

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1023  
**COMPANY NAME** : CIMB Group Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2019

## OUTLINE:

### **SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE**

*Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.*

### **SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

## SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The Board's primary role is to determine CIMB's strategic objectives and policies to deliver sustainable value to its Shareholders. In ensuring the protection and enhancement of shareholder value, it takes into account the interests of stakeholders including employees, customers, suppliers, business partners, regulators, local communities, non-governmental organisations and the general public. The Board is ultimately accountable to Shareholders for the performance of CIMB, and is responsible for CIMB's overall governance.</p> <p>The Board is the ultimate decision-making body of the Group, with the exception of matters requiring shareholders' approval. It sets the strategic direction and vision of the Group. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Group and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.</p> <p>The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long-term value, for shareholders and other stakeholders. The Board is responsible for putting in place a framework of good corporate governance within the Group, including the processes for financial reporting, risk management and compliance. Board members bring their independent judgment, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.</p> <p>The Board shall assume, amongst others, the following six (6) principal responsibilities:</p> <p><b>(a) Reviewing and adopting a strategic plan for the Company</b> A basic function of the Board is to review, challenge and approve Management's proposal on a strategic plan for the Group, taking into account the sustainability of the Group's business, with</p>

attention given to the environmental, social and governance aspects of the business. The Board is also responsible for the following:

- (i) Review the Group's strategic direction, including the approval of corporate exercises or restructuring plans; and
- (ii) Monitor the implementation of the strategic plan by Management.
- (iii) Promote sustainability through appropriate environmental, economic, social and governance considerations in the Group's business strategies.

***(b) Overseeing the conduct of the Group's business***

A basic function of the Board is to oversee the performance of Management to determine whether the business is being properly managed. The Board must ensure that there are measures in place against which Management's performance can be assessed. In relation to the monitoring of financial and non-financial performance of the Group's business, the Board is responsible for the following:

- (i) Monitor financial and non-financial performance against approved budgets and targets;
- (ii) Determine Dividend Policy and the amount, nature and timing of dividends to be paid;
- (iii) Conduct a review of the Group's funding requirements on a continuing basis, including significant treasury matters, approval of financing arrangements, cheques and other signatories; and
- (iv) Ensure proper procedures are put in place and that the financial statements (including quarterly/year-end announcements to Bursa Securities) of the Group are reviewed for integrity and approved for timely lodgement with, and/or release to, the various authorities and market.

***(c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures***

The Board must understand the principal risks of all aspects of the Group's business and recognise that business decisions involve the taking of appropriate risks. The Board must ensure that there are systems in place which effectively monitor and manage these risks. The Board is responsible for the following:

- (i) Determine the Group's overall risk appetite, level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets, and communicate the same to the Senior Management;
- (ii) Appraise the Group's major current and emerging risks and oversee that appropriate risk management and internal control procedures are in place;
- (iii) Consider and approve CIMB Group's overall risk-reward strategy and frameworks for managing all categories of current and emerging risks relevant to the sustainability of the Group's businesses and wellbeing of the Group and its stakeholders, consistent with its level of risk tolerance. The

	<p>risks include and are not limited to, credit, market, liquidity, equity, reputation, operational and sustainability (including climate change) risk;</p> <ul style="list-style-type: none"> <li>(iv) Ensure proper implementation and review the Group's internal controls system, which is continually upgraded to mitigate the Group's current and emerging risks;</li> <li>(v) Oversee and approve the recovery and resolution as well as business continuity plans for the Group to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;</li> <li>(vi) Establish an internal audit function which reports directly to the Audit Committee;</li> <li>(vii) Select, appoint and terminate the external auditor (including associated recommendations to shareholders for approval);</li> <li>(viii) Oversee the Audit Committee's evaluation of auditor's performance and independence; and</li> <li>(ix) Review relevant arrangements brought forth by the Audit Committee, by which employees may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action to be taken. This would include any whistleblowing complaints and investigative reports relating to the Senior Management of the Group.</li> </ul> <p><b>(d) Succession planning</b></p> <p>The Board shall ensure that all candidates appointed to the Board and Senior Management positions are of sufficient calibre. The Board shall satisfy itself that there are programmes in place to provide for the orderly succession of the Board and Senior Management. The Board is responsible for the following:</p> <ul style="list-style-type: none"> <li>(i) Assume the responsibility of ensuring a succession plan is in place including appointing, training, fixing the compensation of and where appropriate, replacing, members of the Board, Board Committees and Senior Management. The Board shall work with the Group Nomination and Remuneration Committee (GNRC) on succession planning;</li> <li>(ii) Select, appoint and determine terms of appointment of the Group CEO/ED;</li> <li>(iii) Approve the appointment of Board members, members of the Board Committees, and Senior Management of the Group as recommended by the GNRC, and monitor their performance; and</li> <li>(iv) Approve policies for appointments to the Board of CIMB's subsidiaries and appoint Directors representing CIMB in CIMB's jointly controlled entities and associate companies.</li> </ul> <p><b>(e) Overseeing the development and implementation of a Communications Policy for the Company</b></p> <p>The responsibility of the Board is to ensure that the Company has in place a policy to enable effective communication with its shareholders and other stakeholders. This policy shall include the following:</p>
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- (i) How feedback received from its stakeholders is considered by the Company when making business decisions; and
- (ii) Promote timely and effective communication between the Group and Bank Negara Malaysia on matters affecting or that may affect the safety and soundness of the Group.

***(f) Overseeing the implementation of the Group's governance framework and internal control framework, and periodically reviewing the adequacy and the integrity of the management information and internal controls system of the Company to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Group's operations.***

The Board and Senior Management assume primary roles in fostering a strong compliance culture within the Group by ensuring that officers understand their responsibilities in respect of compliance and feel comfortable raising concerns without fear of retaliation. The Board and Senior Management should create an environment which not only ensures that the Group and its officers comply with legal and regulatory requirements, but also encourages the ethical conduct that underbellies such requirements. The Board is responsible for overseeing the management of compliance risk, which includes the following:

- (i) Approve the Group's Compliance Policy and oversee its implementation;
- (ii) Approve the establishment of the compliance function and the position of the GCCO, and ensure that the compliance function and the GCCO are provided with appropriate standing, authority and independence;
- (iii) Discuss compliance issues regularly, ensuring that adequate time and priority is provided in the board agenda to deliberate compliance issues and that such issues are resolved effectively and expeditiously;
- (iv) At least annually, evaluate the effectiveness of the Group's overall management of compliance risk, having regard to the assessments of Senior Management and internal audit, as well as interactions with the GCCO; and
- (v) Promote, together with Senior Management, a sound corporate culture within the Group which reinforces ethical, prudent and professional behaviour.

***(g) Overseeing the development and implementation of a Sustainability framework for the Company***

The Board shall have oversight on the decisions and actions of Management in achieving the Group's goal to be a sustainable and responsible organisation, which includes amongst others the following:

- (i) Establishing, in conjunction with Management, the Sustainability framework and strategy in support of the Group's vision, as well as overseeing and monitoring the effectiveness of that strategy.
- (ii) Reviewing and approving appropriate Sustainability Policies for the Group in order to support the Sustainability framework and strategy.

	<p>(iii) Ensuring and overseeing the institutionalisation of Sustainability as part of CIMB's culture.</p> <p>The roles and responsibilities of the Board have been specified in paragraph 2 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

## Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>Datuk Mohd Nasir Ahmad helms the Board of Directors as an Independent Chairperson.</p> <p>The Chairman carries out a leadership role in the conduct of the Board and its relations with shareholders and other stakeholders.</p> <p>There are two main aspects to the Chairman's role. They are the Chairman's role within the Boardroom and the Chairman's role outside the Boardroom.</p> <p>Pertaining to the Boardroom, the role of the Chairman is to:</p> <ol style="list-style-type: none"><li>a) Chair Board meetings;</li><li>b) Establish the agenda of Board meetings in consultation with the Group CEO/ED and the Group Company Secretary;</li><li>c) Ensure that appropriate procedures are in place to govern the Board's operations;</li><li>d) Ensure that Board meetings are effective in that decisions are taken on a sound and well-informed basis, including ensuring that:<ul style="list-style-type: none"><li>• all strategic and critical issues are considered by the Board;</li><li>• matters are considered carefully and thoroughly;</li><li>• all Directors are given the opportunity to effectively contribute;</li><li>• Directors receive the relevant information on a timely basis, including being properly briefed on issues arising at Board meetings; and</li><li>• the Board comes to clear decisions and resolutions are noted.</li></ul></li><li>e) Ensure that the Group CEO/ED look beyond his executive functions and accept his full share of the responsibilities of governance;</li><li>f) Guide and mediate the Board's actions with respect to organisational priorities and governance concerns;</li><li>g) Be clear on what the Board has to achieve, both in the long and short term;</li><li>h) Ensure that the Board behaves in accordance with its Board Charter;</li><li>i) Lead efforts to address the Board's development needs; and</li><li>j) Perform other responsibilities, as assigned by the Board, from time to time.</li></ol>

	<p>Outside the Boardroom, the role of the Chairman is to:</p> <ul style="list-style-type: none"> <li>• Undertake appropriate public relations activities in conjunction with the Group CEO/ED.</li> <li>• Be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures;</li> <li>• Be the major point of contact between the Board and the Group CEO/ED;</li> <li>• Be kept fully informed of current events by the Group CEO/ED on all matters which may be of interest to Directors;</li> <li>• Regularly review progress on important initiatives and significant issues facing the Company and/or the Group in conjunction with the Group CEO/ED, and other relevant Key Senior Management or such other appropriate Key Senior Management, progress on important initiatives and significant issues facing the Company and/or Group;</li> <li>• Provide mentoring for the Group CEO/ED; and</li> <li>• Initiate and oversee the annual Group CEO/ED performance evaluation process.</li> </ul> <p>The roles and responsibilities of the Chairman have been specified in paragraph 5 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.3

The positions of Chairman and CEO are held by different individuals.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making. The Board is helmed by Datuk Mohd Nasir, an Independent Director, who plays a key role in ensuring the Board fulfills its obligation to its stakeholders. As the Chairperson, he also leads the Board in the oversight of the Management and in inculcating good governance culture from the Board down to all levels of management within the organisation.</p> <p>The Board delegates responsibility for the overall business and day-to-day management of CIMB to the Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz. The Group CEO is responsible for leading Management and for making and implementing operational decisions, and is assisted by the Group Executive Committee.</p> <p>The distinct and separate roles and responsibilities of the Chairman and Group CEO have been specified in paragraph 5 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who WeAre – Overview – Corporate Governance – Board Charter</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.4

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has appointed the Group Company Secretary who, under the direction of the Chairperson, is accountable for all matters with regard to the proper functioning of the Board as well as to facilitate effective information flows within the Board and Board Committees and between Senior Management and Non-Executive Directors. The Group Company Secretary is also tasked to facilitate the induction of new Directors and the ongoing professional development of all Directors. Datin Rossaya Mohd Nashir is currently the Group Company Secretary and has been with the Group since 2002.</p> <p>Datin Rossaya has extensive industry knowledge, with over 25 years of experience in corporate secretarial practice. Previously, she was with Permodalan Nasional Berhad where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with the Time Engineering Group.</p> <p>Datin Rossaya serves as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum and is a Director of several subsidiaries in the CIMB group. She is a CIMB Sustainability Champion and has initiated several projects to encourage sustainability in the workplace for #teamcimb. She actively advocates greater participation of women in the boardroom and has been involved in various networking initiatives to promote this agenda.</p> <p>The primary responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"><li>a) ensuring that Board procedures and applicable rules are observed;</li><li>b) maintaining records of the Board and Board Committees and its respective meetings and ensuring effective management of the Company's records;</li><li>c) preparing comprehensive minutes to document Board and Board Committees proceedings and ensure conclusions are accurately recorded;</li><li>d) timely dissemination of information relevant to Directors' roles and functions and keeping them updated on new or evolving regulatory requirement;</li><li>e) carrying out other functions as deemed appropriate by the Board from time to time;</li></ul>

	<p>f) assisting the Board with interpreting legal and regulatory acts related to the listing rules and international regulations and developments; and</p> <p>g) advising the Board on its obligatory requirements to disclose material information to the shareholders and financial markets on a timely basis.</p> <p>The roles and responsibilities of the Company Secretary have been specified in paragraph 8.5 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter</p>
<p><b>Explanation for departure</b></p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b></p>	<p>:</p>
<p><b>Timeframe</b></p>	<p>:</p>

## Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

### Practice 1.5

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board meets on a regular basis, with a minimum of six scheduled meetings in a financial year or at least once every two months in a financial year, or more frequently as circumstances dictate, of which the dates are determined well in advance to enable the Directors to plan ahead. In addition to the scheduled meetings, Special Meetings may be convened as and when required. All Directors attended more than 75% of all Board meetings held in FYE 2019, and physically attended more than 60% of the scheduled Board meetings.</p> <p><u>Notice and Agenda</u></p> <ol style="list-style-type: none"><li>a) Unless otherwise determined by the Directors, seven (7) days' notice of all Board meeting shall be given to all Directors, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient.</li><li>b) The Chairman shall ensure that proper agenda is prepared for the Board meeting.</li><li>c) The Chairman, together with the Group Company Secretary, shall assess the type of information needed to be supplied to the Board and the contents of the agenda. The agenda shall include, amongst others, matters specifically reserved for the Board's decision.</li><li>d) The agenda and relevant papers for the Board meeting must be issued at least five (5) days prior to each of the Board meeting to allow sufficient time for Directors to consider the relevant information.</li></ol> <p><u>Minutes</u></p> <ol style="list-style-type: none"><li>a) The discussions and conclusions of the Board meetings shall be minuted, in a clear, accurate, consistent, complete and timely manner. The minutes shall record the decisions of the Board, including key deliberations, rationale for each decision made, and any significant concerns or dissenting views. The minutes must indicate whether any Director abstained from voting or excused himself from deliberating on a particular matter.</li><li>b) The draft minutes shall be tabled at the following meeting for confirmation and signing.</li><li>c) The minutes shall be entered into the minutes Register kept by the Group Company Secretary together with the attendance sheet.</li></ol>

	<p>d) Keeping of the minutes must comply with the requirements of relevant law and regulations, for example Companies Act, 2016 and Income Tax Act, 1967.</p> <p>e) Reproduction of any part of the minutes can only be performed through/by the Group Company Secretary.</p> <p>The details of the minutes, notice and agenda of meetings are provided in paragraph 13.3 and 13.5 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>	
<p><b>Explanation for departure</b></p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>		
<p><b>Timeframe</b></p>		

### Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

### Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- (iii) the respective roles and responsibilities of the board, board committees, individual directors and management; and
- (iv) issues and decisions reserved for the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB's Board Charter sets out the Board's strategic intent, authority and terms of reference and serves as a primary source of reference and induction literature. In addition, the Board Charter outlines the requirements, roles and responsibilities of the Board, Board Committees and individual Directors, in line with CIMB's efforts to promote the highest standards of corporate governance. To ensure that it remains relevant, the Board Charter is reviewed every three years or as change arises to ensure CIMB remains at the forefront of best practices in governance.</p> <p>The Board shall periodically review and update the Board Charter in accordance with the needs of the Company and Group and any new regulations that may have impact on the discharge of the Board's responsibilities. Any updates to the principles and practices set out in this Board Charter shall be made available on the corporate website.</p> <p>The Board Charter is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board has also established a Code of Conduct which is underpinned by the core philosophy of "Creating Value, Enabling Our People and Acting with Integrity". The Code of Conduct sets out the standards of behavior that are expected of all employees of CIMB in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management.</p> <p>The Code of Conduct includes, amongst others, references to specific Group policies and procedures such as:</p> <ul style="list-style-type: none"><li>• The Group's Conflict Management Policies and Procedures</li><li>• Code of Conduct for Directors, Officers and Employees in the Banking Industry</li><li>• Anti-bribery and Corruption Policy</li><li>• Group Chinese Walls Policies and Procedures</li><li>• Group Anti-MoneyLaundering/Counter Financing of Terrorism (AML/CFT) Policies and Procedures</li></ul> <p>In addition, the Board has also adopted a Code of Conduct for Directors that sets out the fundamental guiding principles and standards for Directors to carry out their duties. This Code applies to all the Directors of CIMB Group and is primarily based on the five fundamental principles of competence, integrity, fairness, confidentiality and objectivity as recommended by the Code of Ethics for the Financial Services Industry published by Financial Services Professional Board (FSPB).</p>

	Details of the Code of Conduct and Code of Conduct for Directors can be found in CIMB's website at <a href="http://www.cimb.com">www.cimb.com</a> , Who We Are – Overview – Corporate Governance.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

### Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB's Whistle Blowing Policy sets out avenues for legitimate concerns to be objectively investigated and addressed. Under this Policy, individuals will be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. CIMB's Whistle Blowing Policy is applicable to all employees, suppliers, vendors, associated stakeholders and CIMB's customers.</p> <p>A well-disciplined and professional workforce is the cornerstone of a successful organisation. To realise the Group's vision to be a successful organisation, all employees are expected to be vigilant about any wrongdoings, malpractices or irregularities at the workplace. All employees are to report promptly such instances to the Management for immediate rectification or for other necessary measures in minimising potential financial or reputational loss.</p> <p>Examples of wrongdoings, malpractices or irregularities include, but are not limited to the following: -</p> <ul style="list-style-type: none"><li>• Any unlawful act, whether criminal or civil in nature;</li><li>• Breach of policies and procedures;</li><li>• Fraud, corruption or dishonesty;</li><li>• Actions which can cause physical danger to another person or can give rise to risk of damage to properties/assets;</li><li>• Forgery or alteration of any documents belonging to the Bank, customers, another financial institutions or agents of the Bank;</li><li>• Profiteering as a result of insider knowledge;</li><li>• Misuse of position or information; and</li><li>• Any other similar or related irregularities.</li></ul> <p>Any reports on wrongdoings, malpractices or irregularities may be emailed to <a href="mailto:whistleblowing@cimb.com">whistleblowing@cimb.com</a>, where the matter will be investigated accordingly.</p> <p>The Group is wholly committed to ensure strict confidentiality and will not only protect the identity of the complainant but will also protect the complainant from any harrasment and victmisation at work due to the disclosure.</p>

	The details of the CIMB's Whistle Blowing Policy are provided under the Code of Conduct available at <a href="http://www.cimb.com">www.cimb.com</a> : Who We Are – Overview – Corporate Governance – Code of Conduct.	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.1**

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board currently comprises nine Directors, eight male and one female, of whom six are Independent, two are Non-Independent and the Group CEO, who is the Executive Director. Of the two Non-Independent Directors, one had previously served in various executive positions in CIMB. The other Non- Independent Director represents Khazanah Nasional Berhad, who is the largest major shareholder of CIMB.</p> <p>The Board of CIMB Group shall comprise a majority of Independent Directors at all times and this is stipulated in the Board Charter</p> <p>The Board Charter is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.2**

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

<b>Application</b>	:	Not applicable - Step Up 4.3 adopted	
<b>Explanation on application of the practice</b>	:		
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.3 - Step Up**

The board has a policy which limits the tenure of its independent directors to nine years.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>During FYE 2019, no Independent Director had served on the Board for more than nine years from the date of his/her first appointment. This is in adherence to CIMB's Board Charter which limits an Independent Director's tenure of service to a maximum of nine years.</p> <p>The policy which limits the tenure of CIMB's independent director is provided in paragraph 6.5(d) in the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.4

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The oversight on the overall composition of the Board and Board Committees resides within the GNRC. The GNRC comprises six Members of whom five Members (including Teoh Su Yin, the Chairperson) are Independent Directors. The GNRC is guided by the following quantitative and qualitative criteria when assessing the suitability of Directors for nomination:</p> <ul style="list-style-type: none"> <li>• appropriate size and the balance between Independent Directors, Non-Independent Directors and Executive Directors,</li> <li>• skills, background and experience,</li> <li>• diversity in terms of gender, nationality and ethnicity, and</li> <li>• commitment to sustainability.</li> </ul> <p>Based on these criteria, suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise.</p> <p>The Board shall consider and decide on the appointment of a new Director upon appropriate recommendation from the GNRC. Details on conduct and evaluation are provided in the GNRC Terms of Reference.</p> <p>For the assessment and selection of Directors, the GNRC shall consider the following factors from prospective Directors':</p> <ol style="list-style-type: none"> <li>a) skills, knowledge, expertise and experience;</li> <li>b) contribution and performance;</li> <li>c) character, professionalism and integrity;</li> <li>d) number of directorships and other external obligations which may affect the Director's commitment, including time commitment and value contribution; and</li> <li>e) in the case of candidates for the position of Independent Director, the Committee shall also evaluate the candidates' ability to discharge such responsibilities/functions as expected by Independent Directors.</li> </ol>
<b>Explanation for departure</b>	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

<b>Measure</b>	:		
<b>Timeframe</b>	:		

## Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

## Practice 4.5

The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board currently comprises nine Directors, of whom one is a female, or 11% female representation.</p> <p>The oversight on the overall composition of the Board and Board Committees resides within the GNRC. The GNRC comprises six Members of whom five Members (including Teoh Su Yin, the Chairperson) are Independent Directors. The GNRC is guided by the following quantitative and qualitative criteria when assessing the suitability of Directors for nomination:</p> <ul style="list-style-type: none"> <li>• appropriate size and the balance between Independent Directors, Non-Independent Directors and Executive Directors;</li> <li>• skills, background and experience;</li> <li>• diversity in terms of gender, nationality, ethnicity and geography; and</li> <li>• commitment to sustainability.</li> </ul> <p>In addition, the behaviours likely to be demonstrated by potential Non-Executive Directors will also be considered by the GNRC during interview sessions for new appointments to ensure that an environment in which challenge is expected, achieved and maintained in the boardroom.</p> <p>Based on these criteria, suitable candidates will be identified to fill vacancies on the Board and Board Committees as and when they arise.</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>	:	<p>The Board currently comprises nine Directors, of whom one is a female, or 11% female representation. The Board remains committed to achieve at least 30% female representation on the Board, whilst ensuring that diversity in skill set, experience, age and gender is met. The GNRC is currently considering new candidates to be nominated to the Board and is mindful of this requirement.</p>

	<p>30% of female participation on the Boards is also observed on the Boards of CIMB's main subsidiaries. The subsidiaries that have achieved more than 30% of female participation on the Board are CIMB Bank Berhad (40%), and CIMB Islamic Bank Berhad (33%). The CIMB Investment Bank Board is mindful of this requirement and is currently reviewing its composition with the view to nominate more female candidates for the Board.</p>	
<b>Timeframe</b>	:	Within 2 years

**Intended Outcome**

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

**Practice 4.6**

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	<p>The GNRC has access to a wide pool of candidates which includes the recommendation by existing Board Members or Management and through external sources such as the Directors' Register by FIDE FORUM and BNM; professional associations and also from independent search firms.</p> <p>The roles and responsibilities of the GNRC have been specified in the Terms of Reference for GNRC which is available at <a href="http://www.cimb.com">www.cimb.com</a>; Who We Are – Overview – Corporate Governance – Board Committees</p>	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

### Practice 4.7

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The GNRC is chaired by Teoh Su Yin who is the Senior Independent Director.</p> <p>The GNRC must:</p> <ul style="list-style-type: none"><li>a) have at least three directors;</li><li>b) have a majority of Independent Directors;</li><li>c) be chaired by an Independent Director;</li><li>d) not be chaired by the Chairman of the Board; and</li><li>e) comprise Directors who have the skills, knowledge and experience relevant to the responsibilities of the Board committee.</li></ul> <p>The composition of the GNRC has been specified in paragraph 12.3 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

## Practice 5.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome.

For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>In 2019, a self-evaluation exercise was conducted to determine the skills and experiences currently present on the Board. The results of the exercise were extracted into a Board Skills Matrix, from which the GNRC established a Board DNA to identify the desired profile of new Board Members to optimise the Board's composition.</p> <p>The GNRC is also tasked to assess the effectiveness of the Board, Board Committees, individual Directors and the Group Company Secretary. The areas assessed under each category amongst others were as follows:</p> <ul style="list-style-type: none"><li>• Board and Board Committees<ul style="list-style-type: none"><li>○ Role played by the Chairperson</li><li>○ Contributions by the Directors</li><li>○ Board processes and information flow</li><li>○ Boardroom dynamics</li></ul></li><li>• 360° Peer Assessment<ul style="list-style-type: none"><li>○ Understanding of the Group's strategy and vision</li><li>○ Knowledge, skills and experience</li><li>○ Participation and contribution in deliberations</li><li>○ Willingness to challenge prevailing opinion</li></ul></li></ul> <p>From the 2019 exercise for FYE 2018 Board Effectiveness Assessment, the Board approved an action plan to address areas identified to improve the performance of the Board and Management.</p> <p>Pursuant to the Annual Evaluation Manual, an external consultant will be engaged to conduct an independent assessment exercise on the Board, Board Committees, individual Directors and the Group Company Secretary for FYE 2019 in 1Q 2020. External consultants are engaged for such exercise once every 3 years, with the last independent exercise conducted in 2016. This is in line with the requirement in BNM's CG Policy.</p>

	The roles and responsibilities of the GNRC have been specified in the Terms of Reference for GNRC which is available at <a href="http://www.cimb.com">www.cimb.com</a> ; Who We Are – Overview – Corporate Governance – Board Committees	
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

## Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.1

The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.

<b>Application</b>	:	Applied																																				
<b>Explanation on application of the practice</b>	:	<p>The Board of CIMB delegates to the GNRC the responsibility to set the overarching principles, parameters and governance framework relating to the Group's remuneration matters. These have been documented in the CIMB Group Directors' Remuneration Framework and CIMB Group Remuneration Policy.</p> <p><b>CIMB Group Directors' Remuneration Framework:</b> The CIMB Group Directors' Remuneration Framework (Framework) sets out the methodology and formula on how Retainer Fees, Chairman's Premium and Meeting Fees of the Board are derived, as follows:</p> <ul style="list-style-type: none"> <li>• Comparison against CIMB's industry peers;</li> <li>• Bank Negara Malaysia (BNM) Financial Institution Directors Education (FIDE) Forum Directors' Remuneration Report 2015 formula; and</li> <li>• Back testing the data against closest peer.</li> </ul> <p>The implementation of the Framework has been approved by the shareholders at the 60th Annual General Meeting which was held in 2017 and is reviewed every 3 years by the Board through the GNRC. The Framework is designed to recognise the contribution of the Directors in relation to its fiduciary and statutory duties, risks and time commitment. The Framework also serves to attract and retain Directors who have the desired experience and skills from various sectors.</p> <p>CIMB has established the Framework, as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">CIMB Group Holdings Berhad</th> <th>Retainer Fees (per annum)</th> <th>Chairperson's Premium (per annum)</th> <th>Meeting Fees (per meeting)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Board</td> <td>Chairperson*</td> <td>170,000</td> <td>510,000</td> <td>5,000</td> </tr> <tr> <td>Member</td> <td>170,000</td> <td>N/A</td> <td>5,000</td> </tr> <tr> <td rowspan="2">Audit Committee</td> <td>Chairperson</td> <td>N/A</td> <td>100,000</td> <td>5,000</td> </tr> <tr> <td>Member</td> <td>N/A</td> <td>N/A</td> <td>5,000</td> </tr> <tr> <td rowspan="3">Board Risk and Compliance Committee</td> <td>Chairperson</td> <td>N/A</td> <td>100,000</td> <td>5,000</td> </tr> <tr> <td>Member</td> <td>N/A</td> <td>N/A</td> <td>5,000</td> </tr> <tr> <td>Chairperson</td> <td>N/A</td> <td>100,000</td> <td>5,000</td> </tr> </tbody> </table>	CIMB Group Holdings Berhad		Retainer Fees (per annum)	Chairperson's Premium (per annum)	Meeting Fees (per meeting)	Board	Chairperson*	170,000	510,000	5,000	Member	170,000	N/A	5,000	Audit Committee	Chairperson	N/A	100,000	5,000	Member	N/A	N/A	5,000	Board Risk and Compliance Committee	Chairperson	N/A	100,000	5,000	Member	N/A	N/A	5,000	Chairperson	N/A	100,000	5,000
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	Group Nomination and Remuneration Committee	Member	N/A	N/A	5,000
	<p>* <i>Benefits-in-kind for the Chairperson of the Board include, amongst others, a driver, corporate club membership subscription and leave passage</i></p> <p>The following documents are available at <a href="http://www.cimb.com">www.cimb.com</a>; Who We Are – Overview – Corporate Governance – Remuneration Policy:</p> <ul style="list-style-type: none"> <li>• Summary of the CIMB Group Remuneration Policy</li> <li>• CIMB Group Director’s Remuneration Framework</li> </ul>				
<b>Explanation for departure</b>	:				
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>					
<b>Measure</b>	:				
<b>Timeframe</b>	:				

### Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

### Practice 6.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The GNRC recognises the importance of an appropriate balance and diversity of industry knowledge, skills, backgrounds, experience, professional qualifications, gender and nationalities in building an effective Board. It has established policies, criteria and a clear methodology in accordance with its terms of reference and the relevant regulatory requirements which provide the guidelines and framework for the Committee in discharging its duties. The GNRC also oversees the nomination process and remuneration package of Non-Executive Directors and Key Senior Management of the local and regional subsidiaries and joint-venture entities of CIMB.</p> <p>The Board of CIMB delegates to the GNRC the responsibility to set the overarching principles, parameters and governance framework relating to the Group's remuneration matters. These have been documented in the CIMB Group Directors' Remuneration Framework and CIMB Group Remuneration Policy.</p> <p>The Terms of Reference for GNRC is available at <a href="http://www.cimb.com">www.cimb.com</a>; Who We Are – Overview – Corporate Governance – Board Committees</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	

<b>Timeframe</b>	:		
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## Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

## Practice 7.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

<b>Application</b>	:	Applied																																																																																																																																		
<b>Explanation on application of the practice</b>	:	<p>The remuneration paid to the Directors by CIMB in 2019, are as follows:</p> <p><b>CIMB</b></p> <table border="1"> <thead> <tr> <th>Directors</th> <th>Fees (RM'000)</th> <th>Salary and/ or Other Remuneration (RM'000)</th> <th>Total (RM'000)</th> <th>Benefits-in-kind (RM'000)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Non-Executive Directors</b></td> </tr> <tr> <td>Datuk Mohd Nasir Ahmad</td> <td>170</td> <td>790</td> <td>960</td> <td>35</td> </tr> <tr> <td>Teoh Su Yin</td> <td>170</td> <td>355</td> <td>525</td> <td>-</td> </tr> <tr> <td>Robert Neil Coombe</td> <td>170</td> <td>272</td> <td>442</td> <td>-</td> </tr> <tr> <td>Dato' Mohamed Ross Mohd Din</td> <td>170</td> <td>385</td> <td>555</td> <td>-</td> </tr> <tr> <td>Dato' Lee Kok Kwan</td> <td>170</td> <td>120</td> <td>290</td> <td>-</td> </tr> <tr> <td>Ahmad Zulqarnain Che Onn</td> <td>170</td> <td>165</td> <td>335</td> <td>-</td> </tr> <tr> <td>Afzal bin Abdul Rahim (appointed on 31 January 2019)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Didi Syafruddin Yahya (appointed on 7 May 2019)</td> <td>111</td> <td>95</td> <td>206</td> <td>-</td> </tr> <tr> <td>Tongurai Limpiti (appointed on 7 May 2019; resigned on 30 December 2019)</td> <td>111</td> <td>60</td> <td>171</td> <td>-</td> </tr> <tr> <td>Glenn Muhammad Surya Yusuf (resigned on 23 January 2019)</td> <td>11</td> <td>16</td> <td>27</td> <td>-</td> </tr> <tr> <td>Watanan Petersik (resigned on 24 January 2019)</td> <td>11</td> <td>10</td> <td>21</td> <td>-</td> </tr> <tr> <td colspan="5"><b>Executive Directors</b></td> </tr> <tr> <td>Tengku Dato' Sri Zafrul Tengku Abdul Aziz</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><b>CIMB Group</b></p> <table border="1"> <thead> <tr> <th>Directors</th> <th>Fees (RM'000)</th> <th>Salary and/ or Other Remuneration (RM'000)</th> <th>Total (RM'000)</th> <th>Benefits-in-kind (RM'000)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Non-Executive Directors</b></td> </tr> <tr> <td>Datuk Mohd Nasir Ahmad</td> <td>325</td> <td>1,145</td> <td>1,470</td> <td>35</td> </tr> <tr> <td>Teoh Su Yin</td> <td>170</td> <td>355</td> <td>525</td> <td>-</td> </tr> <tr> <td>Robert Neil Coombe</td> <td>170</td> <td>272</td> <td>442</td> <td>-</td> </tr> <tr> <td>Dato' Mohamed Ross Mohd Din</td> <td>310</td> <td>708</td> <td>1,018</td> <td>31</td> </tr> <tr> <td>Dato' Lee Kok Kwan</td> <td>333</td> <td>245</td> <td>578</td> <td>-</td> </tr> <tr> <td>Ahmad Zulqarnain Che Onn</td> <td>170</td> <td>165</td> <td>335</td> <td>-</td> </tr> <tr> <td>Afzal bin Abdul Rahim (appointed on 31 January 2019)</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Didi Syafruddin Yahya (appointed on 7 May 2019)</td> <td>326</td> <td>215</td> <td>541</td> <td>-</td> </tr> <tr> <td>Tongurai Limpiti</td> <td>111</td> <td>60</td> <td>171</td> <td>-</td> </tr> </tbody> </table>	Directors	Fees (RM'000)	Salary and/ or Other Remuneration (RM'000)	Total (RM'000)	Benefits-in-kind (RM'000)	<b>Non-Executive Directors</b>					Datuk Mohd Nasir Ahmad	170	790	960	35	Teoh Su Yin	170	355	525	-	Robert Neil Coombe	170	272	442	-	Dato' Mohamed Ross Mohd Din	170	385	555	-	Dato' Lee Kok Kwan	170	120	290	-	Ahmad Zulqarnain Che Onn	170	165	335	-	Afzal bin Abdul Rahim (appointed on 31 January 2019)	-	-	-	-	Didi Syafruddin Yahya (appointed on 7 May 2019)	111	95	206	-	Tongurai Limpiti (appointed on 7 May 2019; resigned on 30 December 2019)	111	60	171	-	Glenn Muhammad Surya Yusuf (resigned on 23 January 2019)	11	16	27	-	Watanan Petersik (resigned on 24 January 2019)	11	10	21	-	<b>Executive Directors</b>					Tengku Dato' Sri Zafrul Tengku Abdul Aziz	-	-	-	-	Directors	Fees (RM'000)	Salary and/ or Other Remuneration (RM'000)	Total (RM'000)	Benefits-in-kind (RM'000)	<b>Non-Executive Directors</b>					Datuk Mohd Nasir Ahmad	325	1,145	1,470	35	Teoh Su Yin	170	355	525	-	Robert Neil Coombe	170	272	442	-	Dato' Mohamed Ross Mohd Din	310	708	1,018	31	Dato' Lee Kok Kwan	333	245	578	-	Ahmad Zulqarnain Che Onn	170	165	335	-	Afzal bin Abdul Rahim (appointed on 31 January 2019)	-	-	-	-	Didi Syafruddin Yahya (appointed on 7 May 2019)	326	215	541	-	Tongurai Limpiti	111	60	171	-
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	<b>Executive Directors</b>				
	Tengku Dato' Sri Zafrul Tengku Abdul Aziz	-	8,532	8,532	8
<b>Explanation for departure</b>	:				
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>					
<b>Measure</b>	:				
<b>Timeframe</b>	:				

### Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

### Practice 7.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	<p>The Board has decided not to disclose on a named basis the top five Senior Management's remuneration components including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. The Board believes that disclosure of key executives' remuneration is neither to CIMB's advantage nor in its business interests, given the sensitive nature of such information and the fierce competition for talent in the banking industry.</p> <p>Across the Group, CIMB currently discloses the remuneration of the top four management positions in their respective financial statements, as follows:</p> <ol style="list-style-type: none"> <li>1. CEO, CIMB Group Holdings Berhad*</li> <li>2. CEO, CIMB Bank Berhad*</li> <li>3. CEO, CIMB Investment Bank Berhad</li> <li>4. CEO, CIMB Islamic Bank Berhad</li> </ol> <p>* Positions 1 and 2 are held by the same individual</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	The Board will closely monitor developments in the market in respect of such disclosure for future considerations.
<b>Timeframe</b>	:	Others <span style="float: right;">Please specify number of years.</span>

**Intended Outcome**

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

**Practice 7.3 - Step Up**

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<b>Application</b>	:	Not Adopted
<b>Explanation on adoption of the practice</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

### Practice 8.1

The Chairman of the Audit Committee is not the Chairman of the board.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Audit Committee (AC) is chaired by Dato' Mohamed Ross Mohd Din and the members are Teoh Su Yin and Datuk Mohd Nasir Ahmad, all of whom are Independent Directors. Members of the AC have the relevant accounting or related financial management experience or expertise. The AC is chaired by an Independent Director with over 40 years of relevant experience, and is not the Chairperson of the Board. This is to promote robust and open deliberations by the Board on matters referred by the AC.</p> <p>The AC must not be chaired by the Chairman of the Board and this has been specified in paragraph 12.3 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.2

The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>As part of its remit, the AC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained. As per the Board Charter, the AC will not appoint a former key audit partner as its member unless the former key partner has observed a cooling-off period of at least two years before being appointed as a member of the AC.</p> <p>None of the current members of the Board were former key audit partners of CIMB. Hence, there is no such person being appointed as a member of the Audit Committee.</p> <p>The policy on the cooling-off period for former key audit partner has been specified in paragraph 12.5 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

### Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

### Practice 8.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with BNM's Policy on External Auditor. The process requires the AC to assess the External Auditors' compliance with qualification criteria set out by BNM, which includes evaluating the independence, objectivity and performance of the External Auditors.</p> <p>Summary of Activities in 2019:</p> <ul style="list-style-type: none"><li>• Reviewed and approved the External Auditor's 2020 audit plan and scope of work on 25 September 2019.</li><li>• Held a closing meeting of external audits with the External Auditor to review the financial results, MFRS related issues, credit related matters, valuation of project investment, group and tax related matters and areas of concerns identified.</li><li>• Held 2 meetings with the External Auditor without the presence of the Group Management and Executive Directors on 25 January 2019 and 24 July 2019 to discuss relevant issues and obtain feedback for improvements.</li><li>• Reviewed and recommended for Board's approval the audit fees and provision of non-audit services by the External Auditor in accordance with established procedures; evaluated whether such non-audit services would impair the External Auditor's independence and objectivity.</li><li>• Completed the annual assessment on the External Auditor in November 2019 prior to recommendation to the Board on its reappointment; the principal areas assessed were in accordance to BNM's Guidelines on External Auditor covering performance, independence and objectivity.</li><li>• Accordingly, the areas assessed included:<ul style="list-style-type: none"><li>➢ Level of knowledge, capabilities experience and quality of previous work</li><li>➢ Level of engagement with the AC</li><li>➢ Ability to provide constructive observations and recommendations</li><li>➢ Appropriateness of audit approach and the effectiveness of audit planning</li><li>➢ Timeliness of audit deliverables</li><li>➢ Non-audit services rendered by the External Auditor so that it does not impede their independence</li></ul></li></ul>

	<p>The AC at its meeting held on 27 November 2019, completed its annual assessment on the external auditors in accordance with CIMB's Guidelines for the Appointment/Re-appointment of External Auditors. In its assessment, the AC considered several factors before recommending the re-appointment of the external auditors, as follows:</p> <ul style="list-style-type: none"> <li>I) Level of knowledge, capabilities, experience and quality of previous work;</li> <li>II) Level of engagement with the AC;</li> <li>III) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;</li> <li>IV) Adequacy in audit coverage, effectiveness in planning and conduct of audit;</li> <li>V) Ability to perform audit work within agreed timeframe;</li> <li>VI) Non-audit services rendered by the external auditor did not impede independence; and</li> <li>VII) The external auditor demonstrated unbiased stance when interpreting standards/policies adopted by the Company.</li> </ul> <p>Being satisfied with Messrs. PricewaterhouseCoopers' (PwC) performance in FYE 2019, their technical competency and audit independence as well as fulfillment of criteria as set out in CIMB's Guidelines for the Appointment/ Re-appointment of External Auditors, the AC recommended the re-appointment of PwC as external auditors for the Financial Year ending 31 December 2020. The Board, at its meeting held on 30 January 2020, approved the AC's recommendation for the re-appointment of PwC as external auditors of the Company for the Financial Year ending 31 December 2020. The Shareholders' Resolution is sought under Ordinary Resolution 7 under Notice of Annual General Meeting.</p>	
<b>Explanation for departure</b>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<b>Measure</b>		
<b>Timeframe</b>		

**Intended Outcome**

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.  
The company's financial statement is a reliable source of information.

