

# CORPORATE GOVERNANCE REPORT

**STOCK CODE** : 1023  
**COMPANY NAME** : CIMB Group Holdings Berhad  
**FINANCIAL YEAR** : December 31, 2017

## 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 PERSUANT 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.

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>The Board's primary role is to promote CIMB's long-term sustainability and ensure the protection and enhancement of long-term shareholder value, taking into account the interests of other stakeholders including employees, customers, suppliers and the wider community. Additionally, the Board is 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 enable 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 shareholder value, whilst taking into account interests of 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, among others, the following six (6) principal responsibilities:</p> <p><b>(a) Reviewing and adopting a strategic plan for the Company</b></p> <p>A basic function of the Board is to review, challenge and approve Management's proposal on a strategic plan for the Group, taking</p> |

into account the sustainability of the Group's business, with 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;
- ii) Monitor the implementation of the strategic plan by Management; and
- iii) Promote sustainability through appropriate environmental, 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 performance of the Group's business, the Board is responsible for the following:

- i) Monitor financial performance against approved budget;
- 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 lodgment 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 Groups' 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

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|  | <p>and its stakeholders, consistent with its level of risk tolerance. The risks include and are not limited to, credit, market, liquidity, equity, reputation and operational risk;</p> <ul style="list-style-type: none"> <li>iv) Ensure proper implementation and review the Group's internal controls system, which are 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) Oversight of 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 whistle blowing complaints and investigative reports relating to the Senior Management of the Group.</li> </ul> <p><b><i>(d) Succession planning</i></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 on succession planning;</li> <li>ii) Select, appoint and determine terms of appointment of the Group Chief Executive Officer/Executive Director (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 Group Nomination and Remuneration Committee, 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><i>(e) Overseeing the development and implementation of a</i></b></p> |
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**Communications Policy for the Company**

The Board is responsible 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:

- 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 Group Chief Compliance Officer (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; and
- 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.
- v) Promote, together with Senior Management, a sound corporate culture within the Group which reinforces ethical, prudent and professional behaviour.

The roles and responsibilities of the Board have been specified in paragraph 2 of the Board Charter, which is available at [www.cimb.com](http://www.cimb.com): Who We Are – Overview – Corporate Governance – Board Charter.

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| <b>Explanation for departure</b> :   |  |  |
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| <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 1.2

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

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>Dato' Sri Nazir Razak helms the Board of Directors as Chairman.</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>In the Boardroom, the role of the Chairman is to:</p> <ul 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>(i) all strategic and critical issues are considered by the Board;</li><li>(ii) matters are considered carefully and thoroughly;</li><li>(iii) all Directors are given the opportunity to effectively contribute;</li><li>(iv) Directors receive the relevant information on a timely basis, including being properly briefed on issues arising at Board meetings; and</li><li>(v) 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></ul> |

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|   | <p>(h) Ensure that the Board behaves in accordance with its Board Charter;</p> <p>(i) Lead efforts to address the Board’s development needs; and</p> <p>(j) Perform other responsibilities, as assigned by the Board, from time to time.</p> <p>Outside the Boardroom, the role of the Chairman is to:</p> <p>(a) Undertake appropriate public relations activities in conjunction with the Group CEO/ED.</p> <p>(b) Be the spokesperson for the Company at the Annual General Meeting and in the reporting of performance and profit figures;</p> <p>(c) Be the major point of contact between the Board and the Group CEO/ED;</p> <p>(d) Be kept fully informed of current events by the Group CEO/ED on all matters which may be of interest to Directors;</p> <p>(e) 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;</p> <p>(f) Provide mentoring for the Group CEO/ED; and</p> <p>(g) Initiate and oversee the annual Group CEO/ED’s performance evaluation process.</p> <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><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 1.3

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

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| <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 Chairman and the Group CEO. The roles of Chairman and Group CEO are therefore exercised by separate individuals to ensure an optimal balance, resulting in increased accountability and enhanced decision-making.</p> <p>Dato' Sri Nazir Razak helms the Board of Directors as Chairman. In his capacity as Chairman, he is responsible for the effective overall functioning of the Board. The Group CEO, Tengku Dato' Sri Zafrul Tengku Abdul Aziz, is responsible for the overall business and day-today management of CIMB.</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 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>   | : |  |
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## 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.

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| <b>Application</b>                                | : Applied   |
| <b>Explanation on application of the practice</b> | <p>The Board is assisted by the Group Company Secretary who, under the direction of the Chairman, is responsible in facilitating effective information flows within the Board and its 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.</p> <p>She has more than 20 years of experience in corporate secretarial practice and has been with the Group since 2002 where she first joined the Corporate Legal Services Unit and was instrumental in setting up the Company Secretarial Department in 2004. Prior to working in CIMB, Datin Rossaya was with Permodalan Nasional Berhad, where she assumed the position of Joint Company Secretary for several of its subsidiaries. She began her career with Time Engineering Group.</p> <p>Datin Rossaya serves as a member of the Companies Commission of Malaysia's Corporate Practice Consultative Forum, representing the interests of Government-Linked Companies under Khazanah Nasional Berhad and is a Director of several subsidiaries in the CIMB group. She actively advocates greater participation of women in the boardroom.</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 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></ul> |

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|   | <p>(e) carrying out other functions as deemed appropriate by the Board from time to time.</p> <p>(f) assisting the Board in 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 Chairman 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.

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| <b>Application</b>                                | : Applied  |
| <b>Explanation on application of the practice</b> | <p>In terms of Board meetings, the Board Charter provides that the Directors should receive meeting materials seven (7) days prior to each Board meeting to allow sufficient time for Directors to review and analyse relevant information. The deliberations and decisions arrived at during Board meetings are clearly minuted in a timely manner and action items for Management will be communicated to the relevant parties within 24 hours after the Board meetings. The draft minutes is then tabled at the following meeting for confirmation and thereafter signed by the Chairman.</p> <p><b>Notice and Agenda</b></p> <p>(a) Unless otherwise determined by the Directors, seven (7) days' notice of all Board meetings shall be given to all Directors, except in the case of an emergency, where reasonable notice of the meeting shall be sufficient.</p> <p>(b) The Chairman shall ensure that proper agenda is prepared for the Board meeting.</p> <p>(c) The Chairman, in conjunction 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.</p> <p>(d) The agenda and relevant papers for the Board meeting must be issued at least seven (7) days prior to each of the Board meeting to allow sufficient time for Directors to consider the relevant information.</p> <p><b>Minutes</b></p> <p>(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.</p> |

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|   | <p>(b) The draft minutes shall be tabled at the following meeting for confirmation and signing.</p> <p>(c) The minutes shall be entered into the minutes Register kept by the Group Company Secretary together with the attendance sheet.</p> <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 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

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–

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

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| <b>Application</b>   | : | Applied   |
| <b>Explanation on application of the practice</b>  | : | <p>As part of CIMB's efforts to promote high standards of corporate governance and to further clarify the mandate, responsibilities and procedures of the Board and Board Committees, the Board has formalised its roles and responsibilities in a Board Charter. The Board Charter elaborates on the fiduciary and leadership functions of the Directors and serves as a primary induction literature on the functions of the Board. 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>This review shall be facilitated by the Group Company Secretary, the Group Chief Compliance Officer, the Group Chief Risk Officer and the Group Chief Internal Auditor.</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 an impact on the discharge of the Board's responsibilities.</p> <p>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>   | : |   |
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### 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.

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Board has also established Code of Conduct and Code of Ethics which are underpinned by the core philosophy of "Creating Value, Enabling Our People and Acting with Integrity". The Code of Conduct sets out the standards of behaviour that are expected of all employees of CIMB as well as the Board in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code makes reference 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-Money Laundering/Counter Financing of Terrorism (AML/CFT) Policies and Procedures</li></ul> <p>The Code of Conduct is subject to periodical review by the Board of Directors or as changes arise to ensure CIMB remains at the forefront of best practices in governance.</p> <p>Details of the Code of Conduct can be found in CIMB's website at <a href="http://www.cimb.com">www.cimb.com</a>, Who We Are – Overview –Corporate Governance.</p> |
| <b>Explanation for departure</b>                  | : |  |

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| <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.

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| <b>Application</b>                                | : | Applied  |
| <b>Explanation on application of the practice</b> | : | <p>The Board has also established a Whistle Blowing Policy which 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. The 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>(i) Any unlawful act, whether criminal or civil in nature;</li><li>(ii) Breach of policies and procedures;</li><li>(iii) Fraud, corruption or dishonesty;</li><li>(iv) Actions which can cause physical danger to another person or can give rise to risk of damage to properties/assets;</li><li>(v) Forgery or alteration of any documents belonging to the Bank, customers, another financial institutions, or agents of the Bank;</li><li>(vi) Profiteering as a result of insider knowledge;</li><li>(vii) Misuse of position or information; and</li><li>(viii) Any other similar or related irregularities.</li></ul> <p>The details of the whistleblowing policies 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.</p> |

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| <b>Explanation for departure</b> :   |  |  |
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| <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.

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| <b>Application</b>   | : | Applied |  |
| <b>Explanation on application of the practice</b>  | : |         |  |
| <b>Explanation for departure</b>   | : |         |  |
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| <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.

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| <b>Application</b>   | : | Not applicable - No independent director(s) serving beyond 9 years |  |
| <b>Explanation on application of the practice</b>  | : |  |  |
| <b>Explanation for departure</b>   | : |  |  |
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| <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.

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|--|---|---|
| <b>Application</b>                             | : | Adopted   |
| <b>Explanation on adoption of the practice</b> | : | <p>During the financial year 2017, no Independent Director had served on the Board for more than nine years from the date of his/her first appointment. This is in line with CIMB's Board Charter which limits an Independent Director's tenure of service to a maximum of nine years or upon reaching the age of 70 years, whichever is earlier.</p> <p>The policy which limits the tenure of CIMB's independent director is provided in paragraph 6.5 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 Group Nomination and Remuneration Committee (GNRC), who is chaired by Teoh Su Yin, an Independent Director, oversees the succession planning of the Board and Key Senior Management. This includes identifying suitable candidates to fill Board and Key Senior Management vacancies as and when they arise.</p> <p>The GNRC also oversees the remuneration package of the Directors and Key Senior Management of subsidiaries within CIMB and undertakes Individual Assessment of Directors eligible for new appointment and re-appointment prior to submission to regulators for approval. Towards this end, the GNRC assesses candidates against a range of criteria, which amongst others, include the candidate's background, experience, professional qualifications, personal qualities, skills to enhance the existing composition of the Board as well as the candidate's ability to commit to the Board's activities.</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 of prospective Directors':</p> <ul 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></ul> <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 4.5

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>   | : | The Board currently comprises ten Directors, of whom two are women, or 20% female representation.  |
|  |   | <p>The Group Nomination and Remuneration Committee (GNRC) oversees the overall composition of the Boards and Board Committees in terms of the appropriate size, skills, gender diversity and the balance between Executive Directors, Non-Executive Directors and Independent Directors through annual reviews.</p> <p>The Board is mindful of having a diverse composition of skills, experience, age and gender when it comes to the appointment of Directors, and remains committed to achieve at least 30% female representation on the Board, whilst ensuring that diversity in its broadest sense remains a central feature.</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>   | : | <p>In advancing the gender diversity agenda, the Board has also taken steps to increase female participation on the Boards of CIMB's main subsidiaries.</p> <p>The subsidiaries that have achieved more than 30% of female participation on the Board are CIMB Investment Bank Berhad (40%) and CIMB Islamic Bank Berhad (33%), while female participation on the Board of CIMB Bank Berhad is currently at 27%.</p>   |
| <b>Timeframe</b>   | : | Within 1 year  |

### 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 Group Nomination and Remuneration Committee (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, Bank Negara Malaysia and Perbadanan Insurans Deposit Malaysia; and also from independent search firms. By having access to multiple means for sourcing of candidates, the GNRC will be able to identify the most suitably qualified candidates.</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 Group Nomination and Remuneration Committee (GNRC) is chaired by Teoh Su Yin who is an 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>The Board undertakes a formal and comprehensive Annual Assessment of its own performance, its Committees and individual Directors. Since 2006, CIMB has implemented the Board Effectiveness Assessment (BEA) exercise to evaluate the performance of the Board and Board Committees. To ensure that the BEA exercise is carried out efficiently, an independent external consultant is engaged once in three years. This is to enable sufficient time for the action plan(s) developed following the BEA exercise to be implemented and to yield positive outcome.</p> <p>The Board had engaged an independent external consultant to perform the BEA for 2016. The independent external consultant had collated and presented their findings as well as their recommended 2-year action plan to the GNRC and the Board which was duly approved. For 2017, Management had developed a strategy to implement the action plan to meet the expected deliverables. Management had also provided regular updates to the Board and respective Board Committees on the status of the deliverables.</p> <p>In addition to the BEA exercise, the GNRC conducts Individual Assessment of Directors, CEOs/EDs, Group Shariah Committee members and Key Senior Management annually to determine the fitness and propriety of Key Responsible Persons.</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>                  | : |   |
|   |   |   |

