund products, with the referral fees as below:</p> <ul style="list-style-type: none"> <li>- <u>New provident fund</u> (no less than 30 employees with monthly contribution over THB 30,000): 50% of set-up fee (approximately THB 0 - 30,000)</li> <li>- <u>Transfer of provident fund</u> <ul style="list-style-type: none"> <li>- Single fund: 30% of first year's provident fund management fee</li> <li>- Pooled fund: 0.15% of transferred NAV</li> </ul> </li> </ul> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 6/2016 held on 23 June 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>iCIMB (MSC) Sendirian Berhad has performed the development of ShARP system for the Bank with the operational cost for hubbing (cost allocation) of THB 3,556,956 with the payment term of three years (THB 1,185,652 annually).</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 7/2016 held on 26July 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>CIMB Bank has charged back the Bank for CIMB Thai Corporate Website Redesign Project, with the cost allocation of THB 1,078,495 per annum or a total of THB 5,392,475 for a period of five years.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 8/2016 held on 25 August 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank.</p>
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has changed the 1P cost allocation mechanism to STAMC, from new account opened to allocation by number of existing account and number of monetary transaction.</p> <p>The proposed new cost allocation was 3.70%, while the previous cost allocation based on new account opened was 0.02%.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</p>
CIMB Bank Berhad (CIMB Bank), the major shareholder of the Bank holding 93.71% of the Bank's total issued and paid-up shares	<p>The Bank has outsourced credit migration model to CIMB Bank Berhad for three models as below:</p> <ol style="list-style-type: none"> <li>1) Credit Risk Migration Model for Non-Retail Portfolio</li> <li>2) Credit Risk Migration Model for Retail Portfolio (CIMB Thai and subsidiaries)</li> <li>3) Credit Risk Migration Model for Corporate Bond Portfolio</li> </ol> <p>CIMB Bank would only charge fees for the service rendered as above mentioned only if it is not a part of the requirement of CIMB Bank to comply with Bank Negara Malaysia's Basel requirements.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	<p>The Board of Directors' meeting no. 9/2016 held on 27 September 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.</p>

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																		
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>iCIMB(MSC) Sendirian Berhad has operated GEPS system for the Bank,with the operational cost for hubbing (cost allocation) of THB 469,431.50 and payment term of four years (an average of THB 117,357.78 per annum).</p> <p>This transaction is considered the Bank's normal business support under general trading terms</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.																		
<p>CIMB Securities (Thailand) Co., Ltd. (CIMBS), a wholly owned subsidiary of CIMB Securities International Pte. Ltd. which is a subsidiary having CIMB Group as the major shareholder</p> <p>CIMB-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank</p>	<p>The Bank has provided insourcing services of internal audit to CIMBS and CPAM. The service fee would be charged based on estimated working hours of auditors and other relevant fees and expenses, such as traveling expense and accommodation expense in case of upcountry travel,etc.</p> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.																		
CIMB Group, the indirect major shareholder of the Bank	<p>The Bank has signed an agreement with CIMB Group Sdn Bhd foroutsourcing IT service for Regional Corporate Loan Management System (RCLMS), with yearly service fee, excluding taxes, as below:</p> <p>Unit: MYR</p> <table><tr><td>Year</td><td>2016</td><td>2017</td><td>2018</td><td>2019</td></tr><tr><td>Total charge</td><td>40,107</td><td>240,641</td><td>625,124</td><td>628,837</td></tr></table> <table><tr><td>Year</td><td>2020</td><td>2021</td><td>2022</td></tr><tr><td>Total Charge</td><td>632,660</td><td>636,598</td><td>640,655</td></tr></table>	Year	2016	2017	2018	2019	Total charge	40,107	240,641	625,124	628,837	Year	2020	2021	2022	Total Charge	632,660	636,598	640,655	The Board of Directors' meeting no. 10/2016 held on 27 October 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
Year	2016	2017	2018	2019																
Total charge	40,107	240,641	625,124	628,837																
Year	2020	2021	2022																	
Total Charge	632,660	636,598	640,655																	