**Practice 8.4 - Step Up**

The Audit Committee should comprise solely of Independent Directors.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The AC is chaired by Dato' Mohamed Ross Mohd Din and the members are Teoh Su Yin and Datuk Mohd Nasir Ahmad, all of whom are Independent Directors.</p> <p>Based on the Board Charter, the Audit Committee must:</p> <ul style="list-style-type: none"><li>a) have at least three directors;</li><li>b) have a majority of Independent Directors;</li><li>c) be chaired by an Independent Director;</li><li>d) not be chaired by the Chairman of the Board; and</li><li>e) comprise Directors who have the skills, knowledge and experience relevant to the responsibilities of the Board committee.</li></ul> <p>The composition of Audit Committee is specified under paragraph 12.3 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>

## Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

## Practice 8.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

<b>Application</b>	:	Applied				
<b>Explanation on application of the practice</b>	:	<p>The AC is chaired by Dato' Mohamed Ross Mohd Din and the members are Teoh Su Yin and Datuk Mohd Nasir Ahmad, all of whom are Independent Directors. Members of the AC have the relevant accounting or related financial management experience or expertise. The AC is chaired by an Independent Director with over 40 years of relevant experience, and is not the Chairperson of the Board. This is to promote robust and open deliberations by the Board on matters referred by the AC.</p> <p>The duties and responsibilities of the AC are set out in the Terms of Reference which can be found at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Committees</p> <p>Listed below are the seminars and training events attended by the members of the AC to keep abreast of latest developments (listed in chronological order):</p> <table border="1"> <thead> <tr> <th>Audit Committee Member</th> <th>Training attended</th> </tr> </thead> <tbody> <tr> <td>Datuk Mohd Nasir Ahmad</td> <td> <ul style="list-style-type: none"> <li>• Tech 101 Briefing</li> <li>• Chairman Media Training</li> <li>• Bank Negara Malaysia Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session</li> <li>• CIMB Tech Risk Workshop</li> <li>• Chairman Media Training – Workshop 3 (Speech Delivery)</li> <li>• Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy</li> <li>• CIMB BOD European Innovation Safari</li> <li>• Speaking at Malaysian Economic Convention</li> <li>• ACCA Council Training (June 2019)</li> <li>• "Demystifying The Diversity Conundrum: The Road to Business Excellence" by BURSA Malaysia</li> <li>• 2nd PIDM-FIDE FORUM Annual Dialogue with the CEO of PIDM</li> </ul> </td> </tr> </tbody> </table>	Audit Committee Member	Training attended	Datuk Mohd Nasir Ahmad	<ul style="list-style-type: none"> <li>• Tech 101 Briefing</li> <li>• Chairman Media Training</li> <li>• Bank Negara Malaysia Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session</li> <li>• CIMB Tech Risk Workshop</li> <li>• Chairman Media Training – Workshop 3 (Speech Delivery)</li> <li>• Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy</li> <li>• CIMB BOD European Innovation Safari</li> <li>• Speaking at Malaysian Economic Convention</li> <li>• ACCA Council Training (June 2019)</li> <li>• "Demystifying The Diversity Conundrum: The Road to Business Excellence" by BURSA Malaysia</li> <li>• 2nd PIDM-FIDE FORUM Annual Dialogue with the CEO of PIDM</li> </ul>
Audit Committee Member	Training attended					
Datuk Mohd Nasir Ahmad	<ul style="list-style-type: none"> <li>• Tech 101 Briefing</li> <li>• Chairman Media Training</li> <li>• Bank Negara Malaysia Annual Report 2018/ Financial Stability and Payments Systems Report 2018 Briefing Session</li> <li>• CIMB Tech Risk Workshop</li> <li>• Chairman Media Training – Workshop 3 (Speech Delivery)</li> <li>• Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy</li> <li>• CIMB BOD European Innovation Safari</li> <li>• Speaking at Malaysian Economic Convention</li> <li>• ACCA Council Training (June 2019)</li> <li>• "Demystifying The Diversity Conundrum: The Road to Business Excellence" by BURSA Malaysia</li> <li>• 2nd PIDM-FIDE FORUM Annual Dialogue with the CEO of PIDM</li> </ul>					

		<ul style="list-style-type: none"> <li>• Speakers in CIMB INSEAD Leadership Programme (CLP) Cohort 8 Module 3</li> <li>• 3rd Directors Regional Sharing Session</li> <li>• ACCA Council Training (September 2019)</li> <li>• Speakers in CIMB Young ASEAN Leaders 2019</li> <li>• Regional Conference on Climate Change</li> <li>• The Cooler Earth Sustainability Summit</li> <li>• Regional Audit Planning Summit</li> <li>• Forum on Corporate Governance in the Capital Market</li> <li>• CIMB Group's Annual Management Summit</li> <li>• Adequate Procedures Complying with Section 17A of MACC Act 2009</li> <li>• Sesi Perkongsian Pengetahuan dan Pengalaman untuk SIRIM 'Talent Management Program'</li> <li>• Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission</li> </ul>
	Dato' Mohamed Ross Bin Mohd Din	<ul style="list-style-type: none"> <li>• Tech 101 Briefing</li> <li>• Islamic Finance for Board of Directors Programme by International Shariah Research Academy in Islamic Finance</li> <li>• CIMB Tech Risk Workshop</li> <li>• Bank Negara Malaysia – FIDE: Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy</li> <li>• Bank Negara Malaysia Financial Industry Conference 2019</li> <li>• FIDE Forum – ISRA Programme – Value Based Intermediation: Directors Role</li> <li>• 3rd Directors Regional Sharing Session</li> <li>• The Cooler Earth Sustainability Summit</li> <li>• Khazanah Megatrends Forum 2019</li> <li>• CIMB Group's Annual Management Summit</li> <li>• Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission</li> </ul>
	Teoh Su Yin	<ul style="list-style-type: none"> <li>• Tech 101 Briefing</li> <li>• 3rd Directors Regional Sharing Session</li> <li>• The Cooler Earth Sustainability Summit</li> <li>• Khazanah Megatrends Forum 2019</li> <li>• Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign" by Malaysian Anti-Corruption Commission</li> </ul>
<b>Explanation for departure</b> :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.1

The board should establish an effective risk management and internal control framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The Board is cognisant of its overall responsibility and oversight of CIMB's system of internal control and is constantly keeping abreast with developments in areas of risk and governance. To this end, the Board continues to be involved in determining CIMB's level of risk appetite and identifying, assessing and monitoring key risks to safeguard Shareholders' investments and CIMB's assets, in a manner which enables CIMB to meet its strategic objectives. For this purpose, the Board has established governance and processes for reviewing the effectiveness, adequacy and integrity of CIMB's system of internal control and risk management. Whilst it is not possible to completely eliminate risks of failure in achieving CIMB's objectives, the system of internal control is designed to mitigate these risks by identifying, managing and controlling risks, including operational risk.</p> <p>The Board recognises that sound risk management and internal control are integral parts of CIMB's business, operations and decision-making, and are critical in ensuring CIMB's success and sustainable growth.</p> <p>The emphasis on a strong risk management culture is the foundation of the control mechanisms within CIMB's Enterprise-Wide Risk Management (EWRM) framework. The framework consists of an on-going process of identifying and assessing, measuring, managing and controlling, as well as monitoring and reporting material risks affecting the achievement of CIMB's strategic business objectives. It provides the Board and its management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.</p> <p>To further enhance the cultivation of the risk management culture, CIMB employs the Three Lines of Defence model in implementing the EWRM framework, providing risk management accountability across the CIMB Group. The business units, as the first lines of defence, are primarily responsible for the identification and management of risks within their day-to-day operations. Group Risk and other control functions within the second line of defence provide oversight and perform independent monitoring of</p>

	<p>business activities with reporting to the Board and management to ensure that CIMB conducts business and operates within the approved risk appetite, and is in compliance with regulations. Group Corporate Assurance Division (GCAD), as the third line of defence, provides independent assurance of the adequacy and effectiveness of the internal controls and risk management processes. The Board has also established the Board Risk &amp; Compliance Committee, whose responsibilities, amongst others, include overseeing the effective implementation of the EWRM framework.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control of the Annual Report.</p>	
<p><b>Explanation for departure</b></p>	<p>:</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p><b>Measure</b></p>	<p>:</p>	
<p><b>Timeframe</b></p>	<p>:</p>	

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB employs an Enterprise-Wide Risk Management (EWRM) framework as a standardised approach to manage the risks and opportunities effectively. The EWRM framework provides the Board and Senior Management with a tool to anticipate and manage both existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, external environment and/or regulatory environment.</p> <p>CIMB employs a Group Enterprise-Wide Risk Management (EWRM) framework as a standardised approach to effectively manage risks and opportunities. The Group EWRM framework provides Board and Management with tools to anticipate and manage both the existing and potential risks, taking into consideration changing risk profiles as dictated by changes in business strategies, the external environment and/or the regulatory environment.</p> <p>The design of the Group EWRM framework incorporates a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach.</p> <p>The key features of the Group EWRM framework include:</p> <ul style="list-style-type: none"><li>I) Risk Culture: CIMB embraces risk management as an integral part of its culture and decision-making processes. CIMB's risk management philosophy is embodied in the Three Lines of Defence approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across the Group.</li><li>II) Governance &amp; Organisation: A strong governance structure is important to ensure an effective and consistent implementation of the Group EWRM framework. The Board is ultimately responsible for the Group's strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Group's risk management framework is effectively maintained.</li></ul>

	<p>III) Risk Appetite: Defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.</p> <p>IV) Risk Management Process:</p> <ul style="list-style-type: none"> <li>• Business Planning: Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture and new product/new business activities.</li> <li>• Risk Identification &amp; Assessment: Risks are systematically identified and assessed through the robust application of the Group’s risk policies, methodologies/standards and procedures.</li> <li>• Risk Measurement: Risks are measured and aggregated using the Group-wide methodologies across each of the risk types, including stress testing.</li> <li>• Risk Management &amp; Control: Risk management limits and controls are used to manage risk exposures within the risk appetite set by the Board. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks.</li> <li>• Risk Monitoring &amp; Reporting: Risks on an individual, as well as a portfolio, basis are regularly monitored and reported to ensure they remain within the Group’s risk appetite.</li> </ul> <p>V) Risk Management Infrastructure</p> <ul style="list-style-type: none"> <li>• Risk Policies, Methodologies/Standards and Procedures addressing all areas of material risks: Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures provide more detailed guidance to assist with the implementation of policies.</li> <li>• People: Attracting the right talent and skills is key to ensuring a well-functioning Group EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Group, as well as the economic and regulatory environment.</li> <li>• Technology and Data: Appropriate technology and sound data management support risk management activities.</li> </ul> <p>For further information, please refer to the Statement on Risk Management and Internal Control of the Annual Report.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

### Practice 9.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<b>Application</b>	:	Adopted
<b>Explanation on adoption of the practice</b>	:	<p>The Board Risk and Compliance Committee (BRCC) comprises seven members, of whom five members (including the Chairperson) are Independent Directors. The BRCC is chaired by Robert Neil Coombe.</p> <p>As per the Board Charter, BRCC must:</p> <ul style="list-style-type: none"><li>a) have at least three directors;</li><li>b) have a majority of Independent Directors;</li><li>c) be chaired by an Independent Director;</li><li>d) not be chaired by the Chairman of the Board; and</li><li>e) comprise Directors who have the skills, knowledge and experience relevant to the responsibilities of the Board committee.</li></ul> <p>In addition, BRCC must not have any Executive Director in its membership.</p> <p>The composition of BRCC is specified under paragraph 12.3 and 12.4 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter.</p>

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

<b>Application</b>	: Applied
<b>Explanation on application of the practice</b>	<p>The AC reviews the effectiveness of internal controls, risk management processes and governance within the Group.</p> <p>GCAD reports independently to the AC and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Senior Management. The internal audit function is reviewed periodically by the AC to ensure its adequacy in performing its role. GCAD reports significant findings to the AC with recommended corrective actions. Senior Management is responsible to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe. The deadlines committed by Senior Management on corrective actions are closely monitored and undue delays have to be justified to the AC for approval.</p> <p>The AC will oversee the Internal Audit function, in particular:</p> <ul style="list-style-type: none"><li>a) To ensure the internal audit function is well placed to undertake review or investigation on behalf of the Audit Committee, and be placed under the direct authority and supervision of the AC.</li><li>b) To review and approve the audit scope, procedures frequency and the annual internal audit plan.</li><li>c) To oversee the effectiveness of the Internal Audit functions, staff competency requirements and adequacy of audit resources, and that internal audit has the necessary authority to carry out its work</li><li>d) To review key audit reports and ensure that senior management is taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions.</li><li>e) To note significant disagreements between the Group Chief Internal Auditor and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact, the disagreements may have on the audit process or findings.</li><li>f) To ensure compliance with relevant guidelines on internal audit issued by BNM, BMSB and Securities Commission, and that the reports of internal auditors should not be subject to clearance by Management.</li><li>g) To establish a mechanism to assess the performance and effectiveness of the internal audit function.</li></ul>

	<p>h) To evaluate the performance and decide on the remuneration package of the Group Chief Internal Auditor.</p> <p>i) To approve the appointment, transfer and dismissal of Group Chief Internal Auditor and to be informed of the resignation of any Department Head in the Group Corporate Assurance Division, providing the resigning staff member an opportunity to submit his/her reasons for resigning.</p> <p>The duties and responsibilities of the AC are set out in the Terms of Reference which can be found at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Committees</p> <p>Summary of the AC’s activities in 2019:</p> <ul style="list-style-type: none"> <li>• Approved the annual internal audit plan and the mid-year review of the plan in March and August 2019 respectively.</li> <li>• Reviewed the audit plan for Business Units based on risk assessment conducted and audit resource requirements.</li> <li>• Reviewed GCAD’s revised methodology and practices in respect of risk assessment for audit planning purposes and audit grading.</li> <li>• Approved the KPIs for GCIA and his direct reports and evaluated the GCIA’s annual performance together with the remuneration payout.</li> <li>• Evaluated GCAD’s overall performance for 2019 and provided written feedback for improvements.</li> <li>• Reviewed the summary of internal audit work performed across the region together with the audit outcome on a quarterly basis.</li> </ul> <p>For further information, please refer to the Statement on Risk Management and Internal Control of the Annual Report and the Audit Committee Report of the Annual Report.</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

## Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

### Practice 10.2

The board should disclose–

- (v) whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- (vi) the number of resources in the internal audit department;
- (vii) name and qualification of the person responsible for internal audit; and
- (viii) whether the internal audit function is carried out in accordance with a recognised framework.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>The GCAD, formerly known as Group Internal Audit Division (GIAD), reports independently to the CIMB Group Audit Committee and the Banking Group Audit Committee and is independent of the activities and operations of the business and other support units. The principal responsibility of GCAD is to provide independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by Management. In evaluating internal controls, GCAD adopts the 5 components set out in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO); namely control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognised organisation providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.</p> <p>GCAD's scope of coverage encompasses all business and support units, including subsidiaries that do not have their own audit units. The selection of the units to be audited from the audit universe is based on an annual audit plan that is approved by CIMB Group AC and the Banking Group AC. The annual audit plan is developed based on assessment of risks, exposures and strategies of CIMB Group. Areas that are assessed to be high risk are subject to an annual audit, while those that are assessed to be medium or low risk are subject to a cycle audit. Notwithstanding the risk assessment, the annual audit plan will include areas that must be audited annually due to regulatory requirements, and other established criteria such as recent incidence of fraud, previous adverse audit rating or recent action by regulators. GCAD also undertakes investigations into suspected fraudulent activities, staff misconduct, whistleblowing cases, potential secrecy breach, and other incidences, as and when required, and recommends appropriate improvements to prevent recurrence and actions against persons responsible.</p>