*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

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>   | :   | Departure   |  |                           |                     |                                  |  |  |  |   |                |
|--|---|---|--|---------------------------|---------------------|----------------------------------|--|--|--|---|----------------|
| <b>Explanation on application of the practice</b>            | :   |   |  |                           |                     |                                  |  |  |  |   |                |
| <b>Explanation for departure</b>                             | :   | <p>Both the Directors' Remuneration Framework and the CIMB Group Remuneration Policy are currently not published on CIMB's website.</p> <p>CIMB has in place a remuneration framework for Directors as well as a policy to determine the remuneration of Key Senior Management.</p> <p>The CIMB Directors' Remuneration Framework covers Directors' fees, Chairman's premium (Board and Committees), and meeting allowances for Non-Executive Directors. This Framework is based on industry standards and commensurate with the responsibilities, levels of contribution and time commitment required of them. The Framework is reviewed periodically by the GNRC and approved by the Board.</p> <p>In addition, CIMB has established a CIMB Group Remuneration Policy which covers all aspects of remuneration including salaries, allowances, bonuses, options and benefits-in-kind for all Key Senior Management and employees. This Policy is reviewed by the Group Compensation Review Committee (GCRC) and approved by the Board.</p> <p>The remuneration framework for the Non-Executive Directors is as follows:</p> <table border="1"> <thead> <tr> <th>Non-Executive Directors' Remuneration Scheme</th> <th>Unrestricted/Non-Deferred</th> <th>Restricted/Deferred</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>(Fixed-Type Remuneration)</b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Cash-based</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Directors' Fees</li> <li>Chairman's</li> </ul> </td> <td>Not Applicable</td> </tr> </tbody> </table> | Non-Executive Directors' Remuneration Scheme | Unrestricted/Non-Deferred | Restricted/Deferred | <b>(Fixed-Type Remuneration)</b> |  |  | <ul style="list-style-type: none"> <li>Cash-based</li> </ul> | <ul style="list-style-type: none"> <li>Directors' Fees</li> <li>Chairman's</li> </ul> | Not Applicable |
| Non-Executive Directors' Remuneration Scheme                 | Unrestricted/Non-Deferred   | Restricted/Deferred   |  |                           |                     |                                  |  |  |  |   |                |
| <b>(Fixed-Type Remuneration)</b>                             |   |   |  |                           |                     |                                  |  |  |  |   |                |
| <ul style="list-style-type: none"> <li>Cash-based</li> </ul> | <ul style="list-style-type: none"> <li>Directors' Fees</li> <li>Chairman's</li> </ul> | Not Applicable  |  |                           |                     |                                  |  |  |  |   |                |

|                                     |  |                |
|-------------------------------------|--|----------------|
|                                     | Premium (Board and Committees)             |                |
| • Shares & Share-Linked Instruments | Nil  | Not Applicable |
| • Others                            | Benefits-in-kind                           | Not Applicable |
| <b>(Variable-Type Remuneration)</b> |  |                |
| • Cash-based                        | Meeting allowances                         | Not Applicable |
| • Shares & Share-Linked Instruments | Nil  | Not Applicable |
| • Others                            | Directors' & Officers' Liability Insurance | Not Applicable |

The CIMB Group Remuneration Policy, which has been reviewed by the GCRC and approved by the Board, applies to employees of all CIMB's subsidiaries and overseas offices and acts as a guiding principle in relation to the design and management of CIMB's 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 GCRC and GNRC</li> <li>Guided by input from control functions, Audit Committees and Board Risk Committees</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 clawback arrangements in variable remuneration schemes</li> </ul> |
| Market competitiveness                | To offer rewards that allow CIMB to attract, motivate and retain the right talent                      | <ul style="list-style-type: none"> <li>Benchmarking against similar organisations in the geographies and industries in which CIMB operate</li> </ul>  |



Employees' remuneration comprises two main components – fixed and variable:

| Principle | Purpose  | 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 over 6 to 9 months.</li> <li>Based on a selection criteria, 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 intention to:

- align the interests of key personnel to that of shareholders;
- mitigate a short-term mindset and cultivate a focus towards long-term sustainability; and
- retain key personnel within 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.

|   |  |
|---|--|
|   | <p>The Group's key measures are cascaded to the business units and enabler functions accordingly and subsequently to the KPI scorecards of individuals. In 2017, the RAROC measure has been cascaded to the KPI scorecards of key individuals in the organisation across the Group.</p> <p>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.</p> <p><b>Determination of Variable Remuneration</b><br/>Based on CIMB's performance, the GCRC 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 GCRC has the discretion to adjust the pool where required, based on poor performance, capital requirements, economic conditions, competitive landscape and retention needs.</p> <p>The Group pool will be allocated by the GCRC 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.</p> <p>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.</p> <p>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 Compliance Officer and the Group Chief Internal Auditor are approved by the Board Risk Committee and Audit Committee.</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>   | : | The Board intends to publish the Directors' Remuneration Framework and the CIMB Group Remuneration Policy onto CIMB's website by end of 2018. |  |
| <b>Timeframe</b> | : | Within 1 year   |  |

### 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 Board had approved the Directors' Remuneration Framework and the CIMB Group Remuneration Policy for CEO and Key Senior Management based on the recommendation by the Group Nomination and Remuneration Committee (GNRC).</p> <p>The GNRC and the Group Compensation Review Committee (GCRC) assist the Board in developing and administering a fair and transparent procedure for setting the framework on remuneration of Directors and Key Senior Management respectively. This ensures that they are fairly rewarded for their contributions to CIMB's overall performance. The Framework and the Policy are reviewed periodically to ensure that the remuneration package is sufficiently competitive to attract and retain leadership talent, in line with CIMB's culture, objectives and strategy.</p> <p>In ensuring the objectivity of the Directors' Remuneration Framework, the GNRC comprises Non- Executive Directors with the majority of them being Independent Directors.</p> <p>The Terms of Reference for Group Nomination and Remuneration Committee's 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>  | : |   |
| <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

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>In line with best corporate governance practice, the disclosure of the Directors' remuneration on a named basis has been made in the Annual Audited Financial Statement over the years.</p> <p>The remuneration paid to the Directors by CIMB in 2017 is 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" style="text-align: center;">(Non-Executive Directors)</td> </tr> <tr> <td>Dato' Sri Nazir Razak</td> <td>155</td> <td>752</td> <td>907</td> <td>–</td> </tr> <tr> <td>Datuk Mohd Nasir Ahmad</td> <td>151</td> <td>252</td> <td>403</td> <td>–</td> </tr> <tr> <td>Glenn Muhammad Surya Yusuf</td> <td>155</td> <td>276</td> <td>431</td> <td>–</td> </tr> <tr> <td>Watanan Petersik</td> <td>151</td> <td>109</td> <td>260</td> <td>–</td> </tr> <tr> <td>Robert Neil Coombe</td> <td>147</td> <td>74</td> <td>221</td> <td>–</td> </tr> <tr> <td>Teoh Su Yin</td> <td>155</td> <td>234</td> <td>389</td> <td>–</td> </tr> <tr> <td>Dato' Lee Kok Kwan</td> <td>151</td> <td>119</td> <td>270</td> <td>–</td> </tr> <tr> <td>Dato' Mohamed Ross Mohd Din</td> <td>155</td> <td>202</td> <td>357</td> <td>–</td> </tr> <tr> <td>Ahmad Zulqarnain Che On*1</td> <td>27</td> <td>30</td> <td>57</td> <td>–</td> </tr> <tr> <td>Datuk Joseph Dominic Silva*2</td> <td>44</td> <td>28</td> <td>72</td> <td>–</td> </tr> <tr> <td>Hiroaki Demizu*3</td> <td>112</td> <td>53</td> <td>165</td> <td>–</td> </tr> <tr> <td colspan="5" style="text-align: center;">(Executive Directors)</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>Notes:</b><br/> *1 Appointed on 3 November 2017<br/> *2 Resigned on 3 November 2017<br/> *3 Resigned on 16 October 2017</p> | Directors      | Fees (RM'000)             | Salary and/or Other Remuneration (RM'000) | Total (RM'000) | Benefits-in-kind (RM'000) | (Non-Executive Directors) |  |  |  |  | Dato' Sri Nazir Razak | 155 | 752 | 907 | – | Datuk Mohd Nasir Ahmad | 151 | 252 | 403 | – | Glenn Muhammad Surya Yusuf | 155 | 276 | 431 | – | Watanan Petersik | 151 | 109 | 260 | – | Robert Neil Coombe | 147 | 74 | 221 | – | Teoh Su Yin | 155 | 234 | 389 | – | Dato' Lee Kok Kwan | 151 | 119 | 270 | – | Dato' Mohamed Ross Mohd Din | 155 | 202 | 357 | – | Ahmad Zulqarnain Che On*1 | 27 | 30 | 57 | – | Datuk Joseph Dominic Silva*2 | 44 | 28 | 72 | – | Hiroaki Demizu*3 | 112 | 53 | 165 | – | (Executive Directors) |  |  |  |  | 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) |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| (Non-Executive Directors)                         |               |  |                |                           |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Dato' Sri Nazir Razak                             | 155           | 752  | 907            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Datuk Mohd Nasir Ahmad                            | 151           | 252  | 403            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Glenn Muhammad Surya Yusuf                        | 155           | 276  | 431            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Watanan Petersik                                  | 151           | 109  | 260            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Robert Neil Coombe                                | 147           | 74   | 221            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Teoh Su Yin                                       | 155           | 234  | 389            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Dato' Lee Kok Kwan                                | 151           | 119  | 270            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Dato' Mohamed Ross Mohd Din                       | 155           | 202  | 357            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Ahmad Zulqarnain Che On*1                         | 27            | 30   | 57             | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Datuk Joseph Dominic Silva*2                      | 44            | 28   | 72             | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Hiroaki Demizu*3                                  | 112           | 53   | 165            | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| (Executive Directors)                             |               |  |                |                           |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz         | –             | –  | –              | –                         |   |                |                           |                           |  |  |  |  |                       |     |     |     |   |                        |     |     |     |   |                            |     |     |     |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |    |    |    |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |   |   |   |

