

POLICY ON CORPORATE GOVERNANCE, NOMINATIONS AND RE-ELECTION



Policy on Corporate Governance, Nominations and Re-election

The Board Charter sets out the broad principles and requirements of the Board of Directors of CDB. The purpose of the Board Charter is to promote the highest standards of corporate governance within the Company, clearly setting out the role, composition and responsibilities of the Board and serves not only as a reminder of the Board's roles and responsibilities but also as a statement of intent and expectation as to the manner in which the Board discharges its duties and responsibilities. In addition, the Board Charter also recognizes and sets the framework to adopt related best practices and guidance primarily through the Finance Business Act Directions No.05 of 2021 (Corporate Governance).

The Responsibilities of the Board of Directors

The Board is the ultimate decision-making body of the Company, with the exception of matters requiring shareholder's approval. It sets the strategic direction and vision of the Company. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the Company and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively. The responsibilities of the Board are specified.

- **Strategic Direction:** The Board reviews and monitors the implementation of the Company's 3-year strategic plan, approved by the Board.
- **Risk Management:** The Board ensures that the Company operates with a thorough understanding of the principal risks associated with the Company's business and implements systems to monitor and manage these risks effectively.
- **Internal Controls:** The Board oversees the Company's internal control system, ensuring it is continually upgraded to mitigate current and emerging risks.
- **Governance and Compliance:** The Board implements and periodically reviews the Company's governance and internal control frameworks, ensuring they remain suitable for the Company's evolving size and complexity. The Board also approves and oversees the Compliance Policy, dedicating time to discuss and resolve compliance issues.
- **Business Oversight:** The Board monitors financial performance against the budget, reviews funding requirements, and approves financing arrangements as needed.
- **Stakeholder Communication:** The Board ensures effective communication with shareholders and stakeholders, taking their feedback into account when making business decisions.

Nominations and Re-election

CDB Board Charter and the Terms of Reference of the Nomination and Governance Committee approved by the Board of Directors are two key documents on Nominations and Re-election.

The matter of the nomination, election and appointment of Directors and appointment of Senior Management is included in the formal schedule of matters reserved for the Board of Directors.

The Nomination and Governance Committee is responsible for establishing a formal, transparent process for selecting and appointing new Directors and Senior Management, with senior appointments recommended by the CEO, excluding the Head of Internal Audit, Chief Risk Officer (CRO), and Compliance Officer. The Committee ensures that all appointments comply with regulatory requirements and that candidates are fit and proper to perform their roles.

The selection process for Directors includes assessing candidates' knowledge, skills, experience, independence, objectivity, integrity, and reputation. It also ensures that candidates have the time and capacity to fulfil their responsibilities. For Senior Managerial roles, the Committee sets criteria such as qualifications, experience, and key attributes necessary for eligibility.

When a new Director is appointed, the Company Secretary will disclose to shareholders: A brief resume of the Director, the Director's expertise in relevant areas, other directorships or Board Committee memberships held, and whether the Director is considered independent.

The committee is also responsible for evaluating and recommending the re-election of current Directors based on their knowledge, performance, and contributions to the Board's responsibilities. It assesses the need for additional expertise and plans for succession for retiring Directors and Senior Management. Articles of Association of the Company require each Director to retire by rotation once in every three years and is required to stand for reelection by the shareholders at the Annual General Meeting.

Additionally, the committee advises the Board on maintaining a balanced mix of skills, experience, independence, diversity, and knowledge, ensuring the Board is of sufficient size to meet business needs and transitions smoothly.

Committee members do not participate in decisions regarding their own appointments, and the Board Chairperson does not chair the Committee when appointing a successor.

Shareholders interested in obtaining this Policy may submit a written request to the Company Secretary, and the requested documents will be provided accordingly