	<p>GCAD has unrestricted access to information required in the course of its work. GCAD's scope of work is established in accordance with The Institute of International Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.</p> <p>The Audit Report is the final product of an audit assignment, which provides the scope of audit work performed, a general evaluation of the system of internal control together with detailed audit observations, management responses, and timeline to implement GCAD's recommendations. CIMB AC or Banking Group AC (as appropriate) reviews any exceptions or non-compliance raised and ascertains that appropriate and prompt remedial actions are taken by the management.</p> <p>GCAD conducts training routinely for relevant staff on governance and internal control matters from other divisions, including attachment of certain staff with GCAD for both classroom and on-the-job training.</p> <p>The foreign banking subsidiaries have their own Audit Committees and their own internal audit divisions. While Touch 'n Go has its own AC, the internal audit function for this subsidiary is carried out by GCAD. CIMB Group AC meets with the relevant subsidiary's AC once a year to discuss governance and audit matters. The internal audit divisions of the foreign banking subsidiaries submit a report to CIMB Group AC once every quarter. These internal audit divisions follow the same audit planning and standards, and same audit rating methodology as GCAD, with such modifications as necessary to suit local environment and regulations.</p> <p>As a means to objectively evaluate its service quality and to ensure it continues to improve its service delivery, GCAD has obtained ISO 9001:2015 Certification for its quality management system. In addition, external assessment of GCAD's internal audit activity is conducted by qualified external independent reviewer at least once every five years to assess its conformance with The Institute of Internal Auditors (IIA) International Standards for Professional Practice of Internal Auditing and the pertinent regulations. The report for the last assessment was issued in 2018 by a top 3 accounting firm in Malaysia and the next assessment will be undertaken by 2023.</p> <p>Amran Mohamad, the Group Chief Internal Auditor, is the person responsible for internal audit functions in CIMB. He is a member of the Malaysian Institute of Certified Public Accountants, the Institute of Internal Auditors Malaysia and the Malaysian Institute of Accountants.</p>
<p><b>Explanation for departure</b></p>	<p>:</p>

*Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.*

<b>Measure</b> :		
<b>Timeframe</b> :		

### Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

### Practice 11.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB is committed to having open, clear and timely communications with its stakeholders, both internally and externally. In an effort to raise the level of corporate credibility and governance as well as investor confidence, CIMB has designed a structured approach in CIMB Group Strategic Communications Policy. This Policy clearly sets out the principles and various channels of communication, policies and procedures relating to dissemination of information to the Shareholders, media and other stakeholders.</p> <p>It is CIMB's policy to ensure information disseminated is factual, accurate, clear and in a timely manner. Material information should be accessible by all stakeholders through broad public dissemination, as the Policy strictly prohibits individual or selective dissemination. Contact and communication with stakeholders are conducted through the designated spokespersons approved by the Board or the Group CEO.</p> <p>CIMB embraces both mainstream and social media as important communication channel with stakeholders as these channels allow immediate and easy access to information as well as provide a platform to gain feedback from the stakeholders. Apart from the mainstream media channels, CIMB also uses various social media channels such as Facebook, Instagram, Twitter, LinkedIn and YouTube to engage with stakeholders and monitors these social media conversations to improve the CIMB's products and services.</p> <p>The Board shall maintain an effective Communications Policy that enables both the Board and Management to communicate effectively with shareholders, stakeholders and the general public.</p> <p>It is the role of the Board to ensure that the Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM") of the Company are conducted in an efficient manner and serve as crucial mechanisms in shareholder communications. Key ingredients behind this include the supply of comprehensive and timely information to shareholders and the encouragement of active participation at the AGM and EGM. The Board shall focus</p>

	<p>its efforts on the following practices to enhance the effectiveness of General Meeting:</p> <ul style="list-style-type: none"> <li>a) ensure that each item of special business included in the notice is accompanied by a full explanation of the effects of the proposed resolutions;</li> <li>b) for re-election and re-appointment of Directors, ensure that the notice of meeting states which Directors are standing for re-appointment or re-election, with a brief description including matters such as age, relevant experience, list of directorships, date of appointments to the Board, details of participation in Board Committees and whether a particular Director is independent;</li> <li>c) ensure that the Chairman provides reasonable time for discussion at the meeting. Where appropriate, the Chairman shall also undertake to provide the enquirer with a written answer to any significant question which cannot be answered immediately;</li> <li>d) ensure that resolutions are conducted by poll, and announce the detailed results the votes cast for and against each resolution, and appoint a scrutineer to validate the votes cast.</li> <li>e) ensure that there is a channel of communication through the Group Company Secretary on feedback and queries from shareholders;</li> <li>f) ensure the Chairman of the Board is the Chairman for all General Meetings; and</li> <li>g) ensure that the Company publishes these measures as listed above, on its corporate website in a dedicated Corporate Governance section.</li> </ul> <p>The Communication Policy with shareholders, stakeholders and the general public have been specified in paragraph 16 of the Board Charter, which is available at <a href="http://www.cimb.com">www.cimb.com</a>: Who We Are – Overview – Corporate Governance – Board Charter</p>
<p><b>Explanation for departure</b> :</p>	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p><b>Measure</b> :</p>	
<p><b>Timeframe</b> :</p>	

**Intended Outcome**

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

**Practice 11.2**

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	CIMB has been preparing its Annual Report in the Integrated Annual Report format which is consistent with several global frameworks such as the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC). The Integrated Reporting process is an on-going journey to improve the quality of information disclosure to stakeholders. Notwithstanding, CIMB will continue improving its Integrated Reports process in line with global best practices.	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

<b>Application</b>	:	Applied
<b>Explanation on application of the practice</b>	:	<p>CIMB dispatches the notice of its AGM to Shareholders at least 28 days before the AGM, well in advance of the 21-day requirement under the Companies Act 2016 and Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The additional time given to Shareholders allows them to make the necessary arrangements to attend and participate in person or through corporate representatives, proxies or attorneys. More importantly, it enables the Shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting.</p> <p>The Board ensures that Shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM. The AGM Notice includes details of the resolutions proposed along with any relevant information and reports. CIMB held its 62<sup>nd</sup> AGM on 22 April 2019 with the Notice and Agenda of the AGM delivered to the Shareholders on 22 March 2019 (this being 28 days before the meeting). The Notice and Agenda were also published in the local English and Bahasa Malaysia newspapers and made available on CIMB’s website at <a href="http://www.cimb.com">www.cimb.com</a>.</p>
<b>Explanation for departure</b>	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	
<b>Timeframe</b>	:	

**Intended Outcome**

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

**Practice 12.2**

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

<b>Application</b>	:	Applied	
<b>Explanation on application of the practice</b>	:	The 62nd AGM was attended by all Directors, Management and 3,139 Shareholders. The Chairperson, who chaired the proceedings, provided fair opportunity and time to all Shareholders to exercise their rights to raise questions and make recommendations. The proceedings of the AGM were recorded in the minutes of the meeting and made available on CIMB's website within two weeks after the meeting at <a href="http://www.cimb.com">www.cimb.com</a> .	
<b>Explanation for departure</b>	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
<b>Measure</b>	:		
<b>Timeframe</b>	:		

### Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

### Practice 12.3

Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate–

- (v) including voting in absentia; and
- (vi) remote shareholders' participation at General Meetings.

<b>Application</b>	:	Departure
<b>Explanation on application of the practice</b>	:	
<b>Explanation for departure</b>	:	CIMB will fully facilitate voting in absentia and remote participation by Shareholders at its AGM for FYE 2020. Resolutions during the AGM were arrived at via e-polling to enable all Shareholders to cast their votes. A Poll Administrator was appointed to conduct the polling process.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
<b>Measure</b>	:	CIMB continues to leverage technology and adopt e-polling as the preferred medium for Shareholders to cast their votes. CIMB will continue to explore and consider the recommendations in the MCCG on the use of technology for remote Shareholders' participation and voting in absentia by FYE 2020.
<b>Timeframe</b>	:	Within 1 year

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

*Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.*

Corporate Information (as at 1 March 2020)	
<b>Board of Directors</b>	
<b>Directors</b>	<b>Description</b>
Datuk Mohd Nasir Ahmad	Chairperson/ Independent Director
Teoh Su Yin	Senior Independent Director
Robert Neil Coombe	Independent Director
Dato' Mohamed Ross Mohd Din	Independent Director
Dato' Lee Kok Kwan	Non-Independent Director
Ahmad Zulqarnain Che Onn	Non-Independent Director
Afzal Abdul Rahim	Independent Director (appointed on 31 January 2019)
Didi Syafruddin Yahya	Independent Director (appointed on 7 May 2019)
Tongurai Limpiti	Independent Director (appointed on 7 May 2019; resigned on 30 December 2019)
Glenn Muhammad Surya Yusuf	Independent Director (resigned on 23 January 2019)
Watanan Petersik	Independent Director (resigned on 24 January 2019)
Tengku Dato Sri' Zafrul Tengku Abdul Aziz	Group Chief Executive Officer/ Executive Director
<b>Audit Committee</b>	
<b>Directors</b>	<b>Description</b>
Dato' Mohamed Ross Mohd Din	Committee Chairperson/ Independent Director
Datuk Mohd Nasir Ahmad	Independent Director
Teoh Su Yin	Senior Independent Director
Glenn Muhammad Surya Yusuf	Independent Director (resigned on 23 January 2019)
<b>Board Risk and Compliance Committee</b>	
<b>Directors</b>	<b>Description</b>
Robert Neil Coombe	Committee Chairperson/ Independent Director
Datuk Mohd Nasir Ahmad	Independent Director
Teoh Su Yin	Senior Independent Director
Dato' Mohamed Ross Mohd Din	Independent Director
Dato' Lee Kok Kwan	Non-Independent Director
Ahmad Zulqarnain Che Onn	Non-Independent Director
Didi Syafruddin Yahya	Independent Director (appointed on 7 May 2019)
Tongurai Limpiti	Independent Director (appointed on 7 May 2019; resigned on 30 December 2019)
Glenn Muhammad Surya Yusuf	Independent Director (resigned on 23 January 2019)

Watanan Petersik	Independent Director (resigned on 24 January 2019)
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**Group Nomination and Remuneration Committee**

Directors	Description
Teoh Su Yin	Committee Chairperson/ Senior Independent Director
Datuk Mohd Nasir Ahmad	Chairperson/ Independent Director
Robert Neil Coombe	Independent Director
Dato' Mohamed Ross Mohd Din	Independent Director
Ahmad Zulqarnain Che Onn	Non-Independent Director
Afzal Abdul Rahim	Independent Director (appointed on 31 January 2019; resigned from GNRC on 31 July 2019)
Didi Syafruddin Yahya	Independent Director (appointed on 7 May 2019)
Glenn Muhammad Surya Yusuf	Independent Director (resigned on 23 January 2019)
Watanan Petersik	Independent Director (resigned on 24 January 2019)

The roles and responsibilities of the Board are set out in the Board Charter which is available at [www.cimb.com](http://www.cimb.com): Who We Are – Overview – Corporate Governance – Board Charter

**Board of Directors' Profiles**

**Datuk Mohd Nasir Ahmad**

DESIGNATION	: Chairperson/ Independent Director
NATIONALITY	: Malaysian
AGE	: 65
GENDER	: Male
DATE OF APPOINTMENT	: 20 July 2015
LENGTH OF TENURE AS DIRECTOR	: 4 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Member of Audit Committee
- Member of Board Risk and Compliance Committee
- Member of Group Nomination and Remuneration Committee

**QUALIFICATION:**

- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Masters in Business Administration (Finance), Universiti Kebangsaan Malaysia, Malaysia

**AREA OF EXPERTISE:**

- Accounting and Audit, Operations, Human Resource, Strategy Development and Implementation

**DIRECTORSHIP**

**LISTED ENTITIES:**

- Nil

**PUBLIC COMPANIES:**

- Independent Director of CIMB Bank Berhad
- Chairperson/ Independent Director of CIMB Bank (Cambodia) PLC

- Independent Director of SIRIM Berhad

**RELEVANT EXPERIENCE:**

Datuk Mohd Nasir Ahmad was appointed as Chairperson/Independent Director of CIMB Group Holdings Berhad on 20 October 2018. He was the President of MIA from August 2011 to July 2013. In September 2013 he was elected as a Council Member of the ACCA UK and re-elected in September 2016 and November 2019.

He brings with him vast experience in the areas of leadership, management, finance and accounting which spans over 40 years, having started his career as a Trainee Accountant with Tenaga Nasional Berhad (TNB) in 1979 and moving on to hold various positions in the Finance Division.

In January 1993, Datuk Mohd Nasir was seconded to TNB's subsidiary company, Malaysia Transformer Manufacturing Sdn Bhd as the Financial Controller before being appointed as Chief Executive Officer (CEO) in June 1994.

In January 2000, he joined Sharikat Permodalan Kebangsaan Berhad as its CEO. On 1 June 2001, he was appointed CEO of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement on 1 June 2011.

Datuk Mohd Nasir also holds directorships in private companies namely Prokhas Sdn Bhd and CIMB EOP Management Sdn Bhd and is a Trustee of Yayasan Canselor UNITEN.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
16/16	16/17	7/7	15/16

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Tengku Dato' Sri Zafrul Tengku Abdul Aziz**

DESIGNATION	: Group Chief Executive Officer/ Executive Director
NATIONALITY	: Malaysian
AGE	: 46
GENDER	: Male
DATE OF APPOINTMENT	: 27 February 2015
LENGTH OF TENURE AS DIRECTOR	: 5 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Nil

**QUALIFICATION:**

- Fellow, Asian Institute of Chartered Bankers
- Master of Arts in Finance and Management, University of Exeter, United Kingdom
- Investment Management Certificate, Institute of Investment and Research, United Kingdom
- Bachelor of Science (Hons) in Economics and Accounting from University of Bristol, United Kingdom

**AREA OF EXPERTISE:**

- Accounting and Audit, Banking and Finance, Legal, Risk Management, Capital Market, Consumer Marketing, Human Resource, Corporate Leadership, Strategy Development and Implementation, Innovation and Transformation, Learning and Development

#### DIRECTORSHIP

##### LISTED Entities:

- President Commissioner of P.T. Bank CIMB Niaga Tbk

##### PUBLIC COMPANIES:

- Chief Executive Officer/ Executive Director of CIMB Bank Berhad

##### RELEVANT EXPERIENCE:

Tengku Dato' Sri Zafrul Tengku Abdul Aziz is the Group Chief Executive Officer/Executive Director of CIMB. He is also the Chief Executive Officer/Executive Director of CIMB Bank Berhad and President Commissioner of PT Bank CIMB Niaga Tbk.

With over 23 years of experience in the financial services sector, specialising in Investment Banking and change management, Zafrul's last position was with Maybank Investment Bank Berhad and Maybank Kim Eng Holdings as Chief Executive Officer. He also held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities. He also experienced being an entrepreneur by setting up Tune Money Sdn Bhd, Asia's first "no-frills" online financial service provider.