|  | CIMB Group  |   |                |                           |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
|--|---|---|----------------|---------------------------|--|-----------|---------------|---|----------------|---------------------------|---------------------------|--|--|--|--|-----------------------|-----|-----|-------|---|------------------------|-----|-----|-----|---|----------------------------|-----|-----|-------|---|------------------|-----|-----|-----|---|--------------------|-----|----|-----|---|-------------|-----|-----|-----|---|--------------------|-----|-----|-----|---|-----------------------------|-----|-----|-----|---|---------------------------|-----|-----|-----|---|------------------------------|----|----|----|---|------------------|-----|----|-----|---|-----------------------|--|--|--|--|---|---|-------|-------|----|
|  | <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" style="text-align: center;">(Non-Executive Directors)</td> </tr> <tr> <td>Dato' Sri Nazir Razak</td> <td>843</td> <td>917</td> <td>1,760</td> <td>–</td> </tr> <tr> <td>Datuk Mohd Nasir Ahmad</td> <td>277</td> <td>572</td> <td>849</td> <td>–</td> </tr> <tr> <td>Glenn Muhammad Surya Yusuf</td> <td>916</td> <td>276</td> <td>1,192</td> <td>–</td> </tr> <tr> <td>Watanan Petersik</td> <td>274</td> <td>109</td> <td>383</td> <td>–</td> </tr> <tr> <td>Robert Neil Coombe</td> <td>149</td> <td>74</td> <td>223</td> <td>–</td> </tr> <tr> <td>Teoh Su Yin</td> <td>157</td> <td>234</td> <td>391</td> <td>–</td> </tr> <tr> <td>Dato' Lee Kok Kwan</td> <td>427</td> <td>287</td> <td>714</td> <td>–</td> </tr> <tr> <td>Dato' Mohamed Ross Mohd Din</td> <td>269</td> <td>432</td> <td>701</td> <td>–</td> </tr> <tr> <td>Ahmad Zulqarnain Che On*1</td> <td>431</td> <td>108</td> <td>539</td> <td>–</td> </tr> <tr> <td>Datuk Joseph Dominic Silva*2</td> <td>46</td> <td>28</td> <td>74</td> <td>–</td> </tr> <tr> <td>Hiroaki Demizu*3</td> <td>112</td> <td>53</td> <td>165</td> <td>–</td> </tr> <tr> <td colspan="5" style="text-align: center;">(Executive Directors)</td> </tr> <tr> <td>Tengku Dato' Sri Zafrul Tengku Abdul Aziz</td> <td>–</td> <td>9,861</td> <td>9,861</td> <td>24</td> </tr> </tbody> </table> |   |                |                           |  | Directors | Fees (RM'000) | Salary and/or Other Remuneration (RM'000) | Total (RM'000) | Benefits-in-kind (RM'000) | (Non-Executive Directors) |  |  |  |  | Dato' Sri Nazir Razak | 843 | 917 | 1,760 | – | Datuk Mohd Nasir Ahmad | 277 | 572 | 849 | – | Glenn Muhammad Surya Yusuf | 916 | 276 | 1,192 | – | Watanan Petersik | 274 | 109 | 383 | – | Robert Neil Coombe | 149 | 74 | 223 | – | Teoh Su Yin | 157 | 234 | 391 | – | Dato' Lee Kok Kwan | 427 | 287 | 714 | – | Dato' Mohamed Ross Mohd Din | 269 | 432 | 701 | – | Ahmad Zulqarnain Che On*1 | 431 | 108 | 539 | – | Datuk Joseph Dominic Silva*2 | 46 | 28 | 74 | – | Hiroaki Demizu*3 | 112 | 53 | 165 | – | (Executive Directors) |  |  |  |  | Tengku Dato' Sri Zafrul Tengku Abdul Aziz | – | 9,861 | 9,861 | 24 |
| Directors  | Fees (RM'000)   | Salary and/or Other Remuneration (RM'000) | Total (RM'000) | Benefits-in-kind (RM'000) |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| (Non-Executive Directors)  |   |   |                |                           |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Dato' Sri Nazir Razak  | 843   | 917                                       | 1,760          | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Datuk Mohd Nasir Ahmad   | 277   | 572                                       | 849            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Glenn Muhammad Surya Yusuf   | 916   | 276                                       | 1,192          | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Watanan Petersik   | 274   | 109                                       | 383            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Robert Neil Coombe   | 149   | 74  | 223            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Teoh Su Yin  | 157   | 234                                       | 391            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Dato' Lee Kok Kwan   | 427   | 287                                       | 714            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Dato' Mohamed Ross Mohd Din  | 269   | 432                                       | 701            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Ahmad Zulqarnain Che On*1  | 431   | 108                                       | 539            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Datuk Joseph Dominic Silva*2   | 46  | 28  | 74             | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Hiroaki Demizu*3   | 112   | 53  | 165            | –                         |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| (Executive Directors)  |   |   |                |                           |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz  | –   | 9,861                                     | 9,861          | 24                        |  |           |               |   |                |                           |                           |  |  |  |  |                       |     |     |       |   |                        |     |     |     |   |                            |     |     |       |   |                  |     |     |     |   |                    |     |    |     |   |             |     |     |     |   |                    |     |     |     |   |                             |     |     |     |   |                           |     |     |     |   |                              |    |    |    |   |                  |     |    |     |   |                       |  |  |  |  |   |   |       |       |    |
|  | <p>Notes:</p> <p>*1 Appointed on 3 November 2017</p> <p>*2 Resigned on 3 November 2017</p> <p>*3 Resigned on 16 October 2017</p> <p>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 RM988,137.</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 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>   | : | 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. |
|  | : | Across the Group, CIMB currently discloses the remuneration of the Top 4 management positions in their respective financial statements, as follows:<br>1. CEO, CIMB Group Holdings Berhad*<br>2. CEO, CIMB Bank Berhad*<br>3. CEO, CIMB Investment Bank Berhad<br>4. CEO, CIMB Islamic Bank Berhad<br><br>* Positions 1 and 2 are held by the same individual  |
| <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 consideration.  |
| <b>Timeframe</b>   | : | Others   |

**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 is chaired by Datuk Mohd Nasir Ahmad and he is a Senior Independent Director. He is a member of the Associate of Chartered Certified Accountants (ACCA) United Kingdom and Malaysian Institute of Accountants (MIA). He is not the Chairman of the Board. Dato' Sri Nazir Razak helms the Board as Chairman.</p> <p>The Audit Committee 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 Audit Committee must ensure that the objectivity, independence and effectiveness of External Auditors are maintained. In this regard, the Group Nomination and Remuneration Committee has updated CIMB's Standard Operating Procedure to manage the conflict when considering the appointment of former key audit partners and employees of External Auditors, into CIMB.</p> <p>None of the members of the Board are former key audit partners of the Group. As such, there is no such person being appointed as a member of the Audit Committee.</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 Auditor, which is in line with BNM's Policy on External Auditor. The process requires the Audit Committee to assess the External Auditor's compliance with qualification criteria set out by BNM, which includes evaluating the independence, objectivity and performance of the auditor.</p> <p>Summary of Activities In 2017:</p> <ol style="list-style-type: none"><li>Reviewed and approved the External Auditor's audit plan and scope of work in October 2017.</li><li>Held 2 meetings with the External Auditor to review the financial results and areas of concerns identified.</li><li>Met the External Auditor without the presence of the Management and Executive Directors on 24 January 2017 and 26 July 2017 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 December 2017 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></ol> <p>Accordingly, the assessment undertaken, amongst others, covered:</p> <ul style="list-style-type: none"><li>• Level of knowledge, capabilities experience and quality of previous work</li><li>• Level of engagement with the Audit Committee</li><li>• Ability to provide constructive observations and recommendations</li><li>• Adequacy in audit coverage and 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> |

|  |  |  |
|--|--|--|
|  | <p>The Audit Committee, at its meeting held on 13 December 2017, completed its annual assessment on the External Auditor in accordance with CIMB's Guidelines for the Appointment/Re-appointment of External Auditor. In its assessment, the Audit Committee considered several factors before recommending the re-appointment of the External Auditor, 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 Audit Committee;</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 2017, 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 Audit Committee recommended the appointment of PwC as External Auditor for the Financial Year ending 31 December 2018. The Board, at its meeting held on 29 January 2018, approved the Audit Committee's recommendation for the re-appointment of PwC as External Auditor of the Company for the Financial Year ending 31 December 2018. The Shareholders' Resolution is sought under Ordinary Resolution 6.</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 8.4 - 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 Audit Committee is chaired by Datuk Mohd Nasir Ahmad and the members are Glenn Muhammad Surya Yusuf and Dato' Mohamed Ross Mohd Din, all of whom are Independent Directors.</p> <p>Paragraph 12.3 of the Board Charter provides that majority of the Audit Committee members must be Independent Directors. In addition, Paragraph 12.4 of the Board Charter provides that the Audit Committee must not have any Executive Director in its membership.</p> <p>The Board Charter can be found 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 Audit Committee is chaired by Datuk Mohd Nasir Ahmad and the members are Glenn Muhammad Surya Yusuf and Dato' Mohamed Ross Mohd Din, all of whom are Independent Directors. Members of the Audit Committee have the relevant accounting or related financial management experience or expertise, with the Chairman of the Audit Committee having more than 37 years of relevant experience.</p> <p>Datuk Mohd Nasir Ahmad is a member of the Association of Chartered Certified Accountants (ACCA) United Kingdom and Malaysian Institute of Accountants (MIA).</p> <p>The duties and responsibilities of the Audit Committee 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 Audit Committee to keep abreast of latest developments:</p> <table border="1" data-bbox="544 1570 1390 2018"> <thead> <tr> <th data-bbox="544 1570 794 1632">Audit Committee Member</th> <th data-bbox="794 1570 1390 1632">Training attended</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1632 794 2018">Datuk Mohd Nasir Ahmad</td> <td data-bbox="794 1632 1390 2018"> <ul style="list-style-type: none"> <li>• 4th BNM-FIDE Annual Dialogue</li> <li>• A New Era of Auditing</li> <li>• BNM Annual Communication</li> <li>• Audit Committee Conference</li> <li>• High Performance Leadership</li> <li>• MIA Commemorative Lecture</li> <li>• Accounting &amp; Finance at Board Level</li> <li>• Leading UKM to Organisational Success</li> <li>• Leadership and HR Readiness</li> <li>• ACCA Malaysia Annual Conference</li> <li>• CIMB Risk Workshop</li> <li>• CIMB Risk Posture Workshop</li> </ul> </td> </tr> </tbody> </table> | Audit Committee Member | Training attended | Datuk Mohd Nasir Ahmad | <ul style="list-style-type: none"> <li>• 4th BNM-FIDE Annual Dialogue</li> <li>• A New Era of Auditing</li> <li>• BNM Annual Communication</li> <li>• Audit Committee Conference</li> <li>• High Performance Leadership</li> <li>• MIA Commemorative Lecture</li> <li>• Accounting &amp; Finance at Board Level</li> <li>• Leading UKM to Organisational Success</li> <li>• Leadership and HR Readiness</li> <li>• ACCA Malaysia Annual Conference</li> <li>• CIMB Risk Workshop</li> <li>• CIMB Risk Posture Workshop</li> </ul> |
| Audit Committee Member                            | Training attended   |                        |                   |                        |   |
| Datuk Mohd Nasir Ahmad                            | <ul style="list-style-type: none"> <li>• 4th BNM-FIDE Annual Dialogue</li> <li>• A New Era of Auditing</li> <li>• BNM Annual Communication</li> <li>• Audit Committee Conference</li> <li>• High Performance Leadership</li> <li>• MIA Commemorative Lecture</li> <li>• Accounting &amp; Finance at Board Level</li> <li>• Leading UKM to Organisational Success</li> <li>• Leadership and HR Readiness</li> <li>• ACCA Malaysia Annual Conference</li> <li>• CIMB Risk Workshop</li> <li>• CIMB Risk Posture Workshop</li> </ul>   |                        |                   |                        |   |



|                                  |                                 |   |
|----------------------------------|---------------------------------|---|
|                                  |                                 | <ul style="list-style-type: none"> <li>• 1st Directors' Regional Sharing Session (BRC)</li> <li>• CIMB Regional Sharing Session</li> <li>• Risk Management Programme</li> <li>• Board Offsite of CIMBGH</li> <li>• Environmental, Social and Governance (ESG) Talk</li> <li>• Cybersecurity for Directors</li> <li>• IIA Malaysia National Conference 2017</li> <li>• 2017 CIMB Group's Annual Management Summit (AMS)</li> <li>• Building High Performance Directors: Organisational Sustainability</li> <li>• Talk: Integrity and Leadership</li> <li>• MIA Conference 2017</li> </ul>  |
|                                  | Glenn Muhammad Surya Yusuf      | <ul style="list-style-type: none"> <li>• CIMB Risk Workshop</li> <li>• 1st Directors' Regional Sharing Session (BRC)</li> <li>• 1st Directors' Regional Sharing Session (NRC)</li> <li>• Board Offsite of CIMBGH</li> </ul>   |
|                                  | Dato' Mohamed Ross Bin Mohd Din | <ul style="list-style-type: none"> <li>• New Companies Act</li> <li>• "Efficient Inefficiency – Making Boards Effective in a Changing World"</li> <li>• Compliance Conference</li> <li>• Board Selection – Engagement with Potential Directors</li> <li>• Risk &amp; Rewards: What Boards must know about a Sustainable FI Remuneration Sys for Snr. Mgrs &amp; Material Risk Takers</li> <li>• Dialogue on Sustainable Development of Affordable Housing</li> <li>• Fintech – Opportunities for the Financial Services Industry in Malaysia</li> <li>• Boards in the Digital Economy</li> <li>• Invest Malaysia Conference 2017</li> <li>• CIMB Risk Workshop</li> <li>• 3rd Distinguished Board Leadership Series – Cryptocurrency and Blockchain Technology</li> <li>• 1st Directors' Regional Sharing Session (BRC)</li> <li>• 1st Directors' Regional Sharing Session (NRC)</li> <li>• Dialogue on VBI – Strengthening the Roles and Impact of Islamic Finance via Value-based Intermediation</li> <li>• Board Offsite of CIMBGH</li> <li>• Environmental, Social and Governance (ESG) Talk</li> <li>• 2017 CIMB Group's Annual Management Summit (AMS)</li> </ul> |
| <b>Explanation for departure</b> | :                               |   |

