

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 2018 are as follows:

Registered Capital	THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), which comprises: : 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) ordinary shares, with a par value of THB 0.50 (fifty satang) : No preference shares
Issued and Paid-up Share Capital	THB 17,411,130,874.00 (Seventeen billion four hundred eleven million one hundred thirty thousand eight hundred and seventy four baht), comprising 34,822,261,748 (thirty four billion eight hundred twenty two million two hundred sixty one thousand seven hundred and forty eight) ordinary shares, with a par value of THB 0.50 (fifty satang) and no preference shares

7.2 Shareholder

(1) Major Shareholder of the Bank

a. Top 10 shareholders of the Bank as of 26 October 2018:

No.	Names of Shareholders	Number of Shares Held	% of Total
1	CIMB BANK BERHARD	33,021,971,285	94.83
2	BANK JULIUS BAER & CO. LTD, SINGAPORE	760,756,147	2.18
3	Thai NVDR Co., Ltd.	143,490,491	0.41
4	Mr. Pisit Prukpaiboon	43,026,382	0.12
5	SCB SET BANKING SECTOR INDEX	36,483,008	0.10
6	Mr. Prawit Phansaichue	13,997,591	0.04
7	Mr. Somchart Namsricharoensuk	13,684,881	0.04
8	Mr. Pracha Chaisuwan	12,162,933	0.03
9	Mrs. Jaroonluk Panichsheewa	11,761,750	0.03
10	EAST FOURTEEN LIMITED-EMERGING	7,604,900	0.02
	Other shareholders	757,322,380	2.17
	Total 8,093 shareholders holding	34,822,261,748	100.00
	8,025 Thai shareholders	1,011,232,732	2.90
	68 Foreign shareholders	33,811,029,016	97.10
	Total number of shares	34,822,261,748	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 33,021,971,285 of the total issued and paid-up shares of the Bank, which is equivalent to 94.83%.

(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 2018)

Classified by type	Interest rate	Maturity	Collateral	Restrictions and Requirements	Value of debt securities in issue as at 31 Dec 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
1. Tier 2 subordinated debt ¹	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 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	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 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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.			
2. Tier 2 subordinated debt ¹	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 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	(MYR 570,000,000)	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 2018 (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.			
3. Tier 2 subordinated debt ¹	5.20% per annum	29 March 2028	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 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 redemption, of financial instruments of equivalent or superior quality in	(MYR 390,000,000)	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 2018 (THB)	Credit ratings (Moody's / Fitch Ratings)	Bond holder representative
				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 with cash flow hedge in the amount of MYR 400 million, MYR 570 million and MYR 390 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 December 2018, the Board of Directors was composed of the following 11 directors:

Name		Positions
1.	Mr. Chakramon Phasukavanich	Independent Director / Chairman
2.	Dato' Robert Cheim Dau Meng	Vice Chairman / Member and Alternate Chairperson of Nomination, Remuneration and Corporate Governance Committee
3.	Mr. Maris Samaram	Independent Director / Chairman of Audit Committee
4.	Mrs. Watanan Petersik	Independent Director / Chairperson of Nomination, Remuneration and Corporate Governance Committee
5.	Datuk Josep Dominic Silva ¹ (resigned effective on 16 January 2019)	Director / Member of Nomination, Remuneration and Corporate Governance Committee
	Dato' Shaarani Bin Ibrahim (resigned effective on 20 April 2018)	Independent Director/Member of Audit Committee / Member of Nomination, Remuneration and Corporate Governance Committee
6.	Mr. Chitrapongse Kwangsukstith	Director / Member and Alternate Chairman of Board Risk Committee
7.	Dato' Lee Kok Kwan (resigned effective on 15 January 2019)	Director / Chairman of Board Risk Committee
8.	Ms. Serena Tan Mei Shwen	Director / Member of Board Risk Committee
9.	Mr. Chanmanu Sumawong ²	Independent Director / Member of Audit Committee
10.	Mr. Rom Hiranpruk ³	Independent Director / Member of Audit Committee
	Mr. Pravej Ongartsittigul (resigned effective on 18 May 2018)	Independent Director / Member of Audit Committee
11.	Mr. Kittiphun Anutarasoti	President and Chief Executive Officer

Note

¹ The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

² The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Mr. Chanmanu Sumawong as Director.

³ The Board of Directors meeting, held on 29 October 2018, resolved to appoint Mr. Rom Hiranpruk as Director / Independent director in place of Mr. Pravej Ongartsittigul, effective on 13 December 2018 and the Board of Directors meeting, held on 14 December 2018, resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich who had resigned, effective on 14 December 2018 onwards.

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, both of whom to jointly sign and affix the Bank seal.

Powers of the 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.

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. Ensure that all directors and executives perform duty of care and duty of loyalty, and as prescribed by law in accordance with the objectives and Articles of Association of the Bank as well as the resolutions of the shareholders' meeting.
2. Ensure that the Bank has put in place its policies and procedures as well as approval processes for important operations (e.g. investment, transactions with material impact on business, connected transactions, acquisition/disposal of assets, dividend payment, etc.) as prescribed by law.
3. Determine the Bank's business operation policies, strategies and objectives, consider and approve its business policies and framework, and control and monitor the management's discharge of functions in accordance with the policies set forth and in an efficient and effective manner in order to enhance financial value to the Bank, customers, stakeholders, and the society as a whole, with sustainability in business operation into account.
4. Select and nominate individuals qualified for the shareholders' consideration and election as directors, and support the shareholders' exercise of rights with channels available for them to nominate candidates to stand for election as directors.
5. Select and nominate qualified individuals from diverse professional expertise and experience for appointment as top executives.
6. Approve business budgets based on joint consideration with the management.
7. Delegate authority to executives to carry out tasks in accordance with the targets, except in case of significant issues with drastic impacts and those not in normal course of business of the Bank, such as investment in other businesses, making sizable transactions, etc., or the issues with conflict of interests of the executives, thereby the Board shall handle in order to relieve managerial risks, or make recommendation to the shareholders' meeting if shareholders' approval is required pursuant to the regulatory criteria.
8. Determine the issues to be brought by the management to the attention of the Board.

9. Establish measures for the management to take in order to meet the targets and plans set out, and ensure that the management communicates the policies, targets and plans to staff at all levels across the organization.
10. Supervise and monitor the management's business administration to ensure the Bank's operations comply with the laws and provisions in the relevant agreements.
11. Supervise to ensure that the Bank and its subsidiaries in the financial business group have in place risk factors determination, risk assessment, risk management measures, risk monitoring and examination, and review of risk management system on a regular basis, including the building of risk culture within the organization as well as having the remuneration structure that is effective and promotes risk culture.

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

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

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

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

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:

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

Prudence:

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

Integrity:

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

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 five 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.
- c. 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 three-fourths 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.