Zafrul is currently a member of the APEC Business Advisory Council (ABAC), representing Malaysia in promoting intra-trade and collaboration within Asia Pacific. Further, as an advocate of Malaysia's socioeconomic development, he currently sits on the Board of the National Sports Council of Malaysia, in addition to being a Trustee of the Perdana Leadership Foundation. He is also an Honorary Commander of the Navy Volunteer Reserve under the Royal Malaysian Navy.

##### BOARD COMMITTEE AND ATTENDANCE:

BOD	AC	BRCC	GNRC
16/16	-	-	-

##### DECLARATION:

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company, except being an employee of CIMB
- He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

#### **Teoh Su Yin**

DESIGNATION	: Senior Independent Director
NATIONALITY	: Malaysian
AGE	: 48
GENDER	: Female
DATE OF APPOINTMENT	: 8 October 2014
LENGTH OF TENURE AS DIRECTOR	: 5 Years

##### MEMBERSHIP OF BOARD COMMITTEES

- Chairperson of Group Nomination and Remuneration Committee
- Member of Board Risk and Compliance Committee
- Member of Audit Committee

##### QUALIFICATION:

- Bachelor of Arts (Hons) in Business Studies, Sheffield Hallam University, United Kingdom
- Business and Technology Education (BTEC) Higher National Diploma (HND) Business Studies, Sheffield Hallam University, United Kingdom
- Diploma, Chartered Institute of Marketing, United Kingdom
- Licensed Investment Adviser by Securities Commission of Malaysia

**AREA OF EXPERTISE:**

- Banking and Finance

**DIRECTORSHIP:**

**LISTED ENTITIES:**

- NIL

**PUBLIC COMPANIES:**

- NIL

**RELEVANT EXPERIENCE:**

Teoh Su Yin was re-designated as Senior Independent Director of CIMB Group Holdings Berhad on 20 October 2018. She has almost 20 years' experience in equity research and investments.

Su Yin began her career with JP Morgan Malaysia as a Junior Analyst in 1994. In 2000, she became Head of Research with sector coverage experience in infrastructure, plantations, power, gaming, real estate and conglomerates.

In 2002, she left JP Morgan to join Deutsche Bank Malaysia Berhad, initially as a Senior Analyst and later as Managing Director, Head of Malaysia and ASEAN Equity Research. As individual analyst, Su Yin was ranked Top 3 by Asiamoney in 2008 and 2009.

She currently serves on the Board of Albizia ASEAN Opportunities Fund in Singapore, the Board of World Wildlife Fund-Malaysia, as a member of the Alice Smith School Finance Sub-Committee and holds directorships in various other private companies.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
16/16	13/17	7/7	14/16

**DECLARATION:**

- She does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- She has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Robert Neil Coombe**

DESIGNATION	: Independent Director
NATIONALITY	: Australian
AGE	: 56
GENDER	: Male
DATE OF APPOINTMENT	: 16 April 2014
LENGTH OF TENURE AS DIRECTOR	: 5 Years

**MEMBERSHIP OF BOARD COMMITTEES**

- Chairperson of the Board Risk and Compliance Committee
- Member of the Group Nomination and Remuneration Committee

**QUALIFICATION:**

- Bachelor of Laws (LLB), University of Technology, Sydney, Australia

**AREA OF EXPERTISE:**

- Accounting and Audit, Banking and Finance, Operations, Consumer Marketing, Human Resource

**DIRECTORSHIP:****LISTED ENTITIES:**

- Executive Chairperson of Generation Development Group, Australia

**PUBLIC COMPANIES:**

- Nil

**RELEVANT EXPERIENCE:**

Robert Neil Coombe is currently the Executive Chairperson of the ASX listed Generation Development Group, a financial services business focused on generational financial solutions. He is also Chairperson of Craveable Brands, the largest Australian owned Quick Service Restaurant business. He was the CEO of Craveable Brands between 2013 and April 2017.

Before joining Craveable Brands, Robert was responsible for all of Westpac's Retail, Business and Agri banking operations throughout Australia. Prior to this role, Robert spent six years as the CEO of BT Financial Group, responsible for all of Westpac's funds management, financial planning, insurance, private banking, broking, platform and superannuation businesses in Australia.

In total, he has over 35 years' corporate experience in both Australia and Asia.

In addition to the above, Robert is a Director of Tibra Capital, Surfing Australia and the Australian Indigenous Education Foundation. He is also a member of the Advisory Board of 5V Capital Investors.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
15/16	-	6/7	13/14

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Dato' Mohamed Ross Mohd Din**

DESIGNATION	: Independent Director
NATIONALITY	: Malaysian
AGE	: 67
GENDER	: Male
DATE OF APPOINTMENT	: 19 April 2016
LENGTH OF TENURE AS DIRECTOR	: 3 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Chairperson of Audit Committee

- Member of Board Risk and Compliance Committee
- Member of Group Nomination and Remuneration Committee

**QUALIFICATION:**

- Banking Diploma (Part 1), Institute of Bankers, United Kingdom

**AREA OF EXPERTISE:**

- Banking and Finance, Operations and International Experience

**DIRECTORSHIP**

**Listed Entities:**

- Nil

**Public Companies:**

- Chairperson/ Independent Director of CIMB Islamic Bank Berhad

**RELEVANT EXPERIENCE:**

Joined HSBC Bank Malaysia Berhad (HSBC) in early 1972 and served in various capacities ranging from Corporate and Retail Banking and Branch Management. He also served as Head of Treasury Malaysia and Head of Group Audit Malaysia between 1987 and 1996. During this period he also worked for a year in Hong Kong, London and New York in areas of Foreign Exchange and Treasury. As the Managing Director (2003), he was responsible for HSBC's Islamic onshore business franchise in Malaysia until he retired on 31 December 2007.

Upon retirement, Dato' Mohamed Ross was appointed as an Executive Director and Senior Advisor of HSBC Amanah Takaful Malaysia Sdn Bhd until December 2008. At the same time and until April 2016, he was also an Independent Director of HSBC Amanah Malaysia Berhad, where he sat as Chairperson of the Risk Committee and was a member of the Audit Committee and Nomination Committee.

Dato' Mohamed Ross currently sits on an Advisory Board overseeing a Private Equity Fund (Ekuinas OFM Programme) as an Independent Member. Additionally he also sits as a Trustee on the Board of Lembaga Zakat Selangor and also serves as an Independent Director on the Board of an Asset Management company.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
16/16	17/17	7/7	16/16

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Dato' Lee Kok Kwan**

DESIGNATION	: Non-Independent Director
NATIONALITY	: Malaysian
AGE	: 54
GENDER	: Male
DATE OF APPOINTMENT	: 20 July 2015
LENGTH OF TENURE AS DIRECTOR	: 4 Years

#### MEMBERSHIP OF BOARD COMMITTEES

- Member of Board Risk and Compliance Committee

#### QUALIFICATION:

- Masters in Business Administration, Simon Fraser University, Canada
- Bachelor of Business Administration (First Class), Simon Fraser University, Canada

#### AREA OF EXPERTISE:

- Banking and Finance

#### DIRECTORSHIP:

#### LISTED ENTITIES:

- Nil

#### PUBLIC COMPANIES

- Non-Independent Director of CIMB Bank Berhad
- Non-Executive Director of Cagamas Holdings Berhad

#### RELEVANT EXPERIENCE:

Dato' Lee Kok Kwan was the Deputy Chief Executive Officer (CEO) of CIMB Group prior to his Board appointments. His areas of responsibilities included Corporate Banking, Transaction Banking and Sales and Trading businesses in interest rates, credit, foreign exchange, bonds, equity, commodities and their derivatives, treasury and funding for the Group, fixed income investments and debt capital markets which he developed since joining CIMB in 1996, and has since grown the businesses to be one of the largest global markets operations in ASEAN.

Prior to joining CIMB in 1996, Dato' Lee had more than seven years of markets and treasury experience in the Canadian banking industry. He was the Treasury Portfolio Manager responsible for interest rates and optionality risk and return for a leading Canadian bank and a member of its Senior Asset-Liability Management Committee.

Dato' Lee is also a member of the Board of Trustees of the Capital Markets Development Fund (CMDf) and Adviser to the Securities Commission Malaysia. He was appointed as First Director and Chairperson of the Bond and Sukuk Information Platform Sdn Bhd with effect from 3 November 2017 and 22 November 2017, respectively. He also holds directorships in various other private companies.

#### BOARD COMMITTEE AND ATTENDANCE:

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
15/16	-	7/7	-

#### DECLARATION:

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

#### **Ahmad Zulqarnain Che On**

DESIGNATION	: Non-Independent Director
NATIONALITY	: Malaysian
AGE	: 47
GENDER	: Male
DATE OF APPOINTMENT	: 3 November 2017

LENGTH OF TENURE AS DIRECTOR	: 2 Years
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**MEMBERSHIP OF BOARD COMMITTEES:**

- Member of Group Nomination and Remuneration Committee
- Member of Board Risk and Compliance Committee

**QUALIFICATION:**

- Bachelor of Arts in Economics, Harvard and Radcliffe College, Harvard University, USA

**AREA OF EXPERTISE:**

- Banking and Finance, Capital Market, Corporate Leadership and Strategy Development and Implementation

**DIRECTORSHIP****Listed Entities:**

- Nil

**Public Companies:**

- Non-Independent Director of Malaysia Airlines Berhad
- Non-Independent Director of Malaysia Aviation Group Berhad

**RELEVANT EXPERIENCE:**

Ahmad Zulqarnain Che On is Deputy Managing Director of Khazanah Nasional Berhad. He joined Khazanah in May 2014 as an Executive Director, Investments and subsequently appointed as Head, Strategic Management Unit of Khazanah.

Prior to Khazanah, he was appointed as the first Managing Director/ Chief Executive Officer of Danajamin Nasional Berhad in 2009. He has over 22 years' experience in both banking and corporates, including tenures with UBS Warburg, Pengurusan Danaharta Berhad, CIMB Group and Symphony Group.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
15/16	-	6/7	15/16

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company, except by virtue of being representative of Khazanah Nasional Berhad
- He has not been convicted for any offences within the past five (5) years nor has he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Afzal Abdul Rahim**

DESIGNATION	: Independent Director
NATIONALITY	: Malaysian
AGE	: 42
GENDER	: Male
DATE OF APPOINTMENT	: 31 January 2019
LENGTH OF TENURE AS DIRECTOR	: 1 Year

**MEMBERSHIP OF BOARD COMMITTEES:**

- Nil

**QUALIFICATION:**

- Bachelor in Mechanical Engineering with Electronics, University of Sussex at Brighton, United Kingdom

**AREA OF EXPERTISE:**

- Legal, Operations, Information Technology, Human Resource, Strategy Development and Implementation, Innovation and Transformation

**DIRECTORSHIP**

## Listed Entities:

- Chief Executive Officer of TimedotCom Berhad
- Non-Independent Director of Symphony Communication Public Company Limited

## Public Companies:

- Nil

**RELEVANT EXPERIENCE:**

Afzal Abdul Rahim is a technology entrepreneur who currently serves as Commander-In-Chief of TIME dotCom Berhad, an ASEAN based telecommunications operator encompassing Fixed Line, Data Centres and Global Submarine Cable Systems. He joined TIME in 2008 after establishing The AIMS Asia Group and Global Transit International in 2006.

Afzal founded the non-profit Malaysian Internet Exchange (MyIX) in 2006 and also serves as a Board Member of Endeavor Malaysia, an organisation that is devoted to nurturing high-impact entrepreneurs. He is also a Member of the Civil Aviation Authority Malaysia.

He began his career in the automotive sector, initially as a Chassis Development Engineer and thereafter managing clients on the engineering consultancy side of the business at Group Lotus PLC. Afzal is also a Licensed Commercial Pilot.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
15/16	-	-	7/9

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Didi Syafruddin Yahya**

DESIGNATION	: Independent Director
NATIONALITY	: Indonesian
AGE	: 52
GENDER	: Male
DATE OF APPOINTMENT	: 7 May 2019
LENGTH OF TENURE AS DIRECTOR	: Less than 1 year

**MEMBERSHIP OF BOARD COMMITTEES:**

- Member of Group Nomination and Remuneration Committee

**QUALIFICATION:**

- Fellow Chartered Accountant, Institute of Chartered Accountants in England and Wales, United Kingdom
- Masters of Arts, University of Cambridge, United Kingdom
- Bachelor of Arts, University of Cambridge, United Kingdom

**AREA OF EXPERTISE:**

- Capital Market, International Experience

**DIRECTORSHIP****Listed Entities:**

- Nil

**Public Companies:**

- Independent Director of CIMB Investment Bank Berhad
- Commissioner of P.T. Bank CIMB Niaga Tbk

**RELEVANT EXPERIENCE:**

Didi Syafruddin previously worked for J.P. Morgan for more than 20 years based in Indonesia and subsequently Malaysia where he was the Managing Director and Head of Investment Banking. At J.P. Morgan, Didi Syafruddin advised clients on mergers and acquisitions, equity and debt capital markets transactions and had been involved in a number of landmark deals in both Indonesia and Malaysia. He is currently a Member of Investment Panel of Urusharta Jamaah Sdn Bhd.