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|--|---|--|
|  |   |  |
| <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.</p> <p>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 Group's business and operations, and are critical in ensuring CIMB Group's success and sustainable growth.</p> <p>The emphasis of a strong risk management culture is the foundation of the control mechanisms within CIMB Group's Enterprise-Wide Risk Management (EWRM) framework. The framework involves an on-going process of identifying assessing, controlling, monitoring and reporting material risks affecting the achievement of CIMB Group's strategic business objectives. It provides the Board and Management with tools to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles and CIMB Group's business strategies and risk appetite.</p> <p>To further enhance the cultivation of the risk management culture, CIMB Group adopts the three lines of defense model in implementing the EWRM framework, which provides clear accountability of risk management across the CIMB Group. The business units as the first lines of defense are primarily responsible for the identification and management of risks within their day-to-day operations. Group Risk, Group Finance, Group</p> |

|   |  |  |
|---|--|--|
|   | <p>Compliance and other control functions, within the second line of defense provide oversight functions; including measuring, performing independent evaluation and monitoring and reporting to the Board and Management, to ensure that CIMB Group is conducting business and operating within the approved risk appetite and in compliance with the relevant regulations. GIAD, as the third line of defense, provides independent assurance on the adequacy and effectiveness of the internal controls and risk management process. The Board has also established the Board Risk 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 from page 128 to 143 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 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 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 Group employs the EWRM framework as a standardized approach to manage its risks and opportunities across the CIMB Group. The EWRM framework is consistently adopted by all risk management teams across all jurisdictions, save for some necessary adjustments as required by local regulations.</p> <p>The design of the EWRM framework involves a complementary 'top-down strategic' and 'bottom-up tactical' risk management approach with formal policies and procedures addressing all areas of significant risk for CIMB Group.</p> <p>The key features of the EWRM framework includes:</p> <ol style="list-style-type: none"><li>i. <b>Governance &amp; Organisation:</b> A strong governance structure is important to ensure an effective and consistent implementation of the EWRM framework. The Board is ultimately responsible for CIMB Group's risk management activities, sets the strategic direction, risk appetite and relevant frameworks for CIMB Group. The Board is assisted by various risk committees and control functions in ensuring that CIMB Group's risk management framework is effectively maintained.</li><li>ii. <b>Risk Appetite:</b> It is defined as the amount and types of risk that CIMB 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.</li><li>iii. <b>Risk Management Process:</b><ul style="list-style-type: none"><li>– <b>Business Planning:</b> Risk is a stakeholder in the business planning process, including setting</li></ul></li></ol> |

|   |  |
|---|--|
|   | <p>frameworks for risk appetite, risk posture and new product or new business activities.</p> <ul style="list-style-type: none"> <li>– <b>Risk Identification:</b> Risks are systematically identified through the robust application of CIMB Group’s risk frameworks, policies and procedures.</li> <li>– <b>Measure and Assess:</b> Risks are measured and aggregated using CIMB Group-wide methodologies across each of the risk types, including stress testing.</li> <li>– <b>Manage and Control:</b> Control and limits are used to manage risk exposures within the risk appetite set by the Board. Controls and limits 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>– <b>Monitor and Report:</b> Risks on an individual as well as a portfolio basis are regularly monitored and reported to ensure they remain within CIMB Group’s risk appetite.</li> </ul> <p>iv. <b>Risk Management Infrastructure</b></p> <ul style="list-style-type: none"> <li>– <b>Risk Policies, Procedures and Methodologies:</b> Well-defined risk policies by risk type provide the principles by which CIMB Group manages its risks. Procedures provide guidance for day-to-day risk-taking activities. Methodologies provide specific requirements, rules or criteria that must be met to comply with the policy.</li> <li>– <b>People:</b> Attracting the right talent and skills are the key to ensuring a well-functioning EWRM Framework. The organisation continuously evolves and proactively responds to the increasing complexity of CIMB Group as well as the economic and regulatory environment.</li> <li>– <b>Technology and Data:</b> Appropriate technology and sound data management are enablers to support risk management activities.</li> </ul> <p>v. <b>Risk Culture:</b> CIMB Group embraces risk management as an integral part of its culture and decision-making processes. CIMB Group’s risk management philosophy is embodied in the Three Lines of Defense approach, whereby risks are managed at the point of risk-taking activity. There is clear accountability of risk ownership across CIMB Group.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control from page 128 to 143 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> |  |

|                  |   |  |  |
|------------------|---|--|--|
| <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 has established a Board Risk Committee (BRC) that is responsible for formulating and reviewing the risk management policies and risk appetite of CIMB. The BRC comprises nine members of whom six members (including the BRC Chairman) are Independent Directors.</p> <p>Paragraph 12.3 of the Board Charter provides that majority of the BRC members must be Independent Directors. In addition, Paragraph 12.4 of the Board Charter provides that the BRC must not have any Executive Director in its membership.</p> <p>The Board Charter can be found 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>Group Internal Audit Division (GIAD) reports independently to CIMB's Audit Committee and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management. The internal audit function is reviewed periodically by the Audit Committee to ensure its adequacy in performing its role. GIAD reports significant findings to the Audit Committee with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weaknesses are executed within an appropriate timeframe. The deadlines committed by Management on corrective actions are closely monitored and undue delays have to be explained to the Audit Committee.</p> <p>The Audit Committee will review the effectiveness of 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 Audit Committee.</li><li>(b) To review the adequacy of internal audit scope, internal audit plan, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.</li><li>(c) To review the results of the internal audit processes and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function. The reports of internal auditors are not subject to clearance by the Group Chief Executive.</li><li>(d) To oversee the functions of GIAD and ensure compliance with relevant guidelines on internal audit issued by Bursa Malaysia Securities Berhad, Bank Negara Malaysia and Securities Commission.</li><li>(e) To evaluate the performance and decide on the remuneration package of the Group Chief Internal Auditor.</li><li>(f) 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 Internal Audit Division,</li></ul> |

|   |   |
|---|---|
|   | <p>providing the resigning staff member an opportunity to submit his/her reasons for resigning.</p> <p>The duties and responsibilities of the Audit Committee 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 Audit Committee activities in 2017:</p> <ol style="list-style-type: none"> <li>a. Approved the annual internal audit plan and the mid-year review of the plan in March and August 2017 respectively; reviewed the audit scope planned based on risk assessment conducted and the audit resource requirements.</li> <li>b. Reviewed GIAD’s methodology in assessing the risk levels of the various auditable areas for planning purposes, with audit emphasis on the critical risk areas.</li> <li>c. Reviewed GIAD’s audit rating methodology and its consistent application for the various types of audits (eg end-to-end audit, thematic audit, compliance review) in ensuring that the audit ratings accorded are reflective of the state of internal control of the areas audited.</li> <li>d. Approved the KPIs for GCIA and his direct reports; evaluated the GCIA’s annual performance together with the remuneration payout.</li> <li>e. Evaluated GIAD’s overall performance on half-yearly basis and provided written feedback for improvements.</li> <li>f. Reviewed the summary of internal audit work performed across the region together with the audit outcome on quarterly basis.</li> </ol> <p>For further information, please refer to the Statement on Risk Management and Internal Control from page 128 to 143 of the Annual Report and the Audit Committee Report from page 144 to 147 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–

1. whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
2. the number of resources in the internal audit department;
3. name and qualification of the person responsible for internal audit; and
4. 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 Group Internal Audit Division (GIAD) reports independently to the CIMB Group Audit Committee (AC) and the Banking Group AC and is independent of the activities and operations of the business and other support units. The principal responsibility of GIAD 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, GIAD 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 organization providing thought leadership and guidance on internal control, enterprise risk management and fraud deterrence.</p> <p>GIAD'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. GIAD also undertakes investigations into alleged frauds by staff, customers or third parties, and recommends appropriate improvements to prevent recurrence and actions against persons responsible.</p> <p>GIAD has unrestricted access to information required in the course of its work. GIAD's scope of work is established in</p> |

accordance with The Institute of International Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing and relevant regulatory guidelines.

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, response of management, comments and recommendations by GIAD for improvement, and deadline to implement GIAD'S recommendations. CIMB Group 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.

The total costs incurred for maintaining the GIAD function in Malaysia for financial year ended 31 December 2017 is RM32.02 million, comprising personnel costs, establishment expenses, admin & general expenses and marketing expenses.

GIAD conducts training routinely for relevant staff on governance and internal control matters, including attachment of certain staff with GIAD for both classroom and on-the-job training.

The foreign banking subsidiaries have their own ACs and their own internal audit divisions. While the asset management subsidiaries of CIMB Group and Touch 'n Go also have their own respective AC, the internal audit function for these subsidiaries is carried out by GIAD. CIMB Group AC meets with the relevant subsidiary's Audit Committee 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 GIAD with such modifications as necessary to suit local environment and regulations.

As a means to objectively evaluate its service quality and to ensure it continues to improve its service delivery, GIAD had obtained ISO 9001:2008 Certification for its quality management system in 2014, awarded by a leading certification body in Malaysia. Such certification on the internal audit services is the first for a financial institution in Malaysia. GIAD had subsequently been re-certified in 2017 based on the ISO 9001:2015 Standard.

In addition, external assessment of GIAD'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 International Standards for Professional Practice of Internal Auditing. The report for the last assessment was issued in 2014, and the next assessment will be undertaken in 2018.

Lim Tiang Siew, 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 and a

|   |  |  |
|---|--|--|
|   | <p>member of the Malaysian Institute of Accountants.</p> <p>For further information, please refer to the Statement on Risk Management and Internal Control from page 128 to 143 of the Annual Report and the Audit Committee Report from page 144 to 147 of the Annual Report.</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 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 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/ED.</p> <p>CIMB embraces social media as an important communication channel with stakeholders as these channels allow immediate and easy access to information as well as providing a platform to gain feedback from the stakeholders. CIMB 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 way CIMB operates.</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 its efforts on the following practices to enhance the effectiveness</p> |

|   |   |
|---|---|
|   | <p>of General Meeting:</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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.</p> <p>(e) ensure that there is a channel of communication through the Group Company Secretary on feedback and queries from shareholders;</p> <p>(f) ensure the Chairman of the Board is the Chairman for all General Meetings; and</p> <p>(g) ensure that the Company publishes these measures as listed above, on its corporate website in a dedicated Corporate Governance section.</p> <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>   | : | Departure   |
| <b>Explanation on application of the practice</b>  | : |   |
| <b>Explanation for departure</b>   | : | CIMB has yet to adopt integrated reporting.   |
|  |   | CIMB has yet to fully adopt integrated reporting, but has already integrated non-financial information into CIMB's Annual Report to facilitate shareholders and other stakeholders to better understand how CIMB takes into account the connectivity and interdependency that have a material effect on CIMB's ability to create and sustain value over time. |
| <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 noted the International Integrated Reporting (IR) Framework issued by the International Integrated Reporting Council in December 2013, a widely recognised integrated reporting framework. The Board is currently assessing the IR Framework for implementation and strives to adopt integrated reporting by 2020.                                  |
| <b>Timeframe</b>   | : | Within 3 years  |

### 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 Annual General Meeting (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 background information and reports or recommendations.</p> <p>In 2017, CIMB held it's AGM on 28 April 2017 with the Notice and Agenda of the AGM delivered to the shareholders on 31 March 2017 (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>  | : | <p>The 2017 Annual General Meeting (AGM) was attended by all Directors, Group Management Committee members and 2,844 shareholders.</p> <p>During the AGM, the Chairman provided fair opportunity and time to all shareholders to exercise their rights to raise questions and make recommendations. The proceedings at the AGM were recorded in the minutes of the meeting and disclosed to shareholders on CIMB's website within two weeks after the meeting.</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 12.3

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

- including voting in absentia; and
- remote shareholders' participation at General Meetings.

|  |   |   |
|--|---|---|
| <b>Application</b>   | : | Departure   |
| <b>Explanation on application of the practice</b>  | : |   |
| <b>Explanation for departure</b>   | : | CIMB has yet to facilitate voting in absentia and remote participation by shareholders at General Meetings.   |
|  |   | Resolutions during the Annual General Meeting 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 on 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 Malaysian Code on Corporate Governance on the use of technology for remote shareholders' participation and voting in absentia by 2020. |
| <b>Timeframe</b>   | : | Within 3 years  |

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES  
PERSUANT 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.*

**Board of Directors**

**Corporate Information (as at 28 February 2018)**

**Board of Directors**

| <b>Directors</b>                          | <b>Description</b>   |
|---|--|
| Dato' Sri Nazir Razak                     | Chairperson/Non-Independent Director                       |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | Group Chief Executive Officer/Executive Director           |
| Datuk Mohd Nasir Ahmad                    | Senior Independent Director                                |
| Glenn Muhammad Surya Yusuf                | Independent Director                                       |
| Watanan Petersik                          | Independent Director                                       |
| Robert Neil Coombe                        | Independent Director                                       |
| Teoh Su Yin                               | Independent Director                                       |
| Dato' Lee Kok Kwan                        | Non-Independent Director                                   |
| Dato' Mohamed Ross Mohd Din               | Independent Director                                       |
| Ahmad Zulqarnain Che On                   | Non-Independent Director<br>(Appointed on 3 November 2017) |
| Datuk Joseph Dominic Silva                | Non-Independent Director<br>(Resigned on 3 November 2017)  |
| Hiroaki Demizu                            | Non-Independent Director<br>(Resigned on 16 October 2017)  |