In 2018, 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
1.	Mr.Chakramon Phasukavanich/ ¹	12/12	5/12	-	-
2.	Dato' Robert Cheim Dau Meng	12/12	-	12/12	-
3.	Mr. Maris Samaram	11/12	12/12	-	-
4.	Mrs. Watanan Petersik	9/12	-	8/12	-
5.	Datuk Joseph Dominic Silva/ ² (resigned effective on 16 January 2019)	7/12	-	7/12	-
	Dato' Shaarani Bin Ibrahim (resigned effective on 20 April 2018)	4/12	4/12	4/12	-
6.	Mr. Chitrapongse Kwangsukstith	11/12	-	-	11/12
7.	Ms. Serena Tan Mei Shwen	10/12	-	-	11/12
8.	Dato'Lee Kok Kwan	9/12	-	-	11/12
9.	Mr. Rom Hiranpruk/ ³	1/12	-	-	-
	Mr. Pravej Ongartsittigul (resigned effective on 18 May 2018)	4/12	5/12	-	-
10.	Mr. Chanmanu Sumawong	8/12	8/12	-	-
11.	Mr. Kittiphun Anutarasoti/ ¹	12/12	-	-	10/12

Note

¹ The Board of Directors meeting, held on 20 July 2018, resolved to appoint Mr. Chakramon Phasukavanich, as member of Audit Committee.

^{/2} The 24th Annual General Meeting of Shareholders, held on 20 April 2018, resolved to appoint Datuk Joseph Dominic Silva as Director in place of Dato' Shaarani Bin Ibrahim.

^{/3} The Board of Directors meeting, held on 29 October 2018, resolved to appoint Mr. Rom Hiranpruk as Director / Independent director in place of Mr. Pravej Ongartsittigul, effective on 13 December 2018 and the Board of Directors meeting, held on 14 December 2018, resolved to appoint Mr. Rom Hiranpruk as member of Audit Committee in place of Mr. Chakramon Phasukavanich who had resigned, effective on 14 December 2018 onwards.

8.2 Executive Management

As of 31 December 2018, the Bank's executive management is composed of:

- | | | |
|-----|-----------------------------|---|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer |
| 2. | Mr. Sutee Losoponkul | Co-Head of Wholesale Banking and Head of Treasury |
| 3. | Mr. Adisorn Sermchaiwong | Head of Consumer Banking |
| 4. | Mr. Arthit Masathirakul | Head of Risk Management |
| 5. | Mr. Pornchai Padmindra | Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking |
| 6. | Mrs. Bussakorn Puttinan | Head of Information and Operations |
| 7. | Mrs. Wareemon Niyomthai | Head of Commercial Banking |
| 8. | Ms. Siriporn Sanunpairaue | Head of Internal Audit |
| 9. | Mrs. Kanokpai Vongsatitporn | Head of Human Resources Management |
| 10. | Mr. Jason Leong kok Yew | Head of Finance |
| 11. | Mr. Tan Keat Jin | Head of Strategy |
| 12. | Mr. Prapas Thongsuk | Head of Corporate Communications |
| 13. | Mr. Akash Rathke | Head of Transaction Banking |
| 14. | Mr. Jittiwat Kantamala | Head of Private Banking |
| 15. | Mr. Zethjak Leeyakars | Head of Compliance and Acting Head of Office of the President |
| 16. | Ms. Uthaiwan Sukphanpim | Head of Customer Experience Management |
| 17. | Ms. Pajaree Thongvanit | Head of Legal |

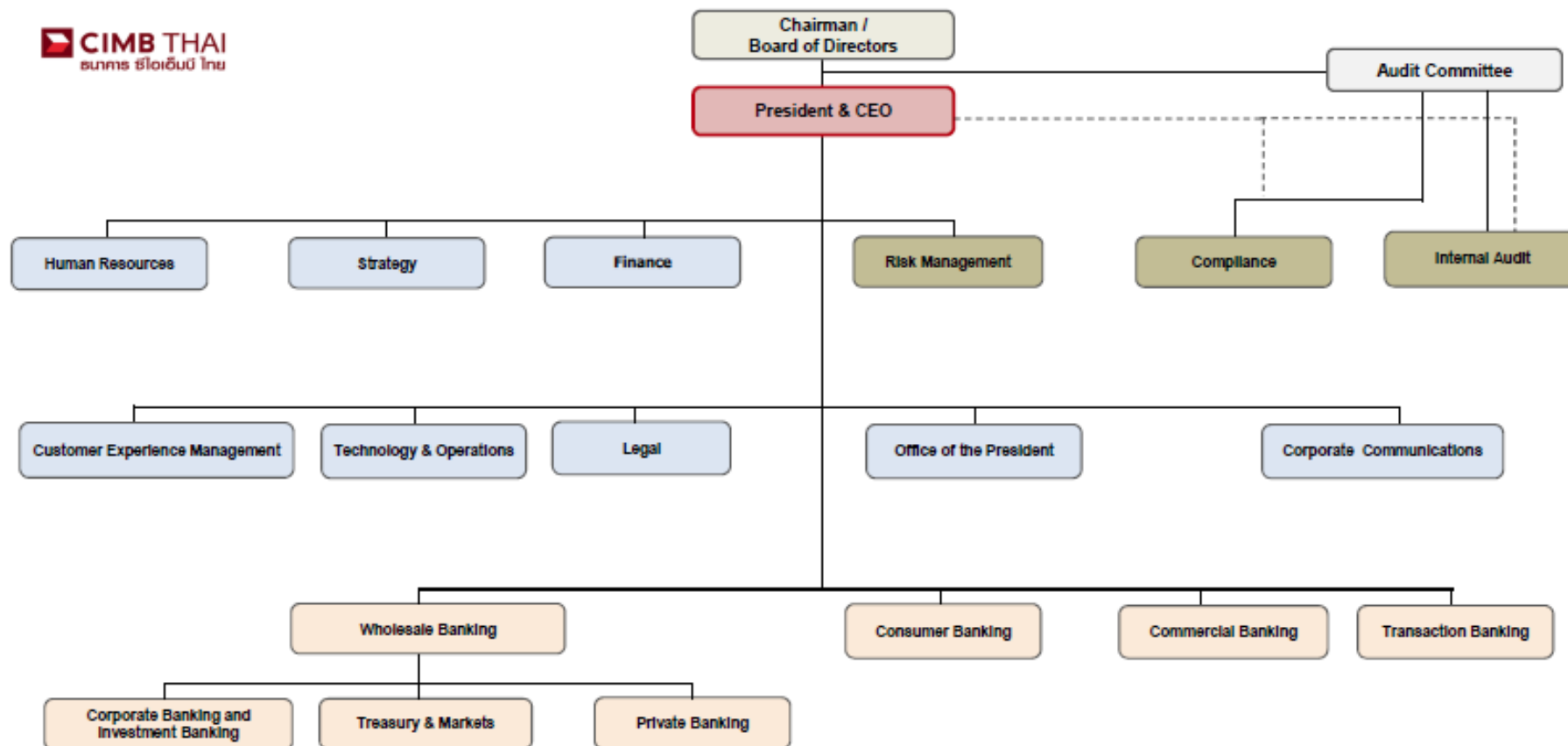
As of 31 December 2018, CIMB Thai has 16 executives from Senior Executive Vice President upward and executives in Accounting and Finance in accordance with the SEC definition of the term 'executives' as below:

- | | | |
|-----|-----------------------------|---|
| 1. | Mr. Kittiphun Anutarasoti | President and Chief Executive Officer |
| 2. | Mr. Sutee Losoponkul | Co-Head of Wholesale Banking and Head of Treasury |
| 3. | Mr. Adisorn Sermchaiwong | Head of Consumer Banking |
| 4. | Mr. Arthit Masathirakul | Head of Risk Management |
| 5. | Mr. Pornchai Padmindra | Co-Head of Wholesale Banking and Head of Corporate Banking and Investment Banking |
| 6. | Mrs. Bussakorn Puttinan | Head of Information and Operations |
| 7. | Mrs. Wareemon Niyomthai | Head of Commercial Banking |
| 8. | Ms. Siriporn Sanunpairaue | Head of Internal Audit |
| 9. | Mrs. Kanokpai Vongsatitporn | Head of Human Resources |
| 10. | Mr. Jason Leong kok Yew | Head of Finance |
| 11. | Mr. Tan Keat Jin | Head of Strategy |
| 12. | Mr. Prapas Thongsuk | Head of Corporate Communications |
| 13. | Mr. Akash Rathke | Head of Transaction Banking |
| 14. | Mr. Zethjak Leeyakars | Head of Compliance and Acting Head of Office of the President |
| 15. | Mr. Pao Chatakanonta | Deputy Head of Treasury |
| 16. | Ms. Waewalai Wattana | Head Financial Control |

President and Chief Executive Officer is an ex officio executive director who has powers and duties as deemed appropriate by the Board of Directors, including:

1. Operate the business of the Bank in accordance with the policies, strategies and goals prescribed by the Board of Directors.
 2. Keep abreast of and report business conditions and status of the Bank, and recommend alternatives and strategies which are in line with the policies and market conditions.
 3. Consider and deliberate the business operation matters, and have approval authority as given in the work regulation in force.
 4. Monitor and control the Bank's operations in such areas as finance, risk management, internal control, operation, and human resource.
 5. Serve as representative of the Bank empowered to make business execution and contact with government agencies and other regulatory bodies.
 6. Ensure that communication with the public, shareholders, customers and employees is made in a way that enhances good image and reputation of the Bank.
 7. Consider any other matters as assigned by the Board of Directors or the Board committees designated by the Board of Directors.
- Ensure bank-wide adoption of good governance principles

Management Structure (as at 1 January 2019)



Effective from 1 January 2019

8.3 Company Secretary

The Board has appointed Mr. Zethjak Leeyakars 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 and in line with corporate governance principles, as follows:

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

Profile of the Company Secretary is shown in attachment 1

8.4 Director and Management Remuneration as of 31 December 2018

(1) Monetary remuneration

a. Remuneration for Board members

This report describes the current components of the Bank's remuneration policy and details of the remuneration for each director during his/her directorship in 2018. The aggregate remuneration for directors comprising meeting and entertainment allowances for Board members and remuneration for Board committee members amounted to THB 12,891,200 in 2018 (compared with THB 12,216,000 in 2017), as described below:

1. Board of Directors	THB	8,012,200 (2017: THB 7,400,400)
2. Audit Committee	THB	1,884,800 (2017: THB 2,014,800)
3. Nomination, Remuneration and Corporate Governance Committee	THB	1,494,400 (2017: THB 1,431,000)
4. Board Risk Committee	THB	1,499,800 (2017: THB 1,369,800)

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	2,517,000	200,000	-	-
2	Dato' Robert Cheim Dau Meng	Vice chairman	1,135,200	-	480,000	-
3	Mr. Maris Samaram	Independent Director	548,000	928,800	-	-
4	Mrs. Watanan Petersik	Independent Director	488,000	-	530,400	-
5	Datuk Joseph Dominic Silva	Director	376,000	-	324,000	40,000
	Dato' Shaarani Bin Ibrahim	Independent Director	196,000	160,000	160,000	-
6	Mr. Chitrapongse Kwangsukstith	Director	548,000	-	-	462,000
7	Ms. Serena Tan Mei Shwen	Director	528,000	-	-	444,000
8	Dato' Lee Kok Kwan	Director	488,000	-	-	553,800
9	Mr. Rom Hiranpruk	Independent Director	44,000	-	-	-
	Mr. Pravej Ongartsittigul	Independent Director	180,000	218,000	-	-
10	Mr. Chanmanu Sumawong	Director / Independent Director	396,000	378,000	-	-
11	Mr. Kittiphun Anutarasoti ¹	President and CEO	568,000	-	-	-
Total			8,012,200	1,884,800	1,494,400	1,499,800

Note:
¹ President and CEO has declared his intention not to receive the meeting allowances in the BOD committees.

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 2018, the aggregate remuneration for 16 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 135.19 million. In addition, the aggregate remuneration for 52 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 317.25 million.

(2) Other benefits

In 2018, the Bank's contribution towards the provident fund for 16 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 5.51 million. Meanwhile, its contribution towards the provident fund for 52 Executive Vice Presidents and above (in accordance with the BOT definition of the term 'executives') was THB 13.98 million.

8.5 Organisation and Personnel

As of 31 December 2018, the total manpower of the Bank was 3,024 employees, of whom 827 work at Bank branches and 2,197 at the head office, as below:

	No. of employees
1. President and Chief Executive Officer	1
2. Wholesale Banking, Corporate Banking and Investment Banking	
2.1 Corporate Banking and Investment Banking	108
2.2 Treasury & Markets	76
2.3 Private Banking	30
3. Consumer Banking	1,55
4. Commercial Banking	184
5. Transaction Banking	40
6. Risk Management	96
7. Finance	140
8. Technology and Operations	574
9. Legal	16
10. Strategy	13
11. Human Resources	52
12. Office of the President	10
13. Corporate Communications	23
14. Internal Audit	56
15. Compliance	41
16. Customer Experience Management	9
<u>Total</u>	<u>3,024</u>

Staff Development Programme and Human Resource Management Plan

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

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 2,381.63 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

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. In 2018, the Bank provided 308 training courses comprising of 187 in-house and 121 external programme leading to the average training hour was 5 days per staff per year. Total training expenses was THB 33.7 million.

In 2018, there were several new people development initiatives to support future business strategies and goals. In view of the rapid change in digital disruption environment, therefore the 3D Academy was introduced to equip our staff with new skillsets in areas of Digital, Data and Disruption. In addition, the training roadmap is designed and developed through identifying required skillset of each job role to support career advancement. The bank continue to develop integrated learning approaches through various programs i.e. mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

Moreover, the Bank strongly support in developing internal talent pool through several leadership training programs both locally and regionally i.e. CIMB-INSEAD Leadership Programme (CLP), Accelerated Universal Bankers (AUB), Regional Middle Management Development Programme which allowed high potential staff to network with their peers across the region.