**BOARD COMMITTEE AND ATTENDANCE:**

<b>BOD</b>	<b>AC</b>	<b>BRCC</b>	<b>GNRC</b>
12/12	-	-	6/7

**DECLARATION:**

- He does not have any conflict of interest or any family relationship with any other Director and/or major shareholders of the Company
- He has not been convicted for any offences within the past five (5) years nor has she been imposed of any public sanction or penalty by any relevant regulatory bodies in 2019

**Number of meetings convened by the Board and each Board Committee**

	<b>Number of meetings in 2019</b>
Board	16
Audit Committee	17
Board Risk and Compliance Committee	7
Group Nomination and Remuneration Committee	16
Group Shariah Committee	8

**Roles and Responsibilities of each Board and Board Committees**

	<b>Main Areas of Oversight</b>	<b>Number of meetings in 2019</b>
<b>Board</b> • Comprises nine Members of whom six Members are Independent Directors	The Board is responsible for the following: <ul style="list-style-type: none"> <li>• Strategic/business plans of CIMB and the monitoring of Management's success in implementing the strategies and plans; and CIMB's annual budget</li> <li>• Conduct of CIMB's business</li> </ul>	16 meetings held to deliberate, amongst others, on the following: <ul style="list-style-type: none"> <li>• Matters relating to the Company, the three Malaysian banking institutions and regional subsidiaries</li> <li>• CIMB's Budget</li> <li>• CEO's Quarterly Report</li> </ul>

	<ul style="list-style-type: none"> <li>• Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</li> <li>• Succession planning</li> <li>• CIMB's Communications Policy</li> <li>• CIMB's governance and internal control frameworks</li> <li>• Group CEO's and Directors' appointments and their emoluments and benefits</li> <li>• Effectiveness and performance of the Board Committees of CIMB annually</li> <li>• Considering and approving the Financial Statements and interim dividend and recommend the final dividend to Shareholders prior to public announcements and publications as well as all circulars and press releases</li> <li>• Monitoring the performance of CIMB</li> <li>• Approving the changes on Corporate Organisation Structure of CIMB</li> <li>• Ensuring that there are adequate controls and systems in place to measure the implementation of the Group's policies</li> <li>• Reviewing the adequacy and integrity of CIMB's internal control systems and management information systems</li> <li>• Overseeing the decisions and actions of Management in achieving the Group's goal to be a sustainable organisation, taking into account key issues related to EES aspects and impacts to the Group's business activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly Capital Management Update</li> <li>• Quarterly Shareholder Statistics Update</li> <li>• Quarterly Report on Directors' Training, Directorships and Summary of Dealings outside Closed Period</li> <li>• Report from AC and GNRC</li> <li>• CIMB Group Risk Posture</li> <li>• Financial Statements</li> <li>• Interim Dividends</li> <li>• Formalisation/Updates to Group Policies</li> <li>• Re-appointment of External Auditors for the FYE 31 December 2019</li> <li>• MFRS/IFRS 9</li> <li>• Business Units Updates and Projects</li> <li>• Basel II/Pillar 3 Disclosures</li> <li>• Performance Assessment and Proposed Compensation for Executive Director</li> <li>• Compliance's Quarterly Report</li> <li>• Anti-Money Laundering/CFT Report</li> <li>• Revision to the Terms of Reference of Board and Board Committees</li> <li>• Revision to the Board Charter</li> <li>• Board's Annual Evaluation on the Effectiveness of the Management of Compliance Risk</li> <li>• CIMB Niaga 2019 Recovery Plan Update</li> <li>• KPI Scorecard for Group CEO</li> <li>• Governance on Remuneration of Senior Management and Material Risk Takers</li> <li>• Annual Evaluation Exercise for Board and Key Responsible Persons</li> <li>• Gap Analysis on Amendments to the Bursa Securities Main Market Listing Requirements</li> <li>• Forward 23 - Strategy</li> <li>• Annual Insurance Programme Renewal</li> <li>• Touch &amp; Go related matters</li> <li>• Sustainability Framework, Policy and Progress</li> </ul>
<p><b>Audit Committee (AC)</b></p> <ul style="list-style-type: none"> <li>• Comprises three Members, all of whom are Independent Directors</li> </ul>	<p>The AC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Financial Reporting</li> <li>• Internal controls</li> <li>• Internal audit function</li> <li>• External audit reports</li> <li>• Related Party Transactions</li> </ul>	<p>17 meetings held to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> <li>• Matters relating to CIMB, the three Malaysian banking institutions and regional subsidiaries</li> <li>• Matters relating to other non-banking subsidiaries of the Group</li> <li>• Annual Performance Review for Group Corporate Assurance Division (GCAD) and Group Chief Internal Auditor</li> <li>• GCAD's KPIs for 2019</li> <li>• Group Chief Internal Auditor and Direct Reports KPIs for 2019</li> </ul>

		<ul style="list-style-type: none"> <li>• Two meetings with External Auditors without the presence of Senior Management</li> <li>• Documents pertaining to Annual Report 2018</li> <li>• Related Party Transactions</li> <li>• Review of Financial Results</li> <li>• Update on AC's Terms of Reference</li> <li>• MFRS/IFRS 9 updates</li> <li>• Reappointment of External Auditors</li> <li>• GCAD's Annual Audit Plan</li> <li>• GCAD's 2019 Mid-year Review Plan</li> <li>• GCAD's revised Audit Plan</li> <li>• Audit and Non-Audit Services provided by External Auditors</li> <li>• Review of Performance Management System</li> <li>• Update on GCAD's Policy</li> <li>• Updates on the Existing Guidelines for the Appointment and Re-appointment of CIMB Group External Auditors</li> <li>• Whistleblowing Investigation Process Flow</li> <li>• Forward23 – Review on Cost and Productivity</li> <li>• Data Analytics</li> <li>• GCAD's Key Strategic Projects</li> </ul>
<p><b>Board Risk and Compliance Committee (BRCC)</b></p> <ul style="list-style-type: none"> <li>• Comprises seven Members of whom five (including the BRCC Chairperson) Are Independent Directors</li> <li>• All Members are Non-Executive Directors</li> </ul>	<p>The BRCC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Risk appetite</li> <li>• Risk governance</li> <li>• Risk frameworks</li> <li>• Risk management practices and policies</li> <li>• Risk strategy</li> <li>• Compliance Risk</li> <li>• Risk and Compliance Culture</li> <li>• Oversight on IT Risks</li> <li>• Compliance Framework</li> <li>• Anti-Money Laundering/Counter Financing Terrorism Risk Appetite</li> <li>• Compliance and Anti-Money Laundering/Counter Financing Terrorism Strategy</li> </ul>	<p>Seven meetings to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> <li>• Risk Management Policies</li> <li>• Risk Appetite for 2019</li> <li>• Risk Profile and Strategy</li> <li>• Risk Management Objectives</li> <li>• Economics Position and updates</li> <li>• Compliance to Risk Posture</li> <li>• Demerit framework on Performance Ratings</li> <li>• Revisions to the Terms of Reference of the BRCC</li> <li>• Revised Market Risk Limit Framework of Group Wholesale Banking for 2019</li> <li>• Updates on Guidelines and Policy Documents Related to Outsourcing</li> <li>• Group Compliance Reports</li> <li>• Compliance Work Plan for 2019</li> <li>• KPI Scorecard for Group Chief Risk Officer and Group Chief Compliance Officer</li> <li>• Annual Performance Review for Group Chief Risk Officer and Group Chief Compliance Officer</li> </ul>
<p><b>Group Nomination And Remuneration Committee (GNRC)</b></p>	<p>The GNRC has oversight and is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Boards' and Board Committees' Composition</li> </ul>	<p>16 meetings held to deliberate, amongst others, on the following:</p> <ul style="list-style-type: none"> <li>• Board and Board Committees' Composition</li> <li>• Annual Evaluation exercise</li> </ul>

<ul style="list-style-type: none"> <li>Comprises six Members of whom five Members (including the GNRC Chairperson), are Independent Directors</li> <li>All Members are Non-Executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>Annual Evaluation exercise comprising: <ul style="list-style-type: none"> <li>Board Effectiveness Assessment</li> <li>Fit and Proper Assessment of Directors, Chief Executive Officers/Executive Directors (CEOs/ EDs), Group Shariah Committee Members &amp; Company Secretary</li> </ul> </li> <li>Succession planning for Boards, Board Committees, CEOs/EDs and Senior Management</li> <li>Reviewing remuneration packages based on the Group's existing remuneration guidelines and framework for: <ul style="list-style-type: none"> <li>Directors</li> <li>Members of the Board Committees</li> <li>CEOs/EDs</li> <li>Senior Officers (SOs)</li> <li>Material Risk Takers (MRTs)</li> </ul> </li> <li>Governance matters in relation to the Board and Directors</li> <li>Directors' Development</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration of Board and Group CEO/EDs, SOs and MRTs</li> <li>Setting of KPIs for Group CEO/ED</li> <li>Policies on governance of the Group</li> <li>Directors' Development Plan</li> <li>Revision to the Terms of Reference of the GNRC</li> <li>Renewal of appointment of Group Shariah Committee Members</li> <li>Review of CIMB Niaga's remuneration framework</li> <li>Macro structure and leadership changes</li> <li>Board and Committee succession planning</li> <li>Succession Plan for SOs</li> </ul>
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### Description of training and education provided to the Board

List of training attended	Mode of training	Duration in day(s)
<b>Accounting and Audit</b>		
Association of Chartered Certified Accountants (ACCA): ACCA Council Training	Seminar	1
CIMB: Regional Audit Planning Summit	Conference	2
<b>Capital Markets</b>		
CIMB: Board Training Session, Morphic Asset Management	Seminar	1
Securities Industry Development Corporation: Business Foresight Forum 2019: New Business Direction 2035, Catalysts for Change	Forum	1
Malaysian Economic Association: Conference Malaysian Economic Convention	Conference	1
<b>Financial Industry</b>		
CIMB Preferred: Financial Advisory Series 2019	Conference	1
World Bank Group and Cagamas: Conference on Constructing and Financing Affordable Housing Across Asia	Conference	2
<b>Governance</b>		
Securities Commission: Corporate Governance Monitor 2019	Conference	1
Emeritus Professor Jean-Phillippe Deschamps: A Boardroom Colloquium on Innovation Governance	Seminar	1
Asian Corporate Governance Association: Corporate Governance Watch – How Does Malaysia Rank	Conference	1
Securities Commission: Briefing on Corporate Liability Provision and Anti-Corruption	Workshop	1
Malaysian Institute of Corporate Governance: Forum on Corporate Governance in the Capital Market	Forum	1
Complying with Section 17A of MACC Act 2009	Forum	1
Malaysian Anti-Corruption Commission (MACC): Enhancing Corporate Governance by Understanding Legal Liabilities "Act or Resign"	Seminar	1
<b>Information Technology</b>		

Bank Negara Malaysia (BNM)/Financial Institutions Directors' Education (FIDE): Dialogue with the Deputy Governor on the Draft Risk Management in Technology Policy	Dialogue	1
CIMB: Technology Risk Workshop	Workshop	1
BNM/FIDE: Digital Assets – Global Trends, Legal Requirements and Opportunities for Financial Institutions	Conference	1
Knowledge Group: Malaysia Technology Week 2019	Conference	1
BNM: MyFintech Week and Financial Industry Conference 2019	Conference	3
CIMB: Technology 101 Briefing	Seminar	1
BNM/FIDE: Artificial Intelligence and Its Role in FI's	Conference	1
<b>Leadership &amp; Strategy</b>		
CIMB: 3rd Directors Regional Sharing Session 2019	Dialogue	2
CIMB Young ASEAN Leaders 2019	Seminar	1
Prof Anil K. Gupta: 2nd Distinguished Board Leadership Series: Rethinking Strategy	Conference	1
Bursa Malaysia and Maybank Berhad: Invest Malaysia Kuala Lumpur 2019	Conference	2
Dr Andy Xie: Reading the Signs – The Next Financial Crisis and Potential Impact on Asia Invest Malaysia 2019	Conference	1
World Economic Forum Annual Meeting 2019	Forum	4
PNB Corporate Summit	Conference	1
Kuala Lumpur Business Club: Budget 2020 Leading into the 12th Malaysia Plan	Dialogue	1
Sovereign Investor Institute (SII): SII Global Government Funds Roundtable 2019	Dialogue	3
Khazanah Megatrends Forum 2019	Forum	2
CIMB Group: Annual Management Summit 2019	Conference	2
CIMB: Annual Malaysia Corporate Day	Conference	1
CIMB: Board European Innovation Safari	Others	6
Bursa Malaysia: Demystifying The Diversity Conundrum – The Road to Business Excellence	Conference	1
ICLIF Leadership and Governance Centre: Mandatory Accreditation Programme	Workshop	2
Perdana Leadership Foundation: CEO Forum 2019	Forum	1
<b>Risk Management</b>		
BNM/FIDE: Annual Dialogue with the CEO of Perbadanan Insurans Deposit Malaysia (PIDM)	Dialogue	1
BNM/FIDE: ISRA Programme - Value Based Intermediation: Directors Role	Workshop	1
Macquarie: Asean Conference 2019 -Malaysia Macro And Policy Day	Conference	1
CIMB: Risk Management Course	Seminar	2
<b>Others – Banking &amp; Finance Related</b>		
CIMB: Media Training	Seminar	1
Milken Institute: Asia Summit 2019	Conference	2
<b>Sustainability</b>		
BNM: Regional Conference on Climate Change	Conference	1
CIMB Group: The Cooler Earth Sustainability Summit	Conference	2
Institute of Corporate Directors Malaysia: Climate Government Initiative	Conference	1
UNEP FI: Social & Environmental Risk and Opportunities for Financial Services Players	Dialogue	1
Shook Lin & Bok: Legal Risks Arising from Environmental Issues	Dialogue	1

#### Time Spent on training:

Directors	Time Spent in day(s)
Datuk Mohd Nasir Ahmad	32
Teoh Su Yin	8
Robert Neil Coombe	3
Dato' Mohamed Ross Mohd Din	18

Dato' Lee Kok Kwan	16
Ahmad Zulqarnain Che Onn	18
Afzal bin Abdul Rahim (appointed on 31 January 2019)	12
Didi Syafruddin Yahya (appointed on 7 May 2019)	24
Tongurai Limpiti (appointed on 7 May 2019; resigned on 30 December 2019)	2
Glenn Muhammad Surya Yusuf (resigned on 23 January 2019)	-
Watanan Petersik (resigned on 24 January 2019)	-
Tengku Dato Sri' Zafrul Tengku Abdul Aziz	21

### Internal Control Framework

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the Annual Report 2019.

### Remuneration: Qualitative Disclosure

CIMB Group Directors' Remuneration Framework:

The CIMB Group Directors' Remuneration Framework (Framework) sets out the methodology and formula on how Retainer Fees, Chairperson's Premium and Meeting Fees of the Board are derived, as follows:

- Comparison against CIMB's industry peers;
- BNM FIDE Forum Directors' Remuneration Report 2015 formula; and
- Back testing the data against closest peer.

The implementation of the Framework has been approved by the shareholders at the 61st Annual General Meeting which was held in 2018 and is reviewed every 3 years by the Board through the GNRC. The Framework is designed to recognise the contribution of the Directors in relation to its fiduciary and statutory duties, risks and time commitment.

CIMB has established the Framework as follows:

CIMB Group Holdings Berhad		Retainer Fees (per annum)	Chairperson's Premium (per annum)	Meeting Fees (per meeting)
Board	Chairperson*	170,000	510,000	5,000
	Member	170,000	N/A	5,000
Audit Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000
Board Risk and Compliance Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000
Group Nomination and Remuneration Committee	Chairperson	N/A	100,000	5,000
	Member	N/A	N/A	5,000

\* Benefits-in-kind for the Chairperson of the Board include, amongst others, a driver, corporate club membership subscription and leave passage.

