



Corporate Governance Policy Summary

1. Purpose

The purpose of the Corporate Governance Policy (or “the CGP”) is to summarize the key corporate governance policies and provisions (the “Policies”) of Yoma Bank Limited (“Yoma Bank” or the “Bank”).

2. Scope of the Policy

Yoma Bank defines corporate governance as a set of structures and processes that provide strategic direction and oversight control of the Bank. It includes the relationships between the Bank’s Shareholders, Board of Directors and Executive bodies for the purpose of creating long-term shareholder value.

The corporate governance framework of the Bank is broadly based on the Organization for Economic Cooperation and Development (OECD) principles of:

- **Accountability:** The policy establishes Yoma Bank’s accountability to Shareholders and guides the Bank’s Board in setting strategy and guiding and monitoring Bank management.
- **Effectiveness:** Yoma Bank ensures that this framework covers the basis for its effectiveness with a sound legal, regulatory and institutional framework. The framework develops with a view to its impact on overall economic performance and market integrity.
- **Fairness:** Yoma Bank protects Shareholder rights and ensures the equitable treatment of all Shareholders, including minority Shareholders. All Shareholders are to be granted effective redress for violation of their rights through the Board.
- **Transparency:** Yoma Bank ensures that timely and accurate disclosure is made on all material matters regarding the Bank, including financial situation, performance, share ownership and governance, in a manner easily accessible to interested parties.
- **Responsibility:** Yoma Bank recognises the rights of other stakeholders as established by laws and regulations and encourages cooperation between the Bank and stakeholders in creating sustainable and financially sound enterprises.

This CGP has been developed in adherence with:

1. The Financial Institutions Law 2016 (“FIL”) and Directives issued by the Central Bank of Myanmar (“CBM”) and other relevant statutory authorities;
2. Myanmar Companies Law 2017; and
3. Yoma Bank’s Constitution



3. Key Policy Chapters

3.1. Board Roles and Directors' Duties

The Board is elected by and is accountable to the Shareholders of Yoma Bank. Pursuant to CBM directive no. (9/2019), the appointment of the Directors of the Board shall be staggered to ensure that the duties and functions of the Board are conducted without interruption. Except for decisions explicitly reserved for Shareholders, the Board has full authority to carry out all activities necessary to provide effective strategic guidance and sound oversight, key personnel decisions, organizational structure, governance framework and practices, risk management and compliance obligations. Its ultimate goal is to create long-term shareholder value while taking into account the interest of its stakeholders. The following are the primary roles and responsibilities of the Board:

- Reviews and approve the Bank's long-term strategy, business plans, budgets, risk appetite, and key performance targets, while monitoring performance against these objectives and ensuring alignment with the Bank's vision and long-term sustainability.
- Establish the Bank's governance framework, corporate culture, values, and control environment. Oversee the effectiveness of the risk management framework, internal controls, compliance arrangements, capital and liquidity management, and policies relating to risk, governance, and business operations.
- Safeguard the interests of Shareholders and other stakeholders, ensuring the Bank operates in a safe, sound, and socially responsible manner.
- Monitor the integrity of the Bank's financial reporting, regulatory compliance, internal audit function, and external audit process. Approve major business decisions and matters reserved under the delegated authority framework of the Bank.
- Oversee key leadership and people matters, including the appointment and succession planning of senior executives, performance evaluation of the Chief Executive Officer and senior management, remuneration oversight, and the development of leadership talent.
- Oversee the effectiveness of the corporate governance framework, related-party transactions, whistleblowing arrangements, and policies relating to employee compensation and benefits.
- Evaluate its own effectiveness and that of its committees and individual directors, recommends Board appointments and remuneration for shareholder approval, and ensures compliance with applicable laws, regulations, directives, and regulatory requirements.

3.1.1 Board Authority

The Board has defined and shall maintain that clearly defines the authority of the Board, its committees and its management. The Board shall ensure that the Authority Matrix is in-line with the authority granted in the Constitution, and applicable laws and regulations.



Specific Responsibility of Supervision and Financial Reporting: The Board, in consultation with the Audit Committee, supervises compliance with written procedures for the preparation and publication of the Annual Report, which includes Financial Accounts. The Board, through the Audit Committee, also supervises internal control and audit mechanisms for external financial reporting.

Specific Responsibility of Nomination and Assessment of External Auditor: The External Auditor meeting the fit and proper criteria set forth in CBM directive no. (8/2019) shall be appointed at each Annual General Meeting (AGM). The Board nominates a candidate for this appointment to the AGM based on an open, transparent and competitive selection process, and may recommend replacement of the External Auditor. The Audit Committee shall advise the Board on such matters.

Director Duties: The Board members of the Bank owe the Bank and its Shareholders fiduciary duties of care and diligence, loyalty, and compliance with corporate authority, along with such other duties as imposed on directors of banks under prevailing law and regulations. In the discharge of their fiduciary duties, Board members must at all times act in good faith, with honesty and integrity, avoiding all potential or actual conflicts of interest, in the best interests of the Bank and in compliance with the Constitution and all applicable laws.