Staff Health and Safety Information

Proportion of average leave days of staff classified by type	2018 %	2017 %
Sick leave	18.50	19.26
Work related injury and sickness	0.0	0.0
Others	81.50	80.74
No. of average sick leave days (days/person)	2.93	3.39
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, gender, age, personal status, economic or social status, religious beliefs, education, or political viewpoints which are not against the provisions of the Constitution. The Bank is also determined not to get involved or support individuals or organisations having 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. 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.”**

Fine details of the Bank and the subsidiaries.

As of December 31, 2018

Regulators	Fine from Regulators					
	Year 2018				The first three frequency fine in recent five years	
	Total amount (Baht)	The first three maximum amount			Section	Relevant laws
		Amount (Baht)	Section	Relevant laws		
1. Bank of Thailand	1,200,000	1,200,000	Section 66 and 71	Financial Institution Act B.E.2551 as amended	Section 5, 6 and 10	Emergency Decree on Financial Support to Flood Damage B.E. 2555
					Section 66 and 71	Financial Institution Act B.E.2551 as amended
2. Office of the Securities and Exchange Commission	-	-	-	-	Section 113	Securities and Exchange Act as amended
3. Office of Insurance Commission	-	-	-	-	-	-
Conclusion	In year 2018, the Bank was fined only once.				In recent 5 years, the Bank was fined at 3 times.	

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 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. Internal Audit and Compliance 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 has been 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.

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 2018 AGM was held on 20 April 2018.

Before the AGM, from 1 October 2017 to 31 December 2017, 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 2018 AGM, a group of shareholders nominated a candidate to for election as the Bank's director at the 2018 AGM. However, the nomination of the person to be elected as the director by the shareholders was not in compliance with the Bank's criteria for granting shareholders the right to nominate a candidate for election as a director of the Bank. NRCC thus did not propose the nominated candidate to the Board for further proposal to the shareholders' meeting for consideration.

To convene the 2018 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 2017 annual report in hard copy. The Bank has assigned Thailand Securities Depository Co., Ltd., 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 at least 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 AGM date, 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 had 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 2018 AGM, six shareholders appointed a member of the Audit Committee who is an independent director to attend the AGM and vote on the shareholders' behalf.

At the 2018 AGM, 90% of the Board members and 319 shareholders and proxies attended the meeting, with total shares held of 29,334,795,657 shares representing 96.8777% 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 assured the shareholders that they would have equal opportunity to ask questions, raise any issues or make recommendations without language restriction as simultaneous English translation would be provided for foreign shareholders. In addition, the Bank gave multimedia presentation of the proposed information for the meeting. 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 draft minutes of the 2017 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, 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 heads of work units 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 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 Code of Ethics and 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 Code 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, the Bank has set up Customer Experience Management (CX) as a work unit to work closely with CIMB Thai Care Centre and other customers' contact points to efficiently handle client complaints and queries. The Customer Complaint Handling Policy has been established to set out the standard framework and mechanism when dealing with customers' complaints in accordance with local regulatory requirements and CIMB Group standards. The Policy enables CX to act as an independent centralised complaint management unit to ensure that all customer complaints are handled objectively by relevant subject matter experts in a fair and timely manner. This is to ensure prompt and constructive responses are given to customers, which will in turn build customers' loyalty and trust in CIMB Thai. In addition, customers' confidentiality is strictly observed at all times unless the disclosure is required by law or authorised in writing by the customers.

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 2018, the Bank organised IR activities to provide information both directly and indirectly as follows:

1. Welcome of altogether six investors and analysts to meet with the management team for inquiry on operating results, altogether 12 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, phone at +66-2626-7738, or website at 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

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 11 Board members. Election of Board members follows the resolution of the shareholders' meetings and as set out in the Bank's Articles of Association whereby the number of directors on the Board shall not be fewer than five 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 the amendments. The Board composition is as follows:

- 2 executive directors
- 4 non-executive directors
- 5 independent directors (accounting for 45.45% of the entire Board)

Three of the 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 segregation 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, persons with managing power, and advisors of the Bank may assume either chairmanship or executive directorship or both in other companies of no more than three business sectors, excluding directorship in financial institutions..
- Directors, managers, persons with managing power, and advisors of the Bank may hold directorship in no more than five listed companies, both at home and overseas (with directorship at the Bank counted as one of five), excluding listed companies the Bank has acquired from debt restructuring.

The Board has appointed Mr. Zethjak Leeyakars 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 and in line with corporate governance principles, as follows:

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

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. Code of Ethics and Conduct and Conflict of Interests

The Bank has formulated Code of Ethics and Conduct 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 Ethics and Conduct are available on www.cimbthai.com. The Bank has communicated to all staff guidelines for compliance with the Code of Ethics and Conduct by making such information available online through Lotus Note.

The Bank has policies in place to prevent conflicts of interest, and inappropriate 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 function line, 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 at least 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 and preparing the minutes of each meeting, which is adopted by the Board and filed for possible examination by the Board and relevant agencies. In 2018, 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 self-assessment of Board/Board committees 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 committees, 3) Board/Board committee meetings, 4) Board/Board committees' performance of duties, 5) relationship with the management, and 6) self-development of the Board/Board committee members and executive officers; and 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 committees. The evaluation results will be compiled and concluded by the Board Secretary before presenting to the Chairman of the Board/Board committees for review to ensure compliance of the practices with the Board/Board committee Charters.

If necessary, the Board may appoint an external consultant to assist in determining guidelines and recommending issues for evaluation of work performance of the Board at least once every three years and disclose such proceeding in the annual report.

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

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 2018 annual general meeting of shareholders no. 24 held on 20 April 2018 passed a resolution approving the remuneration for the Board and Board Committee members for 2018, as detailed below:

1. Meeting and entertainment allowances for Board members

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

Directors are responsible for paying their own income tax.

2. Remuneration for Board Committee members

Directors appointed by the Board to serve on Board Committees are entitled to receive additional monthly allowance and meeting allowance per attendance as below:

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

Directors are responsible for paying their own income tax.

- Directors who are required to serve on 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 programmes 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 the 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 2018, there were three new directors appointed by the shareholders' meeting and Board meeting. The new directors have undergone an in-house induction programme that gives an overview of the Bank and its business plans. An information pack has been provided explaining the Bank's corporate governance policies and practices and the roles and responsibilities of directors and the Board as a whole, including various laws and regulations each director needs to know.