The remuneration payable to the Directors by CIMB Group in 2019, are as follows:

**CIMB**

<b>Directors</b>	<b>Fees (RM'000)</b>	<b>Salary and/ or Other Remuneration (RM'000)</b>	<b>Total (RM'000)</b>	<b>Benefits- in-kind (RM'000)</b>
<b>Non-Executive Directors</b>				
Datuk Mohd Nasir Ahmad	170	790	960	35
Teoh Su Yin	170	355	525	-
Robert Neil Coombe	170	272	442	-
Dato' Mohamed Ross Mohd Din	170	385	555	-
Dato' Lee Kok Kwan	170	120	290	-
Ahmad Zulqarnain Che Onn	170	165	335	-
Afzal bin Abdul Rahim (appointed on 31 January 2019)	-	-	-	-
Didi Syafruddin Yahya (appointed on 7 May 2019)	111	95	206	-
Tongurai Limpiti (appointed on 7 May 2019; resigned on 30 December 2019)	111	60	171	-
Glenn Muhammad Surya Yusuf (resigned on 23 January 2019)	11	16	27	-
Watanan Petersik (resigned on 24 January 2019)	11	10	21	-
<b>Executive Directors</b>				
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	-	-	-	-

**CIMB Group**

<b>Directors</b>	<b>Fees (RM'000)</b>	<b>Salary and/ or Other Remuneration (RM'000)</b>	<b>Total (RM'000)</b>	<b>Benefits- in-kind (RM'000)</b>
<b>Non-Executive Directors</b>				
Datuk Mohd Nasir Ahmad	325	1,145	1,470	35
Teoh Su Yin	170	355	525	-
Robert Neil Coombe	170	272	442	-
Dato' Mohamed Ross Mohd Din	310	708	1,018	31
Dato' Lee Kok Kwan	333	245	578	-
Ahmad Zulqarnain Che Onn	170	165	335	-
Afzal bin Abdul Rahim (appointed on 31 January 2019)	-	-	-	-
Didi Syafruddin Yahya (appointed on 7 May 2019)	326	215	541	-
Tongurai Limpiti (appointed on 7 May 2019; resigned on 30 December 2019)	111	60	171	-
Glenn Muhammad Surya Yusuf (resigned on 23 January 2019)	566	16	582	-
Watanan Petersik (resigned on 24 January 2019)	162	10	172	-
<b>Executive Directors</b>				
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	-	8,532	8,532	8

The Directors and Officers of CIMB are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM 1,018,690.

### CIMB Group Remuneration Policy

The CIMB Group Remuneration Policy, which has been reviewed by the GNRC and approved by the Board, applies to all subsidiaries and overseas offices within CIMB and acts as a guiding principle in relation to the design and management of our remuneration programmes. Three key principles of CIMB's Remuneration Policy are as follows:

Principle	Purpose	Approach
Strong governance	To ensure strong and independent oversight of the remuneration system	<ul style="list-style-type: none"> <li>Oversight and review by GNRC</li> <li>Guided by input from control functions, AC and BRCC</li> </ul>
Appropriate assessment of performance	To support a performance-based culture which promotes prudent risk-taking and long-term sustainability	<ul style="list-style-type: none"> <li>Performance measurement through balanced scorecard which includes both financial and non-financial goals, short-term and long-term perspectives and incorporates measures related to risk, compliance and process controls</li> <li>Use of risk-adjusted performance measures i.e. risk-adjusted return on capital (RAROC) and economic profit</li> <li>Deferral and claw back arrangements in variable remuneration schemes</li> </ul>
Market competitiveness	To offer rewards that allow CIMB to attract, motivate and retain	<ul style="list-style-type: none"> <li>Benchmarking against similar organisations in the geographies and industries in which we operate</li> </ul>

### Components of Remuneration

Employee remuneration is composed of two main components – fixed and variable:

Component	Composition	Purpose and Approach
Fixed	Consists of base salary and fixed allowances	<ul style="list-style-type: none"> <li>Determined based on skills, competencies, responsibilities and performance of the employee, taking into consideration market competitive levels.</li> </ul>
Variable	Payable annually through cash bonus and shares (through participation in the Equity Ownership Plan, described below)	<ul style="list-style-type: none"> <li>Purpose of motivating, rewarding and retaining high performing employees who generate shareholder value and contribute to the success of the Group.</li> <li>Performance-based and not guaranteed, reflecting the individual employee's performance, and business unit or function performance as well as the Group's results.</li> <li>Portions of cash bonus may be subject to deferral.</li> <li>Based on a selection criterion, shares may be awarded to employees through participation in the Group's Equity Ownership Plan, where the value of award ranges from 20% to 60% of variable remuneration.</li> </ul>

The Equity Ownership Plan serves as the Group's share-based long-term incentive plan, with the intent of:

- aligning the interests of key personnel to that of shareholders;
- mitigating a short-term mindset and cultivating a focus towards long-term sustainability; and
- retaining key personnel with the Group.

Shares under the plan are released progressively to the participants over three years.

Any deferred variable remuneration (cash bonus and/or EOP shares) that has not been paid to or vested to the employee is subject to forfeiture or adjustment in the event of:

- Resignation or cessation of employment with the Group
- Misconduct
- Material restatement of financial results

### **Measurement of Performance**

The Group's performance is determined in accordance with a balanced scorecard which includes key measures on profitability, cost, capital, shareholders' return, medium to long-term strategic initiatives, as well as risk, audit and compliance positions. CIMB currently tracks two risk adjusted performance measures, risk-adjusted return on capital (RAROC) and economic profit, which are adopted in phases across the Group.

The Group's key measures are cascaded to the business units and enabler functions accordingly and subsequently to the KPI scorecards of individuals. The RAROC measure has also been cascaded to the KPI scorecards of key individuals in the organisation across the Group.

For each employee, performance is tracked through KPIs in a balanced scorecard. In addition to financial targets, KPIs in the balanced scorecard usually include measures on customer experience, long-term initiatives (where progress of milestones or ROI may be monitored), risk management and process controls, audit and compliance findings, as well as people related measures. At the end of the year, performance of each individual is then assessed through the Group's performance management framework which is based on 70% of the balanced scorecard and 30% of the individual's proficiency in required competencies.

### **Determination of Variable Remuneration**

Based on CIMB's performance, the GNRC will determine the overall variable remuneration pool taking into consideration key performance measures and ensuring that CIMB does not pay variable remuneration at a level that would affect shareholders' interest. The GNRC has the discretion to adjust the pool where required, based on performance, capital requirements, economic conditions, competitive landscape and retention needs.

The Group pool will be allocated to the business units and functions based on their respective performance, measured through balanced scorecards and guided by the Group CEO. The allocation will also take into consideration inputs from the control functions such as Audit, Compliance and Risk.

Variable remuneration of each individual employee is then determined based on individual assessment and the adequacy of bonus pool allocated to the business unit/function to which the individual belongs. Variable remuneration of the individual may also be adjusted based on accountability of audit and compliance findings, or disciplinary action.

The control functions of Audit, Compliance and Risk operate independently from the business units in CIMB, and have appropriate authority to carry out their individual functions without intervention from the business units.

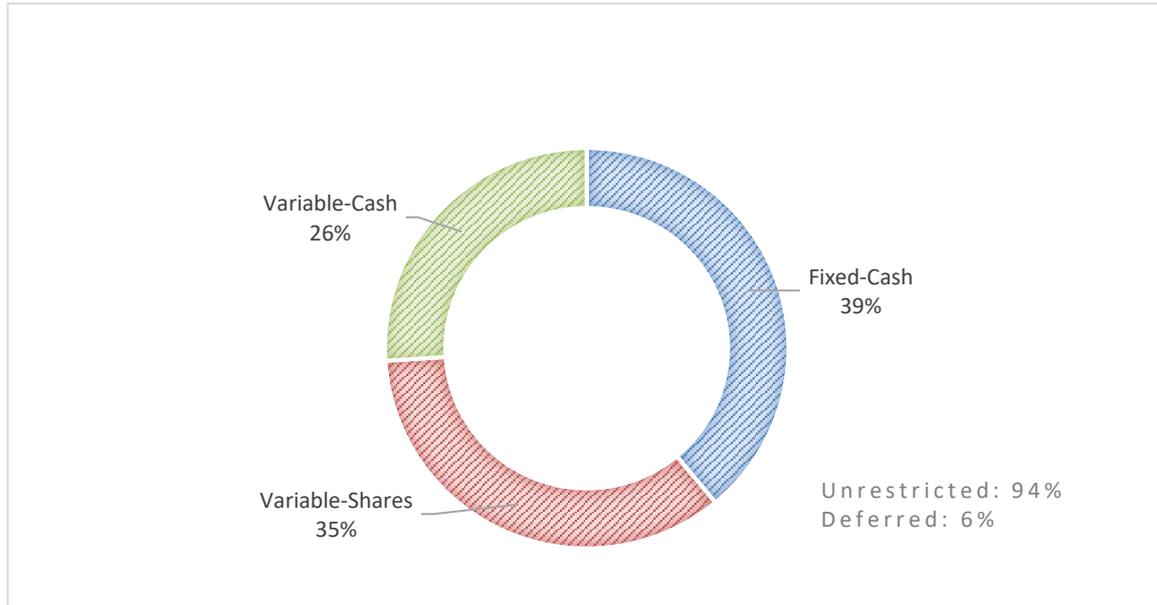
To prevent conflict of interest, remuneration of employees in these control functions are not dictated by business units that they support. Remuneration of the Group Chief Risk Officer, Group Chief Legal & Compliance Officer and the Group Chief Internal Auditor are approved by the Board Risk and Compliance Committee and the Audit Committee.

### **Senior Officers and Material Risk Takers**

Summary of 2019 Remuneration Outcome

**Breakdown of remuneration awarded to Senior Officers and Material Risk Takers for 2019:**

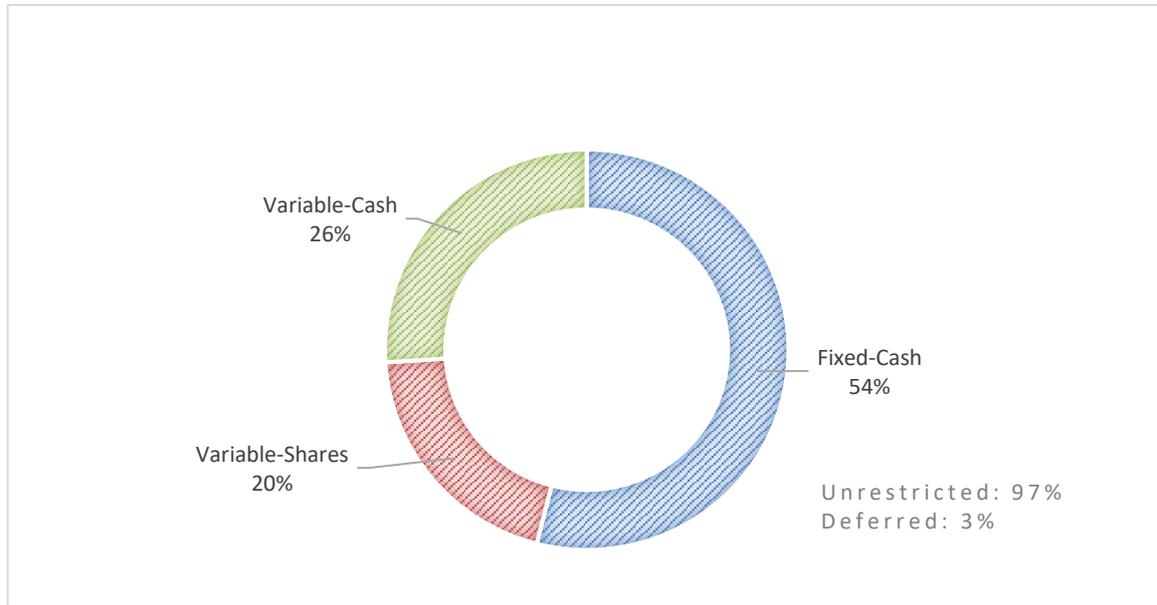
**Senior Officers:**



Senior Officers (SOs) of the Group are defined as the Group CEO, Group CFO and members of the Group Executive Committee (GEXCO).

Total remuneration awarded to 18 SOs for the financial year 2019 was RM96.5 million.

**Material Risk Takers:**



Material Risk Takers (MRTs) are defined as employees whose responsibilities have a material impact on the Group's performance and risk profile, and employees whose responsibilities require them to take on material risk exposures on behalf of the Group.

Total remuneration awarded to 44 MRTs for the financial year 2019 was RM109.9 million.

**Table 1: Guaranteed bonuses, sign-on bonuses and severance payments**

Category	SOs	MRTs
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Number of guaranteed bonus	-	-
Number of sign-on bonus	3	2
Number of severance payments	-	-
Total amount of above payments made during the financial year 2019	9,315	408

**Table 2: Breakdown of deferred remuneration**

Category	SOs	MRTs
<b>Total amount of outstanding deferred remuneration</b>		
• Cash	1,577	2,985
• Shares	76,036	55,072
<b>Total amount of deferred remuneration paid out during the financial year</b>		
• Cash	8,879	7,755
• Shares	22,194	20,716
<b>Outstanding deferred remuneration (performance adjustments):</b>		
• Of which exposed to ex-post adjustments	100%	100%
• Reductions in current year due to ex-post adjustments (explicit)	-	-
• Reductions in current year due to ex-post adjustments (implicit)	-	-
<b>Outstanding retained remuneration (performance adjustments):</b>		
• Of which exposed to ex-post adjustments	-	-
• Reductions in current year due to ex-post adjustments (explicit)	-	-
• Reductions in current year due to ex-post adjustments (implicit)	-	-

**Table 3: Breakdown of Group CEO's remuneration**

Name	Category	Cash (RM'000)	Shares (RM'000)	Total (RM'000)
Tengku Dato' Sri Zafrul Tengku Abdul Aziz	Fixed Remuneration	3,093	-	3,093
	Variable Remuneration			
	• Non-deferred	2,527	-	2,527
	• Deferred	-	2,912	2,912
	Total remuneration award for financial year 2019	5,620	2,912	8,532