**Audit Committee**

| <b>Directors</b>            | <b>Description</b>                      |
|-----------------------------|---|
| Datuk Mohd Nasir Ahmad      | Chairperson/Senior Independent Director |
| Glenn Muhammad Surya Yusuf  | Independent Director                    |
| Dato' Mohamed Ross Mohd Din | Independent Director                    |

**Board Risk Committee**

| <b>Directors</b>            | <b>Description</b>   |
|-----------------------------|--|
| Glenn Muhammad Surya Yusuf  | Chairperson/Independent Director                           |
| Datuk Mohd Nasir Ahmad      | Senior Independent Director                                |
| Dato' Sri Nazir Razak       | Non-Independent Director                                   |
| Watanan Petersik            | Independent Director                                       |
| Robert Neil Coombe          | Independent Director                                       |
| Teoh Su Yin                 | Independent Director                                       |
| Dato' Lee Kok Kwan          | Non-Independent Director                                   |
| Dato' Mohamed Ross Mohd Din | Independent Director                                       |
| Ahmad Zulqarnain Che On     | Non-Independent Director<br>(Appointed on 3 November 2017) |
| Datuk Joseph Dominic Silva  | Non-Independent Director<br>(Resigned on 3 November 2017)  |
| Hiroaki Demizu              | Non-Independent Director<br>(Resigned on 16 October 2017)  |

### **Group Nomination and Remuneration Committee**

| <b>Directors</b>            | <b>Description</b>  |
|-----------------------------|---|
| Teoh Su Yin                 | Chairperson/Independent Director                            |
| Glenn Muhammad Surya Yusuf  | Independent Director  |
| Watanan Petersik            | Independent Director  |
| Dato' Mohamed Ross Mohd Din | Independent Director  |
| Datuk Mohd Nasir Ahmad      | Senior Independent Director<br>(Appointed on 1 August 2017) |
| Ahmad Zulqarnain Che On     | Non-Independent Director<br>(Appointed on 3 November 2017)  |
| Datuk Joseph Dominic Silva  | Non-Independent Director<br>(Resigned on 3 November 2017)   |

### **Group Compensation Review Committee**

| <b>Directors</b>                          | <b>Description</b>  |
|---|---|
| Dato' Sri Nazir Razak                     | Chairperson/Non-Independent Director                              |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | Group Chief Executive Officer/Executive Director                  |
| Dato' Zainal Abidin Putih                 | Non-Independent Director<br>Chairman, CIMB Bank Berhad            |
| Dato' Robert Chiem Dau Meng               | Non-Independent Director<br>Chairman, CIMB Investment Bank Berhad |
| Dato' Mohamed Ross Mohd Din               | Independent Director<br>Chairman, CIMB Islamic Bank Berhad        |

### **Group Board Oversight Committee**

| <b>Directors</b>                          | <b>Description</b>                               |
|---|--|
| Dato' Sri Nazir Razak                     | Chairperson/Non-Independent Director             |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | Group Chief Executive Officer/Executive Director |
| Teoh Su Yin                               | Independent Director                             |
| Dato' Lee Kok Kwan                        | Non-Independent Director                         |

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.

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

### **Board of Directors' Profiles**

#### **Dato' Sri Mohamed Nazir Abdul Razak**

DESIGNATION : Chairperson/Non-Independent Director  
NATIONALITY : Malaysian  
AGE : 51  
GENDER : Male  
DATE OF APPOINTMENT : 27 January 2006  
LENGTH OF TENURE (DIRECTOR) : 12 Years

#### **MEMBERSHIP OF BOARD COMMITTEES:**

- Chairperson of Group Board Oversight Committee
- Chairperson of Group Compensation Review Committee
- Member of Board Risk Committee

**QUALIFICATION:**

- Master of Philosophy (MPhil), University of Cambridge, United Kingdom
- Bachelor of Science (Hons) in Economics and Politics, University of Bristol, United Kingdom

**AREA OF EXPERTISE:**

- Management, Finance and Banking, Leadership

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

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

**PUBLIC COMPANIES:**

- Director of Khazanah Nasional Berhad
- Deputy Chairperson/Non-Independent Director of CIMB Bank Berhad

**SHAREHOLDINGS IN RELATED COMPANIES:**

- 43,625,712 Ordinary Shares at CIMB Group Holdings Berhad
- 7,490,371 (Direct and Indirect) Ordinary Shares at P.T. Bank CIMB Niaga Tbk

**RELEVANT EXPERIENCE:**

Dato' Sri Nazir Razak joined the corporate advisory department of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) in 1989 and managed various fund raising, privatisation, listing and corporate restructuring exercises. In 1993, he transferred to the bank's stockbroking arm, where he rose to the position of Executive Director. He moved back to CIMB Investment Bank Berhad as Deputy Chief Executive on 1 June 1996 and became CIMB Group Chief Executive on 1 June 1999. He assumed the position of Group Chief Executive of an enlarged CIMB Group on 7 November 2006 pursuant to a merger with Bumiputra-Commerce Bank.

During his tenure as Group Chief Executive Officer of CIMB, Dato' Sri Nazir was recognised as Malaysia's top executive/CEO on several occasions. He was the youngest recipient of Finance Asia's 'Lifetime Achievement Award' in 2009 and was also awarded Euromoney's 'Outstanding Achievement Award' in 2012 in recognition of his outstanding contribution to the Asian financial markets. In 2015, he was the recipient of Asia House's 'Asian Business Leaders Award'.

Dato' Sri Nazir sits on the boards of various CIMB Group subsidiaries and Khazanah Nasional Berhad. He is also Chairman of the World Economic Forum's ASEAN Regional Strategy Group, and a Member of the International Advisory Board of the University of Oxford's Blavatnik School of Government. He is a Trustee of CIMB Foundation and Asia Business Council.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>           | <b>AC</b> | <b>GBOC</b>          | <b>BRC</b>    | <b>GNRC</b> | <b>GCRC</b>        |
|----------------------|-----------|----------------------|---------------|-------------|--------------------|
| Chairperson<br>13/14 | -         | Chairperson<br>11/11 | Member<br>4/5 | -           | Chairperson<br>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, except being a Director of Khazanah Nasional Berhad and the brother of Dato' Sri Mohd Najib Tun Hj Abdul Razak, the Chairman 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

2017

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

DESIGNATION : Group Chief Executive Officer/Executive Director  
NATIONALITY : Malaysian  
AGE : 44  
GENDER : Male  
DATE OF APPOINTMENT : 27 February 2015  
LENGTH OF TENURE (DIRECTOR) : 3 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Member of Group Board Oversight Committee
- Member of Group Compensation Review Committee

**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:**

- Finance and Banking, Leadership and Management

**DIRECTORSHIP**

**LISTED:**

- Commissioner of P.T. Bank CIMB Niaga Tbk

**PUBLIC COMPANIES:**

- Chief Executive Officer/Executive Director of CIMB Bank Berhad

**SHAREHOLDINGS IN RELATED COMPANIES:**

- 766,632 Ordinary Shares at CIMB Group Holdings Berhad
- 60,031 Ordinary Shares at P.T. Bank CIMB Niaga Tbk

**RELEVANT EXPERIENCE:**

Tengku Dato' Sri Zafrul Tengku Abdul Aziz is the Group Chief Executive Officer/Executive Director of CIMB Group Holdings Berhad, a leading ASEAN universal bank and a world leader in Islamic finance with presence in 15 countries worldwide. He is also the Chief Executive Officer/Executive Director of CIMB Bank Berhad and Commissioner of P.T. Bank CIMB Niaga Tbk.

With over 21 years of experience in the financial services sector, specialising in Investment Banking, 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 (now known as ECM Libra). He also experienced being an entrepreneur by setting up Tune Money Sdn Bhd, Asia's first "no-frills" online financial service provider.

Outside of CIMB, Zafrul is an advocate of Malaysia's socioeconomic development and currently heads the Kuala Lumpur Business Club. He is a Panel Member of the Industry



Talent Advisory Panel, which provides independent views and advice to the Government of Malaysia on issues and developments of the future of the workforce. He is also a member of the APEC Business Advisory Council (ABAC), representing Malaysia in promoting intra-trade and collaboration within APEC. Further, he is on the boards of the Malaysian Investment Development Authority (MIDA) and Perbadanan PR1MA Malaysia. Zafrul is also actively involved in developing the youth of the nation – he is currently the Chairman of Enactus Malaysia Foundation, an international non-profit organisation aimed at grooming university students into future leaders. Zafrul is also an Honorary Commander of the Navy Volunteer Reserve under the Royal Malaysian Navy.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b> | <b>GBOC</b>     | <b>BRC</b> | <b>GNRC</b> | <b>GCRC</b>   |
|-----------------|-----------|-----------------|------------|-------------|---------------|
| Member<br>15/15 | -         | Member<br>10/10 | -          | -           | Member<br>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, 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 2017

**Datuk Mohd Nasir Ahmad**

DESIGNATION : Senior Independent Director  
 NATIONALITY : Malaysian  
 AGE : 63  
 GENDER : Male  
 DATE OF APPOINTMENT : 20 July 2015  
 LENGTH OF TENURE (DIRECTOR) : 3 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Chairperson of Audit Committee
- Member of Board Risk 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)
- Master of Business Administration (Finance), Universiti Kebangsaan Malaysia, Malaysia

**AREA OF EXPERTISE:**

- Finance, Accounting and Audit, Management

**DIRECTORSHIP LISTED:**

- Senior Independent Director of Media Prima Berhad

**PUBLIC COMPANIES:**

- Independent Director of CIMB Bank Berhad

- Independent Director of MIMOS Berhad
- Independent Director of SIRIM Berhad
- Independent Director and Chairman of Sistem Televisyen Malaysia Berhad

**SHAREHOLDINGS IN RELATED COMPANIES:**

- Nil

**RELEVANT EXPERIENCE:**

Datuk Mohd Nasir Ahmad was the President of MIA from August 2011 to July 2013. He was elected as a Council Member of the ACCA UK in September 2013 and was re-elected in September 2016.

He brings with him vast experience in the areas of finance, accounting and management which spans 38 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 such as Prokhas Sdn Bhd, SIRIM Tech Venture Sdn Bhd, CIMB EOP Management Sdn Bhd and Synchronsound Studio Sdn Bhd.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b>            | <b>GBOC</b> | <b>BRC</b>    | <b>GNRC</b>   | <b>GCRC</b> |
|-----------------|----------------------|-------------|---------------|---------------|-------------|
| Member<br>14/15 | Chairperson<br>21/21 | -           | Member<br>5/5 | Member<br>4/5 | -           |

**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 2017

**Glenn Muhammad Surya Yusuf**

DESIGNATION : Independent Director  
 NATIONALITY : Indonesian  
 AGE : 62  
 GENDER : Male  
 DATE OF APPOINTMENT : 25 January 2010  
 LENGTH OF TENURE (DIRECTOR) : 8 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

- Chairperson of Board Risk Committee

- Member of Audit Committee
- Member of Group Nomination and Remuneration Committee

**QUALIFICATION:**

- Master in Business Management, Asian Institute of Management, Manila, Phillipines
- Bachelor of Arts in Economics, University of Phillipines, Phillipines

**AREA OF EXPERTISE:**

- Finance and Banking, Investment Banking, Leadership

**DIRECTORSHIP:**

**LISTED:**

- Vice President Commissioner of P.T. Bank CIMB Niaga TBK

**PUBLIC COMPANIES:**

- Nil

**SHAREHOLDINGS IN RELATED COMPANIES:**

- Nil

**RELEVANT EXPERIENCE:**

Glenn Muhammad Surya Yusuf has served on CIMB's International Advisory Panel since 2006 and was Deputy Chairman of the Bank Niaga – Bank Lippo Integration Steering Committee in 2008. He has been a Commissioner of PT Bank CIMB Niaga Tbk since April 2010 and assumed his current position as Vice President Commissioner in June 2012.

Glenn is a prominent figure in the Indonesian corporate scene, having over 30 years of experience in the corporate and financial sectors, including a tenure at the then PT Bank Niaga Tbk (1985-1994) where he rose to the position of Finance Director.

In government service, Glenn was the Head of the Minister of Finance Assistance Team for Financial Sector Restructuring, Department of Finance, Republic of Indonesia from October 2001 to October 2002. He served as the third Chairman of the Indonesian Bank Restructuring Agency (IBRA) from 1998 to 2000 and Director General of Financial Institutions, Department of Finance from April to June 1998.

He has served as President Director/CEO PT PP London Sumatera Indonesia, Tbk from June 2003 to May 2007, President Director/CEO PT Danareksa (Persero) from 1995 to 2001, Director at PT Bahana Pembinaan Usaha Indonesia from 1994 to 1995 and Finance Director at PT Bank Niaga, Tbk from 1991 to 1994.