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

H. Succession Plan

The Bank is fully aware of the necessity to operate its business efficiently and continuously. Thus, Human Resources 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

9.2 Board Committees

Board Committees comprise:

1. Audit Committee
2. Nomination, Remuneration and Corporate Governance Committee
3. Board Risk Committee
4. Shariah Sub-Committee

1. Audit Committee

The Audit Committee (AC) is composed of:

- | | | | |
|----|---------------------------|------------------------|---------------------------------------|
| 1. | Mr. Maris Samaram | Independent Director | as Chairman |
| 2. | Mr. Chanmanu Sumawong | Independent Director | as Member |
| 3. | Mr. Rom Hiranpruk | Independent Director | as Member |
| 4. | Ms. Siriporn Sanunpairaue | Head of Internal Audit | as Secretary for Internal Audit funct |

- | | | | |
|----|-----------------------|--------------------|--------------------------------------|
| 5. | Mr. Zethjak Leeyakars | Head of Compliance | as Secretary for Compliance function |
|----|-----------------------|--------------------|--------------------------------------|

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 listing requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).
 2. Review the effectiveness of Internal Audit function.
 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 work unit 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 the 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 the AC or appointment of management to perform duty on behalf of the AC, if any.
 11. Approve, revise and conduct 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 in compliance with the requirements of regulatory bodies.
 13. Approve Internal Audit and Compliance Charter.
 14. Perform any other duties as specified in Audit Committee Charter.
 15. Perform any other assignments delegated to the AC by the Board.
- Coverage: CIMB Thai financial group

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 Chairman |
| 3. | Datuk Joseph Dominic Silva | Director | as Member |
| 4. | Mrs. Kanokpai Vongsatitporn | Head of Human Resources | as Secretary |

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 (Executive Vice President – 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 (BOT) 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 on any board committee, and
 - c) EVP upwards

- To ensure that the size and composition of the Board of Directors is appropriate for the organisation 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 BOT upon its request. (Policies on remunerations, benefits and welfares shall cover every aspect of remunerations, including director fees, salaries, allowances, bonuses, and relevant options and benefits.)
 - To ensure that remunerations of directors and persons with management power (EVP upwards) 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 the 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 bonus framework for CIMB Thai group to the Board of Directors for approval.
 - To approve any matter relating to staff remuneration and benefits involving an amount up to THB 50 million.
3. Corporate governance:
- To review the Corporate Governance Policy and Code 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 the Bank's good corporate governance.
4. The Committee may consider other matters as assigned by the Board.

3. Board Risk Committee

The Board Risk Committee (BRC) is composed of:

- | | | |
|-----------------------------------|-------------------------|-------------------------------------|
| 1. Dato' Lee Kok Kwan | Director | as Chairman |
| 2. Mr. Chitrapongse Kwangsukstith | Director | as Member and
Alternate Chairman |
| 3. Ms. Serena Tan Mei Shwen | Director | as Member |
| 4. Datuk Joseph Dominic Silva | Director | as Member |
| 5. Mr. Arthit Masathirakul | Head of Risk Management | as Secretary |

Powers, Duties and Responsibilities

1. To 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. Asset and Liability Management Committee (ALCO)
 - 1.3. Thailand Underwriting Committee (TUC)

- 1.4. Credit Committee (CC)
 - 1.5. Any other risk committees appointed to report directly to BRC
 2. To concur or approve risk management frameworks, policies, limits and MATs (e.g. market risk, credit risk, operational risk, strategic risk, etc.) of CIMB Thai and its financial business group as follows:
 - Frameworks/policies/limits and MATs of CIMB Thai
 - 2.1. To approve new or changes in risk frameworks/policies which may result in material increase in risk levels, as permitted by regulator(s) for such matter to be approved by delegated committee of the Board of Directors (BOD); and
 - 2.2 To approve all risk limits and MATs permitted by regulator(s) to be approved by the BOD delegated committee.
 - Frameworks/policies/limits and MATs of CIMB Thai financial group
 - 2.3 To concur on new (only required for the financial group) or changes which may result 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 as follows:
 - 3.1. To ensure capital management frameworks, policies and strategies as well as other relevant frameworks, policies and strategies are complied with and implemented efficiently.
 - 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 companies in the financial group) before selling their products or concur on the new 3rd party(ies) of financial group prior to submission for approval of the respective Board of Directors of the companies within the financial group.
 5. To provide strategic guidance and review decisions made by the various risk committees.
 6. To ensure that infrastructures, 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 organisation.
 7. To appoint external consultants to review and advise BRC on risk management matters as necessary.
 8. To approve and ensure the followings are in line with regulatory requirements:
 - 8.1. Risk-related disclosures; and
 - 8.2. Internal control on risk-related disclosure process.
- Coverage: Companies in CIMB Thai financial group (where appropriate)

4. Shariah Sub-Committee

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

1. Dr. Ismaae Alee
2. Dr. Maroning Salaming

Powers, Duties and Responsibilities

1. Explore all possibilities in conducting Shariah financial service business through the Bank and its subsidiaries.
2. Give opinions and propose relevant issues of Shariah business to the Board of Directors and/or other relevant committees.

9.3 Management Committee

The Management Committee is composed of:

- | | |
|---|-----------------------|
| 1. President and Chief Executive Officer | as Chairman |
| 2. Co-Head Wholesale Banking and Head of Treasury | as Alternate Chairman |

3. Head of Risk Management	as Member
4. Head of Finance	as Member
5. Head of Transaction Banking	as Member
6. Head of Information and Operations	as Member
7. Co-Head Wholesale Banking and Head of Corporate Banking and Investment Banking	as Member
8. Head of Commercial Banking	as Member
9. Head of Consumer Banking	as Member
10. Head of Human Resources	as Member
11. Head of Corporate Communications	as Member
12. Head of Strategy	as Member
13. Head of Compliance	as Member
14. Head of Private Banking	as Member
15. Head of Legal	as Member
16. Head of Customer Experience Management	as Member
17. Company Secretary	as Secretary

By invitation

Head of Internal Audit

Powers, Duties and Responsibilities

1. Advise the President and CEO;
2. Monitor and evaluate performance of business units;
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-functional and cross-border synergies;
6. Deliberate key regulatory issues;
7. Approve delegated authority on internal operations of non-risk related business units;
8. Approve, revise and conduct 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 reorganisation;
10. Approve the appointment and review of member composition, duties and responsibilities of Marketing and Communications Committee and Retail Business Committee;
11. Consider and decide on non-financial issues under 1Platform 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 work unit;
13. Approve fee sharing scheme for investment product selling and/or referring customers through Consumer Banking only in case of 3rd party products which are not related party transactions 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 ones 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 financial group

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 auditor and consideration of audit fees

The Audit Committee considers the qualifications and performance of external candidates and recommends the appointment thereof as the external auditor 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 annual general meeting of shareholders. The external auditor to be proposed must also be endorsed by the BOT.

Remuneration for external auditor

For the year ended 31 December 2018, fees paid to the external auditor were as follows:

(1) Audit fee

CIMB Thai group paid the auditor audit fee of THB 11.3 million. Other incidental expenses included transport and photocopying expenses.

(2) Non-audit fee

There was no non-audit service fee paid to the auditor in the fiscal year 2018.

9.7 The Board of Directors is well aware of roles, responsibilities, and principles of Corporate Governance Code for Listed Company 2017 (CG Code 2017) issued by the Office of the Securities and Exchange Commission (Office of the SEC) which provide sustainable values to the Bank's business. Therefore, the Board of Directors' meeting no. 2/2019 held on 22 February 2019 has approved the Bank to revise its Corporate Governance Policy to be in line with the Office of the SEC's CG Code, and to apply the principles of the CG Code into the Bank's business context. The revision shall be made on a yearly basis to maintain the policy's coverage and relevancy to the fast-changing development of corporate governance principles

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. Details of such policy and undertakings related to anti-corruption are disclosed in the Bank's website at www.cimbthai.com under 'corporate governance' topic.