3.1.2 Board Composition and Committee Structure

- **Number and Terms of Directors:** As per the FIL, the Bank's Constitution and CBM directive No. (9/2019) the number of Directors shall be not less than five (5) or more than fifteen (15). Each Director will be appointed to serve a conditional term of three (3) years.
- **Director (and Senior Executive) Qualifications:** Directors shall at all times meet the fit and proper criteria as set forth in CBM directive no. (8/2019). To avoid potential conflicts of interest and as per CBM directive No. (9/2019), Directors are not permitted to serve on the board of or be employed by other banks or financial institutions or their affiliates in Myanmar.
- **Board Composition:** The Board of Directors shall include both the Chairperson and the Chief Executive Officer. Pursuant to CBM directive No. (9/2019) at least one (1) shall be an Independent Non-Executive Director. The Chairperson shall be appointed by a majority vote of the members of the Board of Directors (the CEO shall not be appointed as chairperson).
- **Board Balance and Independence:** The Bank seeks to maintain an appropriate level of independence on its Board of Directors to promote objective decision-making and ensure balanced representation of shareholder interests. In accordance with its Corporate Governance framework, at least one-third of the Board members are required to be independent and not affiliated with any controlling shareholder. The Board



regularly reviews its composition to ensure that it continues to benefit from independent perspectives and effective oversight.

- **Director Nomination Process:** Directors are subject to election by the Shareholders at the AGM of the Bank. The Board, based on assessment of the People, Remuneration and Nomination Committee (or 'People Committee'), should propose a list of fit and proper nominees who have been approved by the CBM to the shareholders for election to the Board.
- **Filling Vacant Board Seats:** Should a vacant Board seat materialize between AGMs, the Board may appoint an individual Person to fill that vacancy until the next general meeting of the Bank. Their appointment should be based on the same objective process (including fulfillment of the Fit and Proper Criteria and any other relevant qualifications). Pursuant to the Myanmar Companies Law, that individual must then be officially approved by the Shareholders at the next general meeting of the Bank, which must be called within six months of the date of appointment to continue as a director.
- **Director Remuneration and Expense Reimbursement:** The Bank has adopted a Director Remuneration and Expense Reimbursement Policy that establishes the framework for compensating Directors for their service on the Board and Board Committees. The People, Remuneration and Nomination Committee periodically reviews the framework and makes recommendations to the Board where necessary.
- **Chairman of Board of Directors:** The Board of Directors shall elect a Chairman from among its members. The Chairman of the Board of Directors is primarily responsible for governing the Board and thus for the activities of the Board of Directors and its Committees. He or she should act as the spokesperson of the Board of Directors and is the principal contact for the CEO and the management team. The CEO and the Board Chairman shall meet regularly. The Board Chairman usually presides over the AGM.

3.1.3 Board Working Procedures

- **Annual Plan:** The Board shall strive to meet according to a scheduled annual plan which enables it to properly discharge its duties. The plan should highlight the proposed schedule of meetings and highlight key topics to be covered over the course of the year.
- **Meeting Frequency:** The Board of Directors shall meet as often as necessary, but at least twelve (12) times a year, provided that the interval between any two (2) meetings shall not exceed two (2) months. If possible, Board meetings shall be scheduled at least six (6) months in advance. Committees shall also meet as frequently as needed, but at least quarterly.
- **Meeting Agenda:** An agenda setting out in detail the items of business proposed to be transacted at a meeting of the Board together with necessary information and supporting documents shall be circulated to each of the Directors and any of their alternates, if any.



- **Meeting Notice:** Board of Directors' meetings are called by the Chairman. Except in urgent cases where the requirement for prior notice is waived by unanimous approval of the Board (or, in respect of any Board Committee, by all Directors on that Board Committee), the notice and agenda for a Board meeting shall be sent to all Board members and any alternates at least fifteen (15) calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided along with related documentation.
- **Information for Directors:** In addition to the agenda, all Directors shall be provided a concise yet complete set of information in relation to a forthcoming Board meeting by the Bank's Secretary in a timely manner, as much in advance as possible. This includes: (a) minutes of the prior Board meeting; (b) issue papers to discuss; and (c) other reports prepared by management. Issue papers should be clear, succinct, insightful, and include recommendations for action based on proper analysis.
- **Meeting Venue:** Board of Directors' meetings are generally held at the offices of the Bank but may also take place elsewhere in Myanmar. In addition, meetings of the Board of Directors may be held by conference calls, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- **Minutes of Meeting:** The Corporate Secretary shall keep complete minutes of Board meetings that adequately reflect Board discussions, signed by the Chairman.
- **Undue Absence:** If a Board director is frequently absent from Board meetings, he or she shall be required to explain such absences to the Chairman. Frequent absences may result in dismissal from the Board. If a director absents him or herself from three (3) consecutive Board meetings, or from all Board meetings for a continuous period of three (3) months, whichever is longer, and without taking a leave of absence or appointing an alternate, this shall be deemed a vacation of the office of Director.
- **Attendance by Non-members:** The admission to a meeting of persons other than Board members, the Corporate Secretary, Observers and (if invited) members of the management team shall be decided by the Chairman or a majority of the Board members present at the meeting.
- **Presiding Role:** Board meetings are presided over by the Chairman or, in his/her absence, the Deputy Chairman. If both are absent, one of the other Board members, designated by majority vote of the Board members present at the meeting, shall preside.
- **Board Quorum and Decision-Making:** Quorum for a Board meeting shall be a majority of Directors then in office, including at least one (1) Independent Director/Independent Non-Executive Director. In the absence of a valid quorum, the Board meeting shall be adjourned to the same time and place no later than twenty-one (21) days thereafter as the Chairman may determine.
- **Written Resolution:** In general, resolutions of the Board of Directors are adopted at a Board of Directors meeting. Board of Directors' resolutions may also be adopted in writing without holding a Board of Directors meeting, provided that all Directors