He was the Head of Investment Banking of PT Bank Niaga from 1989 to 1991, General Manager Los Angeles Agency of PT Bank Niaga Tbk from 1985 to 1989 and Manager of Citicorp Capital Market Group in Indonesia from 1983 to 1985.

He was Senior Partner of PT Nusantara Capital from June 2007 to 2010 and assumed the position of President Commissioner at PT Polyprima Karyareksa from June 2004 to 2010.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b>       | <b>GBOC</b> | <b>BRC</b>         | <b>GNRC</b>     | <b>GCRC</b> |
|-----------------|-----------------|-------------|--------------------|-----------------|-------------|
| Member<br>15/15 | Member<br>21/21 | -           | Chairperson<br>5/5 | Member<br>14/14 | -           |

**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 he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2017.

**Watanan Petersik**

DESIGNATION : Independent Director  
NATIONALITY : Thai  
AGE : 57  
GENDER : Female  
DATE OF APPOINTMENT : 25 January 2010  
LENGTH OF TENURE (DIRECTOR) : 8 Years

**MEMBERSHIP OF BOARD COMMITTEES**

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

**QUALIFICATION:**

- Bachelor of Arts from Bryn Mawr College, USA

**AREA OF EXPERTISE:**

- Finance and Banking

**DIRECTORSHIP:**

**LISTED**

- Independent Director of CIMB Thai Bank Public Company Limited
- Independent Director of PTT Global Chemical Public Company Limited

**PUBLIC COMPANIES**

- NIL

**SHAREHOLDINGS IN RELATED COMPANIES:**

- NIL

**RELEVANT EXPERIENCE:**

Watanan Petersik joined the Board of CIMB Thai Bank PCL which was previously known as Bank Thai Public Company Limited in 2007 as a nominee of TPG Capital. She is currently the Chairperson of the Nomination, Remuneration and Corporate Governance Committee of CIMB Thai Bank PCL. She also holds directorships in various other private companies.

Watanan has been in the financial services industry for over 30 years with her last full-time position at Goldman Sachs.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b> | <b>GBOC</b> | <b>BRC</b>    | <b>GNRC</b>     | <b>GCRC</b> |
|-----------------|-----------|-------------|---------------|-----------------|-------------|
| Member<br>13/15 | -         | -           | Member<br>5/5 | Member<br>12/14 | -           |

**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 2017

**Robert Neil Coombe**

|                             |                        |
|-----------------------------|------------------------|
| DESIGNATION                 | : Independent Director |
| NATIONALITY                 | : Australian           |
| AGE                         | : 54                   |
| GENDER                      | : Male                 |
| DATE OF APPOINTMENT         | : 16 April 2014        |
| LENGTH OF TENURE (DIRECTOR) | : 3 Years              |

**MEMBERSHIP OF BOARD COMMITTEES**

- Member of Board Risk Committee

**QUALIFICATION:**

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

**AREA OF EXPERTISE:**

- Corporate, Leadership, Management Operations, Finance and Banking

**DIRECTORSHIP:**

**LISTED:**

- Austock Group Ltd

**PUBLIC COMPANIES:**

- Craveable Brands Pty Ltd

**SHAREHOLDINGS IN RELATED COMPANIES:**

- NIL

**RELEVANT EXPERIENCE:**

Robert Neil Coombe is currently the Executive Chairman of the ASX listed Austock Group, a financial services business focused on generational financial solutions. He is also Chairman 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, Rob 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 member of the Advisory Boards of both the UTS Faculty of Law and 5V Capital Investors.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b> | <b>GBOC</b> | <b>BRC</b>    | <b>GNRC</b> | <b>GCRC</b> |
|-----------------|-----------|-------------|---------------|-------------|-------------|
| Member<br>12/15 | -         | -           | Member<br>5/5 | -           | -           |

**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 2017

**Teoh Su Yin**

DESIGNATION : Independent Director  
 NATIONALITY : Malaysian  
 AGE : 47  
 GENDER : Female  
 DATE OF APPOINTMENT : 8 October 2014  
 LENGTH OF TENURE (DIRECTOR) : 4 Years

**MEMBERSHIP OF BOARD COMMITTEES**

- Chairperson of Group Nomination and Remuneration Committee
- Member of Board Risk Committee
- Member of Group Board Oversight Committee

**QUALIFICATION:**

- Licensed Investment Adviser by Securities Commission of Malaysia
- 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 in Professional Marketing, Chartered Institute of Marketing, United Kingdom

**AREA OF EXPERTISE:**

- Finance and Banking (Equity research and investment), Management

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

- NIL

**PUBLIC COMPANIES:**

- NIL

**SHAREHOLDINGS IN RELATED COMPANIES:**

- NIL

**RELEVANT EXPERIENCE:**

Teoh Su Yin 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 and holds directorships in various other private companies such as Dragon Bay Sdn Bhd and, Toorak Pty Ltd.

**BOARD COMMITTEE AND ATTENDANCE:**

| <b>BOD</b>      | <b>AC</b> | <b>GBOC</b>     | <b>BRC</b>    | <b>GNRC</b>          | <b>GCRC</b> |
|-----------------|-----------|-----------------|---------------|----------------------|-------------|
| Member<br>14/15 | -         | Member<br>10/11 | Member<br>4/5 | Chairperson<br>14/14 | -           |

**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 2017

**Dato' Lee Kok Kwan**

DESIGNATION : Non-Independent Director  
 NATIONALITY : Malaysian  
 AGE : 52  
 GENDER : Male  
 DATE OF APPOINTMENT : 20 July 2015  
 LENGTH OF TENURE (DIRECTOR) : 3 Years

**MEMBERSHIP OF BOARD COMMITTEES**

- Member of Board Risk Committee
- Member of Group Board Oversight Committee

**QUALIFICATION:**

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

**AREA OF EXPERTISE:**

- Finance and Banking

**DIRECTORSHIP IN OTHER COMPANIES:**

**LISTED**

- Non-Independent Director of CIMB Thai Bank PCL

**PUBLIC COMPANIES**

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

**SHAREHOLDINGS IN RELATED COMPANIES:**

- 1,213,630 Ordinary Shares at CIMB Group Holdings Berhad

- 427,305 (Direct and Indirect) Ordinary Shares at P.T. Bank CIMB Niaga Tbk

**RELEVANT EXPERIENCE:**

Dato' Lee Kok Kwan was the Deputy Chief Executive Officer 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 the President of the Financial Markets Association and Adviser to the Securities Commission Malaysia.

Dato' Lee was recently appointed as First Director and Chairman 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>GBOC</b>    | <b>BRC</b>    | <b>GNRC</b> | <b>GCRC</b> |
|-----------------|-----------|----------------|---------------|-------------|-------------|
| Member<br>14/15 | -         | Member<br>9/11 | Member<br>5/5 | -           | -           |

**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 2017

**Dato' Mohamed Ross Mohd Din**

DESIGNATION : Independent Director  
 NATIONALITY : Malaysian  
 AGE : 65  
 GENDER : Male  
 DATE OF APPOINTMENT : 19 April 2016  
 LENGTH OF TENURE (DIRECTOR) : 2 Years

**MEMBERSHIP OF BOARD COMMITTEES:**

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

**QUALIFICATION:**

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

**AREA OF EXPERTISE:**



- Finance and Banking, Islamic Banking

#### DIRECTORSHIP

Listed:

- Independent Director of Kumpulan Perangsang Selangor Berhad Group

Public Companies:

- Chairperson/Independent Director of CIMB Islamic Bank Berhad
- Director of Cash Band (M) Berhad

#### SHAREHOLDINGS IN RELATED COMPANIES:

- Nil

#### RELEVANT EXPERIENCE:

Dato' Ross joined HSBC Bank Malaysia Berhad in 1972 and served in various capacities ranging from Corporate and Retail Banking, Branch Banking, Area Management, Head of Treasury & Foreign Exchange and was also Head of Group Audit Malaysia. In his last appointment before retiring in December 2007, he was Managing Director of the HSBC Amanah onshore business franchise in Malaysia.

On retirement, he was appointed as Senior Advisor and Executive Director of HSBC Amanah Takaful (Malaysia) Sendirian Berhad until 31 December 2008.

Concurrently he was also appointed an Independent Non-Executive Director of HSBC Amanah Malaysia Berhad (as a Founding Director) where he chaired the Risk Committee and also sat on the Audit and Nomination Committee. He retired in April 2016.

Thereafter he joined the Boards of CIMB Group Holdings Berhad and CIMB Islamic Bank Berhad in April 2016 as an Independent Non-Executive Director. In April 2017 he was made Chairman of CIMB Islamic Bank Berhad.

Besides the Directorships that he holds, he also sits on an Advisory Board overseeing a Private Equity Fund (Ekuinas OFM Programme) as an Independent Member. He is also a member of the Board of Trustees of Lembaga Zakat Selangor (MAIS), an Independent Non-Executive Director on the Board of an Asset Management Company and a Council Member of the Outward Bound Trust of Malaysia (Outward Bound School Lumut). He is also an Independent Member of MBI Inc, Selangor.

#### BOARD COMMITTEE AND ATTENDANCE:

| BOD             | AC              | GBOC | BRC           | GNRC            | GCRC |
|-----------------|-----------------|------|---------------|-----------------|------|
| Member<br>15/15 | Member<br>19/21 | -    | Member<br>5/5 | Member<br>14/14 | -    |

#### 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 he been imposed of any public sanction or penalty by any relevant regulatory bodies in 2017

**Ahmad Zulqarnain Che On**

DESIGNATION

: Non-Independent Director

NATIONALITY : Malaysian  
 AGE : 45  
 GENDER : Male  
 DATE OF APPOINTMENT : 3 November 2017  
 LENGTH OF TENURE (DIRECTOR) : Less than 1 Year

**MEMBERSHIP OF BOARD COMMITTEES:**

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

**QUALIFICATION:**

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

**AREA OF EXPERTISE:**

- Finance and Banking, Leadership

**DIRECTORSHIP**

Listed:

- Nil

Public Companies:

- Nil

**SHAREHOLDINGS IN RELATED COMPANIES:**

- Nil

**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 Business 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>GBOC</b> | <b>BRC</b>    | <b>GNRC</b>   | <b>GCRC</b> |
|---------------|-----------|-------------|---------------|---------------|-------------|
| Member<br>4/4 | -         | -           | Member<br>1/1 | Member<br>1/1 | -           |

**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 2017

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

|   | Number of Meetings in 2017 |
|---|----------------------------|
| Board                                       | 15                         |
| Audit Committee                             | 21                         |
| Board Risk Committee                        | 5                          |
| Group Nomination and Remuneration Committee | 14                         |
| Group Shariah Committee                     | 7                          |
| Group Board Oversight Committee             | 11                         |
| Group Compensation Review Committee         | 7                          |

