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# **BOARD DIVERSITY FRAMEWORK**

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As at 14 December 2020

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## Abbreviation

Except where the context otherwise requires, the following definitions shall apply throughout this Framework:

<b>Term</b>	<b>Description</b>
Board	Board of Directors of CIMB and/ or subsidiaries, whichever applicable
CIMB	CIMB Group Holdings Berhad
CIMB Group	CIMB and its subsidiaries
Director	Member of the Board of Directors of CIMB Group
Framework	Board Diversity Framework
GNRC	Group Nomination and Remuneration Committee

### 1. OBJECTIVE

CIMB recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will promote and enhance the inclusion of different perspectives and ideas, decision-making, knowledge, skills, experience, cultural background, gender and age to ensure that CIMB Group may benefit from all available talent. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

The Framework, which is based on various regulations and best practices, sets out the principles to diversity on the Boards of CIMB Group.

The Framework should be read together with the Constitution, Board Charter, Terms of Reference of the Board and relevant Board Committee(s) as well as relevant rules, laws and regulations.

### 2. SCOPE

This Framework applies to the Boards of CIMB Group.

### **3. PRINCIPLES**

The Board considers that the concept of diversity incorporates a number of different aspects, such as **independence, skills and experience, gender, cultural background and age.**

#### **3.1 Independence**

The Board represents a balanced composition of Executive, Non-Independent Non-Executive Directors and Independent Directors. A Board with a balanced composition with elements of independence will ensure that no individual or small group of individuals will dominate decision-making.

#### **3.2 Skills and Experience**

An effective Board should comprise Directors with the right mix of skills, knowledge, experience and qualification. These attributes will help the Board to deliver value in meeting CIMB Group's objective and strategic goals as well as be better equipped to respond to challenges.

#### **3.3 Gender**

Gender diversity on the Board increases the breadth of strategic human and social capital, which results in more diverse ideas and enhances the conversation dynamics. This would eventually result in higher decision quality as well as greater creativity and innovation, thus providing a competitive edge to CIMB Group.

#### **3.4 Cultural Background**

The Board recognises that the world today is increasingly interconnected in its outlook. It is therefore imperative to engender diversity in the boardroom. This would help foster more inclusiveness within the Board in sharing their diverse knowledge arising from their different cultural background to enhance the Group's international presence as well as leading the Board in rethinking strategy and enabling innovation as well as understanding of the environment.

#### **3.5 Age**

A multi-generational in the boardroom provides a range of viewpoints and experiences. A Board with a good mix of younger Directors and more senior Directors will benefit CIMB Group by having both youthful perspectives which balances the insight and knowledge that comes from the more experienced members.

## **4. ROLE OF THE BOARD AND THE GNRC**

### **4.1 Role of the Board**

The Board will ensure that a combination of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The Board is also mindful of trying to achieve diversity, where possible within the Board. Nevertheless, the appointment of the Board members will still be based on meritocracy as the main criteria.

### **4.2 Role of the GNRC**

The GNRC reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors and re-appointment of Directors. The GNRC also oversees the conduct of the annual review and assessment of the Board's effectiveness.

The GNRC is guided by the following quantitative and qualitative criteria when assessing the suitability of Directors for nomination:

- appropriate size and balance between Independent Directors, Non-Independent Non-Executive Directors and Executive Directors,
- skills, background and experience,
- diversity, including but not limited to gender, nationality, cultural background and geographical provenance;
- commitment to sustainability; and
- any other criteria that the GNRC may deem fit.

The GNRC will discuss periodically all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

## **5. REVIEW OF THE FRAMEWORK**

This Framework will be reviewed every two (2) years or as and when required to reflect any changes to be made thereto to meet CIMB Group's relevant governance requirements as well as regulatory requirements.