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.

The Bank is committed to consistently developing people capability at all levels with focus on intensive career development and succession planning to enhance knowledge, skills and competencies of staff. In 2018, the Bank provided 308 training courses comprising of 187 in-house

and 121 external programme leading to the average training hour was 5 days per staff per year. Total training expenses was THB 33.7 million.

In 2018, there were several new people development initiatives to support future business strategies and goals. In view of the rapid change in digital disruption environment, therefore the 3D Academy was introduced to equip our staff with new skillsets in areas of Digital, Data and Disruption. In addition, the training roadmap is designed and developed through identifying required skillset of each job role to support career advancement. The bank continue to develop integrated learning approaches through various programs i.e. mentoring and coaching, peer to peer learning and learning on mobile (e-learning modules) etc. to promote learning outside the classroom.

Moreover, the Bank strongly support in developing internal talent pool through several leadership training programs both locally and regionally i.e. CIMB-INSEAD Leadership Programme (CLP), Accelerated Universal Bankers (AUB), Regional Middle Management Development Programme which allowed high potential staff to network with their peers across the region.

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. Community and social development

2018 was another year that saw CIMB Thai continue our commitment to corporate social responsibility under the concept "COMMUNITY LINK: Let Children Colour Their Dreams" to promote education for the youth in remote areas who were still in need of learning tools while also developing local wisdom so that both the communities and the schools could grow sustainably together. The main area of support was information and communication technology (ICT) with provision of computers to give school children equal access to sources of knowledge. Besides, with awareness of the importance of learning outside the classroom, we gave support to several projects, such as demonstration plots for local plants with processing room, mushroom greenhouse, poultry house, pigsty, clay doll factory, and bakery classroom, etc., to promote vocational education and local wisdom learning among children. Certain projects have subsequently been carried on by the locals together with the students, leading to further development toward advanced technology.

As regards social projects, the Bank collaborated with government agencies, such as Queen Sirikit Sericulture Center Nakhon Ratchasima under The Queen Sirikit Department of Sericulture Region 4 - Nakhon Ratchasima to arrange a workshop for students and local people of Baan Nong Muang Waan to learn every step of silk weaving from experts, from growing mulberry and raising silkworms to dyeing silk from natural materials. The project has come out very successful so far as silk fabrics weaven by three students have attained Classic Thai Silk standard of Queen Sirikit Sericulture Center Nakhon Ratchasima, [making Baan Nong Muang Waan School the first school to receive the certification together with another two locals](#). This has reflected the success of cooperation between the school and the community. The Bank also pursued its commitment to developing projects coordinated with schools in previous years to carry on the success of those projects, such as "Let Children Colour Their Dreams... Pig Bank Project" and so forth aimed at strengthening the communities toward a sustainable development in respect of both technical and life skills.

Moreover, the Bank has focused on ensuring employees are aware of social responsibility and promoting good relationship among work units through volunteering and social contribution activities. Various projects have consistently been opened for volunteering staff to participate. Staffs in provincial areas have also been encouraged to explore and propose names of remote area schools

in need of support. They will directly contact the schools and communities with the Bank only giving advice and assistance. This will help foster good relationships between the Bank and local communities.

The main philosophy of the above CSR projects and activities is development of local communities alongside educational development for school children as both schools and communities are intertwined with and reliant on each other in order to sustainably grow together.

In implementing various social projects, we have closely collaborated with our allies, namely Thai Television Channel 3 News Family, Srinakharinwirot University, Media Associated Co., Ltd., Kingsman C.M.T.I. Co., Ltd., World Vision Foundation of Thailand, and Young Creative School, etc.

In 2018, over 6,450 school students, parents, and local people benefited from CIMB Thai's CSR projects.

Educational projects

1. Baan Sop Sa School, Mae Hong Son Province
2. Baan Mueang Rae School, Mae Hong Son Province
3. Baan Nong Khaem School, Suphan Buri Province
4. Wat Rattana Wararam School, Songkhla Province
5. Baan Song Yang Song Ploi School, Kalasin Province
6. Baan Nong Bua Jod Dong Ling School, Kalasin Province
7. Baan Pong Daeng Nam Cha Samakkhi School, Nakhon Ratcahsima Province
8. Wat Samran School, Lop Buri Province
9. Baan Thin School, Udon Thani Province
10. Baan Pa Taan School, Chiang Mai Province
11. Baan Nong Muang Waan School, Nakhon Ratchasima Province
12. Sawasdee Wittaya School, Si Saket Province

Social and environmental projects

1. Every 3 months' blood donation project in collaboration with National Blood Centre, Thai Red Cross Society, held consecutively every year
2. "Thai Aid for Laos Flood Victims"
3. "Thai Aid for Indonesia Tsunami Victims"
4. "Good Deeds for Good Sight" donation for Ban Paew Eye Hospital, Samut Sakhon Province
5. 3rd "Let Children Colour Their Dreams" project
6. "Let Children Colour Their Dreams... Mulberry and Silkworm Learning," Baan Nong Muang Waan Community, Nakhon Ratchasima Province

7. Innovation and its distribution

The Bank is focusing on making continuous process improvement by adopting innovations to best serve customers. In 2017, many customer experience improvement projects have been done driven by innovations, allowing the Bank to receive many recognition awards, including Highly Commended in The Best CX Business Model 2017 from The Customer Experience in Financial Services Awards 2017 under Forward>>CX "The Best or Nothing" Program, The Best CX Employee Engagement: Honorary Mention from Customer Experience Asia Excellence Awards 2017 under CIMB Thai Customer Experience, The Best CX Personality: CX Rockstar Award from Customer Experience Asia Excellence Awards 2017 to Dr. Piyawat Jirapongsuwan, Senior Vice President of Business Engineering, ICT Excellence Award in Core Process Improvement 2017 from TMA ICT 2017 under Collection and Recovery Platform. ICT Excellence Award in Core Process Improvement 2018 from TMA ICT 2018 under Digital Unsecured Loan Process Improvement, ICT Excellence Award in Business Enabler 2018 from TMA ICT 2018 under Customer Experiences (CX) Management by

Digital Business Intelligence System, IDC Digital Transformation Award 2018: The Best Omni Experience Innovator of the Year 2018 from IDC under Digital Transformation for Unsecured Loan Process. 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 sustainable business growth and compliance with good corporate governance principles. In addition, the Bank has mechanisms in place to consistently monitor, assess and audit its internal control system to ensure adequacy, effectiveness and appropriateness.

- **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 auditing systems (three lines of defense). It has also consistently monitored the operations of its staff to be in line with the code of ethics and best practice in business operations with fair treatment of its stakeholders. Short- and medium-term business plans have been worked out to determine business strategy and framework, which are communicated to the staff at managerial levels bank-wide for their awareness and implementation to achieve the plans and targets set forth.