### **Roles and responsibilities of the Board and Board Committees**

| Board Committee   | Main Areas of Oversight  | Number of meetings in 2017  |
|---|--|---|
| <p><b>Board</b></p> <ul style="list-style-type: none"> <li>Comprises 10 members of whom six members are Independent Directors.</li> </ul> | <ul style="list-style-type: none"> <li>Strategic/business plans of CIMB and monitor Management's success in implementing the strategies, plans and CIMB's annual budget</li> <li>Conduct of CIMB's business</li> <li>Identify principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</li> <li>Succession planning</li> <li>Communications Policy for CIMB</li> <li>CIMB's governance framework and internal control framework</li> <li>CEO and Directors' appointments and their emoluments and benefits</li> <li>Assess and review the effectiveness and performance of the Board Committees of CIMB annually</li> <li>Consider and approve 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>Monitor the performance of CIMB</li> <li>Approve the changes on Corporate Organisation Structure of CIMB</li> <li>Ensure that there are</li> </ul> | <p>15 meetings held to discuss the following:</p> <ul style="list-style-type: none"> <li>Matters relating to CIMB</li> <li>Matters relating to the three Malaysian banking institutions and regional subsidiaries</li> <li>CIMB's Budget</li> <li>Quarterly CEO's Report</li> <li>Quarterly Capital Management Update</li> <li>Report from AC, GNRC and GBOC</li> <li>CIMB Group Risk Posture</li> <li>Financial Statements</li> <li>Interim and Final Dividends</li> <li>Formalisation/Update of Group Policies</li> <li>Reappointment of External Auditors for the FYE 31 December 2017</li> <li>Delegated Authorities</li> <li>Remuneration Policy</li> <li>MFRS/IFRS 9</li> <li>Business Units Updates and Projects</li> <li>Compliance to new Companies Act 2016, MCCG and the amended MMLR</li> <li>Basel II/Pillar 3 Disclosures</li> <li>Performance Assessment and Proposed Compensation for Executive Director</li> <li>Quarterly Compliance Report</li> <li>Anti-Money Laundering/CFT Report</li> <li>Revision of Terms of Reference</li> <li>Board's Annual Evaluation of the Effectiveness of the</li> </ul> |

|  |   |   |
|--|---|---|
|  | <p>adequate controls and systems in place to measure the implementation of the Group's policies</p> <ul style="list-style-type: none"> <li>Review the adequacy and integrity of CIMB's internal control systems and management information systems</li> </ul> | <p>Management of Compliance Risk</p> <ul style="list-style-type: none"> <li>Crisis Management</li> <li>Recovery &amp; Resolution Plan – CIMB Group and CIMB Niaga</li> <li>KPI Scorecard for Group CEO</li> <li>Governance on Remuneration of Senior Management and Material Risk Takers</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>   | <ul style="list-style-type: none"> <li>Financial Reporting</li> <li>Internal controls</li> <li>Internal audit function</li> <li>External audit</li> <li>Related Party Transactions</li> </ul>   | <p>21 meetings held to discuss the following:</p> <ul style="list-style-type: none"> <li>Matters relating to CIMB.</li> <li>Matters relating to the three Malaysian banking institutions and regional subsidiaries.</li> <li>Matters relating to other non-banking subsidiaries of the Group.</li> <li>Matters relating to demerit framework for the CIMB.</li> <li>Annual Performance Review for Group Internal Audit and Group Chief Internal Auditor.</li> <li>GIAD's KPI for 2017</li> <li>2 meetings with the External Auditors without the presence of Key Senior Management.</li> <li>Documents pertaining to Annual Report 2016</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 Implementation Update</li> <li>Reappointment of External Auditors</li> </ul> |
| <p><b>Board Risk Committee (BRC)</b></p> <ul style="list-style-type: none"> <li>Comprises nine members of whom six members (including the BRC Chairperson) are Independent Directors.</li> <li>All members are Non-Executive Directors.</li> </ul> | <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> </ul>   | <p>Five meetings to deliberate amongst others, on the following:</p> <ul style="list-style-type: none"> <li>Risk Management Policies</li> <li>Risk Appetite</li> <li>Risk Profile</li> <li>Risk Strategy</li> <li>Risk Management Objectives</li> <li>Economics Position and updates</li> <li>Compliance to Risk Posture</li> <li>Annual Performance Review for Group Chief</li> </ul>  |

|  |  |   |
|--|--|---|
|  |  | <p>Risk Officer and Group Chief Compliance Officer</p> <ul style="list-style-type: none"> <li>Demerit framework on Performance Ratings</li> </ul>   |
| <p><b>Group Nomination and Remuneration Committee (GNRC)</b></p> <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>Membership and performance of Board and Board Committees</li> <li>Independence of Directors</li> <li>Fit and Proper Assessment of Directors, Group CEO/ED, Group Shariah Committee Members &amp; Company Secretary</li> <li>Succession planning for Key Senior Management</li> <li>Review of the performance of AC and its members</li> <li>Review remuneration packages based on the Group's existing remuneration guidelines and framework for Non-executive Directors of the Group including those performing additional functions within the Group and Key Senior Management.</li> <li>Recommend specific remuneration packages for key senior management officers</li> </ul> | <p>14 meetings held to deliberate on the following:</p> <ul style="list-style-type: none"> <li>Board Composition</li> <li>Board Effectiveness Assessment</li> <li>Board and Group CEO/EDs Remuneration</li> <li>Board Nomination</li> <li>Setting of KPIs for Group CEO/ED</li> <li>Policies on Governance of the Group</li> <li>Fit and Proper Assessment</li> <li>Entity Governance and Board Responsibility Framework</li> <li>Directors and Responsible Officers Handbook</li> <li>Remediation Actions arising from regulatory gap analysis</li> <li>Directors' Development Plan</li> <li>Long Term Incentive Plan for Senior Management</li> <li>Revision to the Terms of Reference of the Group Compensation Review Committee</li> <li>SOP for the Selection of External Candidates for the Boards</li> <li>Group HR's Internal Transfer &amp; Recruitment Process</li> <li>Non-Executive Directors remuneration framework</li> </ul> |
| <p><b>Group Board Oversight Committee (GBOC)</b></p> <ul style="list-style-type: none"> <li>Comprises four members of whom one is an Independent Director</li> <li>The Chairperson of the Board and the Group CEO are members</li> </ul>                                     | <ul style="list-style-type: none"> <li>Review and provide input and guidance on the implementation and monitoring of strategy</li> <li>Review strategy, business plans and budget of CIMB</li> <li>Review potential investments, mergers, acquisitions and divestments of businesses and other assets of the CIMB</li> <li>Review Management Reports from Business and Support units on key initiatives undertaken by the CIMB</li> </ul>  | <p>11 meetings to deliberate on the following:</p> <ul style="list-style-type: none"> <li>T18 Strategy &amp; T18 Governance</li> <li>Regional Expansion</li> <li>Company Culture and Talent Acquisition</li> <li>Innovation and Strategic Initiatives</li> <li>IT Infrastructure and Initiatives</li> <li>Regulatory Compliance</li> <li>Entity Governance Policy and Board Responsibility Framework</li> </ul>   |

|   |   |  |
|---|---|--|
| <p><b>Group Compensation Review Committee (GCRC)</b></p> <ul style="list-style-type: none"> <li>Comprises five members, of whom one is an Independent Director. Three are Chairman of the three Malaysian FI's in CIMB Group</li> </ul> | <ul style="list-style-type: none"> <li>Compensation policies</li> <li>Remuneration framework for employees</li> <li>Fit and Proper Assessment of Key Responsible Persons</li> <li>Management development and succession planning</li> </ul> | <p>Seven meetings to deliberate on the following:</p> <ul style="list-style-type: none"> <li>Group Remuneration Policy</li> <li>Employees' Remuneration Framework and Arrangements</li> <li>Provision and Allocation of Variable Remuneration and Salary Increments</li> </ul> |
|---|---|--|

**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>   |                  |                    |
| A New Era of Auditing   | Workshop         | 1                  |
| Accounting & Finance at Board Level   | Seminar          | 1                  |
| International Corporate Governance Network (ICGN) Annual Conference Committee Meetings: Accounting, Auditing                            | Conference       | 1                  |
| Institute Of Internal Auditors (IIA) Malaysia National Conference 2017  | Conference       | 1                  |
| Malaysian Institute of Accountants (MIA) Conference 2017  | Conference       | 2                  |
| <b>Communication</b>  |                  |                    |
| Board Selection – Engagement with Potential Directors   | Workshop         | 1                  |
| People's Bank of China (PBC) School of Finance (SF), Tsinghua University: "Belt & Road" SEA Program Orientation Module                  | Course           | 3                  |
| <b>Corporate Finance</b>  |                  |                    |
| Invest Malaysia Conference 2017   | Conference       | 1                  |
| Talk by Dominic Borton (Megatrends and Long Term Capitalism)  | Dialogue         | 1                  |
| <b>Financial Industry</b>   |                  |                    |
| 2017 Global Banking Chief Operating Officer (CEO) Roundtable, Italy   | Seminar          | 3                  |
| 2017 World Economic Forum on Association of Southeast Asian Nations (ASEAN)   | Forum            | 3                  |
| 31st ASEAN Summit   | Conference       | 2                  |
| 4th Bank Negara Malaysia (BNM) – Financial Institutions Directors' Education (FIDE) Forum Annual Dialogue with Deputy Governor of BNM   | Dialogue         | 1                  |
| Annual Invest Malaysia Conference 2017  | Conference       | 2                  |
| Bloomberg The Year Ahead Asia   | Conference       | 1                  |
| BNM Annual Report 2016/Financial Stability & Payments Systems Report 2016 Briefing Session  | Dialogue         | 1                  |
| BNM/Persatuan Pasaran Kewangan Malaysia (PPKM) Stimulation Course & Cagamas Dialogue on 'Sustainable Development of Affordable Housing' | Dialogue         | 1                  |
| Centre for Asian Philanthropy and Society (CAPS) Philanthropy Conference 2017   | Conference       | 1                  |
| CIMB Risk Workshop for Board of Directors   | Workshop         | 1                  |
| Financial Market Committee Roundtable Discussion  | Conference       | 1                  |
| China Investment Corporation: Financial, Investment   | Conference       | 1                  |
| Federation of Chinese Associations Malaysia: Financing, Investment  | Conference       | 1                  |
| Induction Session - Chartered Banker Membership   | Workshop         | 1                  |
| International Advisory Panel Annual Meeting   | Dialogue         | 2                  |
| Khazanah Megatrends Forum 2017  | Forum            | 3                  |
| Kumpulan Wang Amanah Pencen (KWAP) Connects 2017  | Forum            | 1                  |
| Master Class: Chartered Banker Executive Conversion Program   | Course           | 1                  |

|   |            |   |
|---|------------|---|
| SCxSC Digital Finance Conference 2017   | Conference | 2 |
| Securities Commission Industry Dialogue 2017  | Dialogue   | 3 |
| <b>Governance</b>   |            |   |
| Directors' Regional Sharing Session   | Workshop   | 2 |
| Association of Chartered Certified Accountants (ACCA) Malaysia Annual Conference  | Conference | 1 |
| Audit Committee Conference  | Conference | 1 |
| Compliance Conference 2017  | Conference | 1 |
| Efficient Inefficiency: Making Boards Effective in a Changing World   | Conference | 1 |
| Environmental, Social and Governance (ESG) Talk   | Dialogue   | 1 |
| Exclusive Workshop for Nomination Committee Chairman and Members  | Workshop   | 1 |
| FIDE Core Programme Module A  | Course     | 4 |
| FIDE Core Programme Module B  | Course     | 3 |
| <b>Islamic Banking</b>  |            |   |
| Dialogue on Value-Based Intermediation (VBI) – Strengthening the Roles and Impact of Islamic Finance  | Dialogue   | 1 |
| 3rd Annual Islamic Development Bank (IDB) Member Countries Sovereign Investment Forum   | Forum      | 3 |
| <b>Leadership</b>   |            |   |
| 3rd Distinguished Board Leadership Series – Cryptocurrency and Blockchain Technology  | Course     | 1 |
| Efficient Inefficiency – Making Boards Effective in a Changing World  | Course     | 1 |
| Fintech – Opportunities for the Financial Services Industry in Malaysia   | Course     | 1 |
| Global Transformation Forum   | Forum      | 2 |
| High Performance Leadership   | Workshop   | 1 |
| Leadership and HR Readiness   | Workshop   | 1 |
| Astro Management: Leadership, Banking   | Workshop   | 1 |
| Leading University Kebangsaan Malaysia (UKM) to Organisational Success  | Forum      | 2 |
| Lecture – People's Bank of China (PBC) School of Finance (SF), Tsinghua University: "B&R EMBA Program"  | Course     | 3 |
| MIA Commemorative Lecture   | Course     | 1 |
| Roundtable with Indonesian & Malaysia Business Leaders  | Dialogue   | 1 |
| Fakulti Ekonomi & Pengurusan University Kebangsaan Malaysia (UKM) Talk: Integrity and Leadership  | Dialogue   | 1 |
| Universiti Pertahanan Nasional Malaysia (UPNM) Roundtable Leadership Talks  | Dialogue   | 1 |
| <b>Legal</b>  |            |   |
| Briefing on New Companies Act   | Workshop   | 1 |
| In House Directors' Training – the Companies Act 2016   | Course     | 2 |
| <b>Others – Banking &amp; Finance Related</b>   |            |   |
| 2017 CIMB Group's Annual Management Summit (AMS)  | Conference | 2 |
| BNM Annual Communication Session  | Dialogue   | 1 |
| International Advisory Panel Meeting  | Dialogue   | 2 |
| International Directors Summit 2017   | Dialogue   | 2 |
| <b>Others – General</b>   |            |   |
| 10th Iskandar Malaysia Chief Executive Officer (CEO) Forum  | Forum      | 1 |
| Khazanah Board Strategy Retreat Meeting   | Workshop   | 2 |
| Pemukiman Government-Linked Investment Companies' (GLIC), Government-Linked Companies' (GLC), Menteri Kewangan Diperbadankan (MKD) & Badan Berkanun | Course     | 3 |
| <b>Risk Management</b>  |            |   |
| 9th International Conference on Financial Crime and Terrorism Financing (IFCTF)   | Conference | 1 |

|  |          |   |
|--|----------|---|
| Kuala Lumpur Baptist Church (KLBC) Diplomat Dialogue Series entitled "The Changing Landscape of Business in Asia under the Trump Administration" | Dialogue | 1 |
| CIMB Risk Posture Workshop   | Workshop | 2 |

**Time spent on training:**

| Directors                                 | Time Spent in day(s) |
|---|----------------------|
| Dato' Sri Nazir Razak                     | 22                   |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | 29                   |
| Datuk Mohd Nasir Ahmad                    | 31                   |
| Glenn Muhammad Surya Yusuf                | 6                    |
| Watanan Petersik                          | 8                    |
| Robert Neil Coombe                        | 3                    |
| Teoh Su Yin                               | 9                    |
| Dato' Lee Kok Kwan                        | 25                   |
| Dato' Mohamed Ross Mohd Din               | 19                   |
| Ahmad Zulqarnain Che On <sup>*1</sup>     | 22                   |
| Datuk Joseph Dominic Silva <sup>*2</sup>  | 8                    |
| Hiroaki Demizu <sup>*3</sup>              | 1                    |

**Note:**

- \*1 Appointed on 3 November 2017
- \*2 Resigned on 3 November 2017
- \*3 Resigned on 16 October 2017

**Internal control framework**

The Internal Control Framework is set out in the Statement on Risk Management and Internal Control in the Annual Report 2017.