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion												
	This transaction is considered the Bank's normal business support under general trading terms.													
iCIMB MSC, a wholly owned subsidiary of CIMB Holdings which is a subsidiary having CIMB Group as the indirect major shareholder	<p>The Bank has used a service of Security Operation Center from Tangerine Monitoring Centerto ensure the Bank has a 24x7 real time security monitoring to promptly respond to cyber security threat, and has signed an agreement with iCIMB (Malaysia) Sdn Bhd, with a yearly service fee for five years, starting from year 2017, as described below:</p> <p style="text-align: right;">Unit: THB million</p> <table><tr><td>Year</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td></tr><tr><td>Total charge</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td><td>1.2</td></tr></table> <p>This transaction is considered the Bank's normal business support under general trading terms.</p>	Year	2017	2018	2019	2020	2021	Total charge	1.2	1.2	1.2	1.2	1.2	The Board of Directors' meeting no. 12/2016 held on 15 December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.
Year	2017	2018	2019	2020	2021									
Total charge	1.2	1.2	1.2	1.2	1.2									
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Board of Directors' meeting no.3/2016, held on 17 March 2016, resolved to terminate the engagement of STAMC who provided service on debts recovery, debts restructuring and management of non-performing loan (NPL) and sale of non-performing assets (NPA) which have been categorized as Non-material Function, with the existing agreement expiring on 31 December 2018.</p> <p>The Board of Directors' meeting no.11/2016, held on 23 November 2016, resolved to approve the reorganization and a setup of new unit namely "Special Assets Management Team" under Risk Management Group to manage NPLs and NPAs starting 1 January 2017, replacing Business Support Group which will be dissolved by 31 December 2016.</p> <p>The Bank and STAMC had negotiated the reduction of service fee for corporate and SME loans, retail secured loans and legal fees with effect from 1 January 2017 in return for the extension of service agreement for another two years. Such reduction in service fee for the remaining two years (2017-2018) under existing agreement would result in a loss of STAMC revenueestimated at around THB2.8 million. This would be offset by the extension of the service agreement period for another two years, which wouldgenerate additional revenue for STAMC estimated at around THB 3 million.</p>	The Board of Directors' meeting no. 12/2016 held on 15December 2016 (excluding CIMB Bank's representative directors who had conflict of interest, hence abstaining from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal business support and brought benefits to the Bank. Furthermore, the fee charges are reasonable.												

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion
	This transaction is considered the Bank's normal business support under general trading terms.	

#### - Loans, Deposits and Contingent Liabilities

- a. Loans, contingent liabilities and deposits associated with businesses in which the Bank and its subsidiary companies, or directors or executives from the level of executive vice president upwards, hold 10% or more of their paid-up capital were as follows:

(Unit: THB million)

Company name	31 December 2016				% share s holding	Joint management
	Contingent liabilities	Outstandin g loans / Investments in receivables	Deposits	Borrowings		
<b><u>Parent Company</u></b>						
CIMB Bank Berhad	44	-	-	3,755	93.71	-
Interest rate swap contracts						
- Fixed rate payee	71,805	-	-	-		
- Floating rate payee	102,216	-	-	-		
Forward and spot contracts						
- Bought	510	-	-	-		
Cross currency and interest rate swap contracts						
- Bought	8,507	-	-	-		
- Sold	1,792	-	-	-		
Commodity						
- Bought	56	-	-	-		
- Sold	50	-	-	-		
Credit derivatives						
- Sold	4,523	-	-	-		
<b><u>Subsidiary companies</u></b>						
Center Auto Lease Co.,Ltd.	-	19,028	134	-	99.99	Directors with delegated signature authority: Mr.Adisorn Sermchaiwong Ms.Sasima Thon gsamak

Company name	31 December 2016				% share s holding	Joint management
	Contingent liabilities	Outstandin g loans / Investments in receivables	Deposits	Borrowings		
CT COLL Co.,Ltd.	-	8	56	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Ms. Sasima Thongsamak Mr. Goh Therd Siang
Worldlease Co., Ltd.	-	2,644	24	-	99.99	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong
<b><u>Company under common control</u></b> Sathorn Asset Management Co., Ltd.	-	-	581	-	-	Directors: Mr. Goh Therd Siang
CIMB Securities (Singapore)	-	-	49	-	-	Directors with delegated signature authority: Mr. Sutee Losoponkul
CIMB Principal Asset Management Co., Ltd.	-	-	371	-	-	Directors with delegated signature authority: Mr. Adisorn Sermchaiwong
Other related companies	-	-	9	-	-	
Related persons	-	38	846	-	-	-

The Bank pays interests on deposits made by related parties at the normal rates applicable to general depositors.

- b. The Bank is not aware of any person with potential conflicts of interest and holding more than 5% of voting shares in any of the Bank's subsidiaries or associated companies.



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**- Justification of related party transactions**

Loans and contingent liabilities associated with directors or executives from the level of executive vice president upwards are subject to interest charges under the Bank's employee benefits scheme.

Loans, contingent liabilities and deposits associated with businesses in which the Bank or its subsidiary companies, or directors or executive officers from the level of executive vice president upwards, hold 10% or more of their paid-up capital were transferred to the Bank under the merger process, or have undergone debt restructuring. These loans which include some new loans have been concluded on commercial terms agreed upon in the ordinary course of business between the Bank and the parties concerned, and are subject to market interest rates.

**- Procedures for approving related party transactions and safeguarding shareholders' interest**

According to the Bank's Articles of Association, all related party transactions are subject to a formal approval process, including the analysis and approval of the relevant Committees, Audit Committee and Board of Directors. Executives or directors with material interest in any transaction are not allowed to take part in the decision-making process.

**- Trends in related party transactions**

Related party transactions include those relating to the Bank's business functions and are subject to the formal approval process in place and the criteria of the relevant regulatory bodies. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by clearly defined review and approval procedures and practices.