- **Risk management**

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

- **Oversight of executive management**

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

Executive Management is required to bring to the attention and consideration of the Board any transactions to provide loans or make investment in businesses in which the Bank's major shareholders, directors or senior executives as well as parties related to them have beneficial interests. In addition, any sales, giving, lease, purchase or rent of assets concerning the Bank's major shareholders, directors or senior executives as well as parties related to them have to comply with the policies and procedures in place.

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

- **Information and communication infrastructure**

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

- **Follow-up and monitoring system**

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

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

12. Related Party Transactions

As of 31 December 2018, 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 heads of work units 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 such persons or entities. Details are as disclosed in the Notes to Financial Statements item 43 of Financial Statements for the year ended 31 December 2018.

- Connected transactions with persons who may have conflicts of interest

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																			
CIMB Group, the indirect major shareholder of the Bank	<p>CIMB Group has changed the 1P chargeback per actual new account opened from MYR 39.72 to MYR 60.50 (excluding VAT) effective from 25 January 2018.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.																			
Sathorn Asset Management Co., Ltd. (STAMC), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has revised the legal fee payable to STAMC for purpose of filing civil lawsuit in case of consumer secured loans to be in line with the rates on which the Bank agrees with other outsourced lawyers as follows:</p> <table><tr><th rowspan="2">Type of case / loan</th><th colspan="2">Existing</th><th colspan="2">Proposed</th></tr><tr><th>Professional fee</th><th>Conditions of payment</th><th>Professional fee</th><th>Conditions of payment</th></tr><tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis</td><td>THB 7,500</td><td>1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be</td><td>THB 15,000</td><td>1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be</td></tr><tr><td>Civil – Retail secured loan (loan lent by Consumer Banking) one account</td><td>THB 7,500 per account</td><td>1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be</td><td>Cancelled</td><td>Cancelled</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>	Type of case / loan	Existing		Proposed		Professional fee	Conditions of payment	Professional fee	Conditions of payment	Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis	THB 7,500	1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be	THB 15,000	1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be	Civil – Retail secured loan (loan lent by Consumer Banking) one account	THB 7,500 per account	1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be	Cancelled	Cancelled	The Board of Directors' meeting no. 1/2018 held on 18 January 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
Type of case / loan	Existing		Proposed																		
	Professional fee	Conditions of payment	Professional fee	Conditions of payment																	
Civil – Retail secured loan (loan lent by Consumer Banking) by borrower basis	THB 7,500	1) THB 4,500 when complaint filed. 2) THB 3,000 when court issued writ of execution or settlement agreement executed, as the case may be	THB 15,000	1) THB 9,000 when complaint filed. 2) THB 6,000 when court issued writ of execution or settlement agreement executed, as the case may be																	
Civil – Retail secured loan (loan lent by Consumer Banking) one account	THB 7,500 per account	1) 30% at complaint filing stage 2) 30% upon completion of first's party witnesses production 3) 40% when court issued writ of execution or settlement agreement executed, as the case may be	Cancelled	Cancelled																	
CGS-CIMB Securities (Thailand) (CGSCT), an affiliated	The Bank has continued carrying on its equity derivatives business (EDB) under the new service agreement with CGSCT, with scope of collaboration between CIMB Thai's Treasury and CGSCT clearly defined.	The Board of Directors' meeting no. 2/2018 held on 23 February 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained																			

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion									
company having CIMB Group as the major shareholder	<p>This transaction is subject to service fee model as follows:</p> <ul style="list-style-type: none"> - Base fee: 0.25% of product notional sold - Advisory fee: 50% of cumulative income of EDB less personnel cost and DW marketing cost - Maintaining the spirit of 50:50 sharing <p>This transaction is considered the Bank's normal business support.</p>	<p>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-Principal Asset Management Co., Ltd. (CPAM), a subsidiary of CIMB Group which is the indirect major shareholder of the Bank	<p>The Bank has approved a renewal of insourcing service agreement regarding human resources and technology functions for CPAM for another three years, from 15 April 2018 to 14 April 2021, with service fees to be at the same rates chargeable in 2016 as below.</p> <table border="1" data-bbox="427 779 1042 902"> <thead> <tr> <th>Service to CPAM</th><th>Monthly Charge Rate (Baht)</th><th>Remark</th></tr> </thead> <tbody> <tr> <td>- HR Service</td><td>267.50</td><td>Charge per user per month</td></tr> <tr> <td>- ESS Service</td><td>408.75</td><td>Charge per user per month</td></tr> </tbody> </table> <p>This transaction is considered the Bank's normal business support.</p>	Service to CPAM	Monthly Charge Rate (Baht)	Remark	- HR Service	267.50	Charge per user per month	- ESS Service	408.75	Charge per user per month	<p>The Board of Directors' meeting no. 3/2018 held on 29 March 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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>
Service to CPAM	Monthly Charge Rate (Baht)	Remark									
- HR Service	267.50	Charge per user per month									
- ESS Service	408.75	Charge per user per month									
CGS-CIMB Securities (Thailand) (CGSCT), an affiliated company having CIMB Group as the major shareholder	<p>The Bank has increased the DSR facility for CGSCT by THB 1,000 million, from THB 500 million to THB 1,500 million, with the pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal business support.</p>	<p>The Board of Directors' meeting no. 4/2018 held on 20 April 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.</p>									
CIMB Bank Berhad (CIMB Bank), CIMB Investment Bank Berhad (CIMBIB), PT Bank CIMB Niaga Tbk (CIMB Niaga), CIMB Bank (L) Ltd. (CIMB Labuan), CIMB Bank Plc. (CIMB Cambodia) and CIMB Vietnam, subsidiaries having CIMB Group as the major shareholder	<p>The Bank has performed an annual credit review for CIMB Group members, consisting of CIMB Bank, CIMBIB, CIMB Niaga, CIMB Labuan, CIMB Cambodia, and CIMB Vietnam in the proposed total amount of THB 37,740 million, with the pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	<p>The Board of Directors' meeting no. 6/2018 held on 26 June 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business.</p>									