**Remuneration: Qualitative Disclosure**

**Remuneration Policy**

The CIMB Group Remuneration Policy, which has been reviewed by the GCRC 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   |
|--|--|--|
| <b>Strong governance</b>                     | To ensure strong and independent oversight of the remuneration system                                  | <ul style="list-style-type: none"> <li>• Oversight and review by GCRC and GNRC</li> <li>• Guided by input from control functions, Audit Committees and Board Risk Committees.</li> </ul>   |
| <b>Appropriate assessment of performance</b> | 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> </ul> |



|                           |   |  |
|---------------------------|---|--|
|                           |   | <ul style="list-style-type: none"> <li>• Deferral and clawback arrangements in variable remuneration schemes</li> </ul>                                  |
| <b>Market competitive</b> | To offer rewards that allow the CIMB to attract, motivate and retain the right talent | <ul style="list-style-type: none"> <li>• Benchmarking against similar organisations in the geographies and industries in which CIMB operates.</li> </ul> |

**Components of Remuneration**

The Group’s employee remuneration is made up of two main components – fixed and variable:

| <b>Principle</b> | <b>Purpose</b>   | <b>Approach</b>  |
|------------------|--|--|
| <b>Fixed</b>     | 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>   |
| <b>Variable</b>  | 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 over 6 to 9 months.</li> <li>• Based on a selection criteria, 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 functions accordingly, and subsequently to the KPI scorecards of individuals. In 2017, the RAROC measure has 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 the CIMB's performance, the GCRC will determine the overall variable remuneration pool taking into consideration key performance measures and ensuring that the Group does not pay variable remuneration at a level that would affect shareholders' interest. The GCRC has the discretion to adjust the pool where required, based on poor performance, capital requirements, economic conditions, competitive landscape and retention needs.

The Group pool will be allocated by the GCRC 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 the Group, 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 Compliance Officer and the Group Chief Internal Auditor are approved by the Board Risk Committee and Audit Committee

**Remuneration: Quantitative Disclosures**

CIMB has established a remuneration framework for the Non-Executive Directors as follows:

| Non-Executive Directors' Remuneration Scheme                 | Unrestricted/Non-Deferred  | Restricted/Deferred |
|--|--|---------------------|
| <b>(Fixed-Type Remuneration)</b>                             |  |                     |
| <ul style="list-style-type: none"> <li>Cash-based</li> </ul> | <ul style="list-style-type: none"> <li>Directors' Fees</li> <li>Chairman's Premium (Board and</li> </ul> | Not Applicable      |

|                                     | Committees)                                |                |
|-------------------------------------|--|----------------|
| • Shares & Share-Linked Instruments | Nil  | Not Applicable |
| • Others                            | Benefits-in-kind                           | Not Applicable |
| <b>(Variable-Type Remuneration)</b> |  |                |
| • Cash-based                        | Meeting allowances                         | Not Applicable |
| • Shares & Share-Linked Instruments | Nil  | Not Applicable |
| • Others                            | Directors' & Officers' Liability Insurance | Not Applicable |

The remuneration paid to the Directors by CIMB in 2017, is as follows:

#### CIMB

| Directors                                 | Fees (RM'000) | Salary and/or Other Remuneration (RM'000) | Total (RM'000) | Benefits-in-kind (RM'000) |
|---|---------------|---|----------------|---------------------------|
| <b>(Non-Executive Directors)</b>          |               |   |                |                           |
| Dato' Sri Nazir Razak                     | 155           | 752                                       | 907            | –                         |
| Datuk Mohd Nasir Ahmad                    | 151           | 252                                       | 403            | –                         |
| Glenn Muhammad Surya Yusuf                | 155           | 276                                       | 431            | –                         |
| Watanan Petersik                          | 151           | 109                                       | 260            | –                         |
| Robert Neil Coombe                        | 147           | 74  | 221            | –                         |
| Teoh Su Yin                               | 155           | 234                                       | 389            | –                         |
| Dato' Lee Kok Kwan                        | 151           | 119                                       | 270            | –                         |
| Dato' Mohamed Ross Mohd Din               | 155           | 202                                       | 357            | –                         |
| Ahmad Zulqarnain Che On* <sup>1</sup>     | 27            | 30  | 57             | –                         |
| Datuk Joseph Dominic Silva* <sup>2</sup>  | 44            | 28  | 72             | –                         |
| Hiroaki Demizu* <sup>3</sup>              | 112           | 53  | 165            | –                         |
| <b>(Executive Directors)</b>              |               |   |                |                           |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | –             | –   | –              | –                         |

#### Notes:

\*<sup>1</sup> Appointed on 3 November 2017

\*<sup>2</sup> Resigned on 3 November 2017

\*<sup>3</sup> Resigned on 16 October 2017

#### CIMB Group

| Directors                                 | Fees (RM'000) | Salary and/or Other Remuneration (RM'000) | Total (RM'000) | Benefits-in-kind (RM'000) |
|---|---------------|---|----------------|---------------------------|
| <b>(Non-Executive Directors)</b>          |               |   |                |                           |
| Dato' Sri Nazir Razak                     | 843           | 917                                       | 1,760          | –                         |
| Datuk Mohd Nasir Ahmad                    | 277           | 572                                       | 849            | –                         |
| Glenn Muhammad Surya Yusuf                | 916           | 276                                       | 1,192          | –                         |
| Watanan Petersik                          | 274           | 109                                       | 383            | –                         |
| Robert Neil Coombe                        | 149           | 74  | 223            | –                         |
| Teoh Su Yin                               | 157           | 234                                       | 391            | –                         |
| Dato' Lee Kok Kwan                        | 427           | 287                                       | 714            | –                         |
| Dato' Mohamed Ross Mohd Din               | 269           | 432                                       | 701            | –                         |
| Ahmad Zulqarnain Che On* <sup>1</sup>     | 431           | 108                                       | 539            | –                         |
| Datuk Joseph Dominic Silva* <sup>2</sup>  | 46            | 28  | 74             | –                         |
| Hiroaki Demizu* <sup>3</sup>              | 112           | 53  | 165            | –                         |
| <b>(Executive Directors)</b>              |               |   |                |                           |
| Tengku Dato' Sri Zafrul Tengku Abdul Aziz | –             | 9,861                                     | 9,861          | 24                        |

#### Notes:

\*<sup>1</sup> Appointed on 3 November 2017

\*<sup>2</sup> Resigned on 3 November 2017

\*<sup>3</sup> Resigned on 16 October 2017

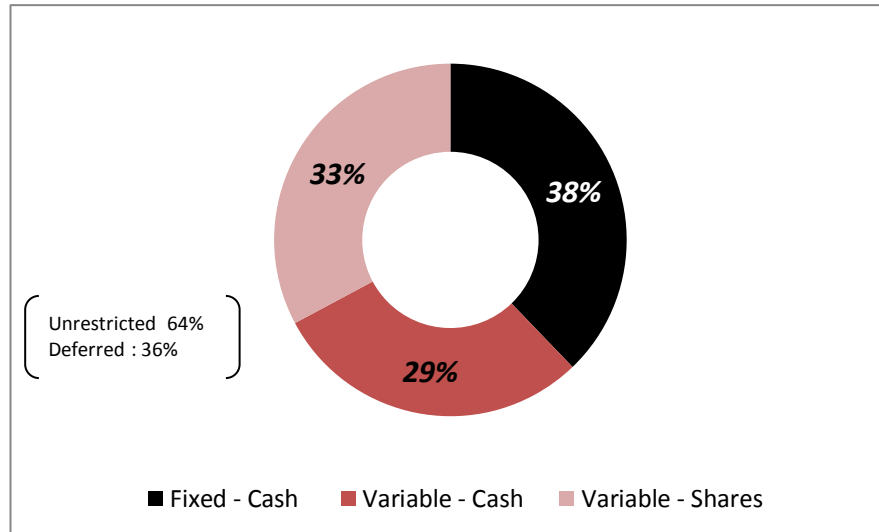
The Directors and officers of CIMB are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted

fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM988,137.

**Senior Officers and Material Risk Takers**

Breakdown of remuneration awarded to Senior Officers and Material Risk Takers for 2017

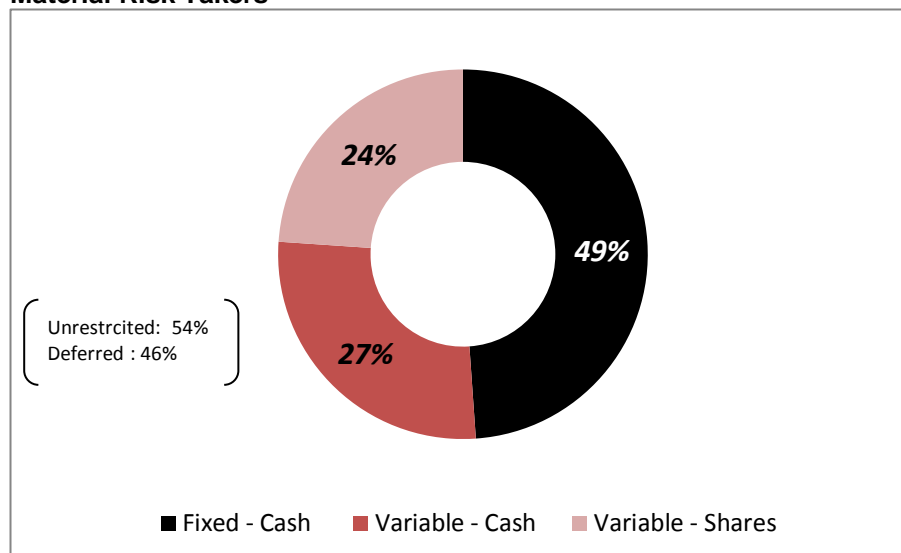
**Senior Officers**



Senior Officers (SOs) of the Group are defined as the Group CEO and members of the Group Management Committee.

Total remuneration awarded to 19 SOs for the financial year 2017 was RM100.1 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 34 MRTs for the financial year 2017 was RM88.8 million

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

| Category   | SOs             | MRTs |
|--|-----------------|------|
| Number of guaranteed bonuses                                       | -               | -    |
| Number of sign-on bonuses  | 3               | -    |
| Number of severance payments                                       | -               | -    |
| Total amount of above payments made during the financial year 2017 | RM 1.53 million |      |

Table 2: Breakdown of deferred remuneration

| Category  | SOs (RM'000) | MRTs (RM'000) |
|---|--------------|---------------|
| <b>Total amount of outstanding deferred remuneration</b>                        |              |               |
| • Cash  | 282          | -             |
| • Shares  | 69,945       | 50,740        |
| <b>Total amount of deferred remuneration paid out during the financial year</b> |              |               |
| • Cash  | 8,458        | 8,983         |
| • Shares  | 15,480       | 12,681        |
| <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 deferred 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)              | -            | -             |

Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.

Examples of implicit ex-post adjustments include fluctuations in the value of shares or performance units.

Table 3: Breakdown of Group CEO's remuneration

| Name                    | Category           | Cash (RM'000) | Shares (RM'000) | Total (RM'000) |
|-------------------------|--------------------|---------------|-----------------|----------------|
| Tengku Dato' Sri Zafrul | Fixed remuneration |               |                 |                |
| Tengku Abdul Aziz       |                    | 2,895         | -               | 2,895          |

|  |   |       |       |       |
|--|---|-------|-------|-------|
|  | <b>Variable remuneration</b>                            |       |       |       |
|  | • Non-deferred  | 1,114 |       | 1,114 |
|  | • Deferred  | 1,67  | 4,180 | 5,852 |
|  | <b>Total remuneration award for financial year 2017</b> | 5,681 | 4,180 | 9,861 |