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																					
ICIMB (MSC) Sdn Bhd, a subsidiary having CIMB Group as the major shareholder	<p>ICIMB (MSC) Sdn Bhd has operated the GEPS system for the Bank, with the hubbing operational cost (as allocated) in the range between THB 117,357.78 and THB 456,566.06 per year. The total amount for a period of five years from 2018 to 2022 is THB 2,282,830.28.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 7/2018 held on 20 July 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the normal business support and brought benefits to the Bank.																					
ICIMB (MSC) Sdn Bhd, a subsidiary having CIMB Group as the major shareholder	<p>ICIMB (MSC) Sdn Bhd has provided hardware and operated the Auto Asset Discovery tools system for the Bank for a period of five years, with the hubbing operational cost (as allocated) of THB 474,865.</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.																					
CIMB Group, a indirect major shareholder of the Bank	<p>The Bank has taken services of the Regional Wealth Management System Project from CIMB Group, with the approved budget of MYR 106,257.74 (equivalent to THB 892,172.44 based on the exchange rate of MYR 1 = THB 0.1191).</p> <p>This transaction is considered the Bank's normal business support.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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 Group Sdn Bhd, the indirect major shareholder of the Bank	<p>The Bank has outsourced HRIS service to CIMB Group Sdn Bhd, with an annual service fee (excluding tax) as follows:</p> <table><tr><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td><td>RM</td></tr><tr><td>Total CAPEX</td><td>Year 1</td><td>Year 2</td><td>Year 3</td><td>Year 4</td><td>Year 5</td><td>Total OPEX</td></tr><tr><td>2,791,994.31</td><td>542,111.87</td><td>1,141,604.59</td><td>1,131,367.36</td><td>1,169,204.20</td><td>1,221,359.29</td><td>5,205,647.31</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>	RM	RM	RM	RM	RM	RM	RM	Total CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total OPEX	2,791,994.31	542,111.87	1,141,604.59	1,131,367.36	1,169,204.20	1,221,359.29	5,205,647.31	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
RM	RM	RM	RM	RM	RM	RM																	
Total CAPEX	Year 1	Year 2	Year 3	Year 4	Year 5	Total OPEX																	
2,791,994.31	542,111.87	1,141,604.59	1,131,367.36	1,169,204.20	1,221,359.29	5,205,647.31																	
CGS-CIMB Securities (Thailand) Co., Ltd (CGSCT), an affiliated company having CIMB Group as the	<p>The Bank has conducted an annual review and increased the DSR limit for CGSCT, from THB 1,500 million to THB 2,200 million to support higher FX settlement transaction, with pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to																					

Name and Relationship	Transaction Characteristics and Value	Necessity and Reasonableness with Audit Committee's Opinion																														
major shareholder		approve the transaction since it was the Bank's normal course of business under general trading terms.																														
CIMB-Principal Asset Management Co., Ltd. (CPAM), an affiliated company having CIMB Group as the major shareholder	<p>The Bank has conducted an annual review of L/G (performance) limit, totaling THB 4 million until 31 August 2019, with pricing in line with the market rate.</p> <p>This transaction is considered the Bank's normal course of business.</p>	The Board of Directors' meeting no. 8/2018 held on 29 August 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained from participating in the consideration and voting on this matter) deemed it proper to approve the transaction since it was the Bank's normal course of business under general trading terms.																														
ICIMB (Malaysia) Sdn Bhd, an affiliated company having CIMB Group as the major shareholder	<p>The Bank has entered into the Group Finance Management System (GFMS) service agreement with iCIMB (Malaysia) Sdn Bhd, with service fee (excluding taxes) as described below:</p> <table><tr><th></th><th>Y2020</th><th>Y2021</th><th>Y2022</th><th>Y2023</th><th>Y2024</th></tr><tr><td>CAPEX</td><td>8,152</td><td>6,390</td><td>6,390</td><td>6,390</td><td>6,390</td></tr><tr><td>OPEX</td><td>712</td><td>738</td><td>766</td><td>782</td><td>782</td></tr><tr><td>ITO</td><td>2,963</td><td>5,927</td><td>4,906</td><td>4,906</td><td>4,906</td></tr><tr><td>Total</td><td>11,828</td><td>13,055</td><td>12,062</td><td>12,078</td><td>12,078</td></tr></table> <p>This transaction is considered the Bank's normal business support.</p>		Y2020	Y2021	Y2022	Y2023	Y2024	CAPEX	8,152	6,390	6,390	6,390	6,390	OPEX	712	738	766	782	782	ITO	2,963	5,927	4,906	4,906	4,906	Total	11,828	13,055	12,062	12,078	12,078	The Board of Directors' meeting no. 12/2018 held on 14 December 2018 (excluding CIMB Bank's representative directors with conflict of interest who abstained 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.
	Y2020	Y2021	Y2022	Y2023	Y2024																											
CAPEX	8,152	6,390	6,390	6,390	6,390																											
OPEX	712	738	766	782	782																											
ITO	2,963	5,927	4,906	4,906	4,906																											
Total	11,828	13,055	12,062	12,078	12,078																											

- 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 or the equivalence, hold 10% or more of their paid-up capital were as follows:

(Unit: THB million)

Company name	31 December 2018								Share holding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
Parent Company										
CIMB Bank Berhad	-	-	370	1,298	-	217	6,185	-	94.83	
Interest rate swap contracts										
- Fixed rate received	46,998	-	-	-	-	-	-	-		
- Floating rate received	53,145	-	-	-	-	-	-	-		
Forward and spot contracts										
- Bought	8,111	-	-	-	-	-	-	-		
- Sold	55	-	-	-	-	-	-	-		

Company name	31 December 2018								Share holding (%)	Common management
	Obligations	Outstanding loans	Interbank and money market items (assets)	Other assets	Deposits	Interbank and money market items (liabilities)	Borrowings	Other liabilities		
Cross currency and interest rate swap contracts	11,301	-	-	-	-	-	-	-		
- Bought	306	-	-	-	-	-	-	-		
- Sold										
Commodity	20	-	-	-	-	-	-	-		
- Sold										
Foreign exchange option	111	-	-	-	-	-	-	-		
- Put option sales contracts										
Swaption	7,000	-	-	-	-	-	-	-		
- Sold										
Credit derivatives	5,337	-	-	-	-	-	-	-		
- Sold										
Subsidiary companies	2,150	22,893	-	1	40	-	-	8	99.99	Mr. Adisorn Sermchaiwong Ms. Sasima Thongsamak Ms. Onanong Udomkantong Mr. Goh Therd Siang
CIMB Thai Auto Co., Ltd.										
CT COLL Co., Ltd.	-	-	-	-	62	-	-	-	99.99	Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang
WorldLease Co., Ltd.	-	2,923	-	1	12	-	-	-	99.99	Ms. Piyawan Thianphranon Ms. Sasima Thongsamak Mr. Adisorn Sermchaiwong Ms. Onanong Udomkantong Mr. Goh Therd Siang

Companies under common control	52	-	-	-	-	16	-	-	
CIMB Bank Plc., Cambodia	-	-	-	-	-	95	-	-	
CIMB Islamic Bank Berhad	-	-	-	1	-	6	-	-	
PT Bank CIMB Niaga TBK	-	-	-	-	4	-	-	-	
CIMB Securities (Singapore)	-	-	-	-	559	-	-	-	Mr. Sutee Losoponkul
CGS-CIMB Securities (Thailand) Co., Ltd.									
Foreign exchange forward and spot contracts	7	-	-	-	-	-	-	-	
- Bought	3	-	-	-	-	-	-	-	
- Sold	3	-	-	-	-	-	-	-	
ICIMB (MSC) Sdn Bhd - Computer system and software development agreement	-	-	-	-	429	-	-	-	Mr. Adisorn Sermchaiwong
CIMB-Principal Asset Management Co., Ltd.	-	-	-	3	621	-	-	11	Mr. Tan Keat Jin Mr. Goh Therd Siang
Sathorn Asset Management Co., Ltd.									
Related persons	-	8	-	-	133	-	-	-	

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.

- 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.

- Related party transaction trends

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.