entitled to vote on the resolution sign a document containing a statement that they are in favor of the resolution set out in the document.

- **Board and Management Interaction:** Yoma Bank encourages open dialogue between the Board and management. In that spirit, the Board shall have unrestricted access to the Bank's management and employees, including for questions or information requests. The Corporate Secretary plays a key role in facilitating this process. Likewise, senior executives shall be given ample opportunity to present during Board meetings, so that managers gain the necessary exposure and experience in interacting with the Board.
- **Obtaining Adequate Information:** The Chairman (and Corporate Secretary) shall ensure that the management team, in a timely manner, provides the Board of Directors and its committees with the information it needs to properly function. If the Board thinks it necessary, it may obtain information from officers and external advisors of the Bank. The Bank shall aid the Board in obtaining such information. The Board of Directors may require certain officers and external advisors to attend its meetings.
- **Access to Records:** Each member of the Board has access to the books and records of the Bank (if useful) to perform his/her duties. Non-executive Board members should coordinate such requests with the Chairman of the Board and the Corporate Secretary.
- **Board Self-Evaluation:** The Board shall conduct a yearly self-evaluation to identify ways to strengthen its overall effectiveness. This evaluation process can be facilitated either by People, Remuneration and Nomination Committee or by the Chairman with the support of the Corporate Secretary, as needed. If required, independent consultants may also be invited to assist the Board in this process.
- **Board Continuing Education:** The Bank shall offer an orientation program for new Board members on the Bank, its business and on other subjects that will assist them in discharging their duties. The Bank shall also provide general access to training courses for its Board members as a matter of continuous professional education.
- **Executive Succession Planning:** The Board shall adopt a succession plan that outlines the succession of key management positions. The CEO should provide support to the Board in this process and be part of the committee that plans for succession.
- **Senior Management Remuneration and Evaluation:** The Board shall oversee the processes for setting remuneration policy of the CEO and members of the senior management. The remuneration package shall be based on various components, including fixed salary plus defined performance incentive bonuses. The executive remuneration policy shall be approved by the Board of Directors and disclosed to the Shareholders. The Board shall evaluate the performance of the CEO and determine compensation in light of the goals and objectives of the remuneration policy. The CEO and the Board together assess the performance of the other executive officers and determine their compensation based on initial recommendations from the CEO.
- **Corporate Secretary:** Yoma Bank shall employ a Corporate Secretary to assist with its governance matters. He/she shall possess the necessary qualifications and skills to ensure that the governing bodies follow internal rules and external regulations,



facilitates clear communications between governing bodies in-line with the Bank's Constitution, charters, by-laws and other internal rules, and updates the Board and the Bank's key officers on the latest corporate governance developments. The Corporate Secretary shall assist the Chairman of the Board in organizing the Board's activities including providing information, preparing an agenda, reporting of meetings, yearly Board evaluations and training programs. The Corporate Secretary shall also assist the Board committees as needed.

3.1.4. Confidentiality

Duty to Keep Information Confidential: Unless required to do so by law, no Board Director shall, during his/her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Bank and/or any affiliated companies, that came to his knowledge in the capacity of his work for the Bank and which he/she knows or should know to be of a confidential nature.

Return of Confidential Information: At the end of each Board member's term of office, he/she shall return all confidential documents in his/her possession to the Bank or guarantee their disposal in a manner that ensures confidentiality is preserved.

Notice of Disclosure: If a director intends to disclose to a third-party information which he/she has become aware of in his/her duties and which may be confidential, he/she must inform the Chairman of his/her intent and the identity of the person who is to receive the information with sufficient notice for the Chairman to assess the situation and advise the Board member.



3.1.5 General Provisions

No Excess Memberships: Members of the Board of Directors shall limit their other positions so as to ensure they can effectively perform their duties as members of the Board of Directors.

Notice of Outside Positions: Board members must inform the Chairman of the Board of Directors and the Corporate Secretary of their other positions which may be of importance to the Bank or that may impact the performance of their duties before accepting such positions. If the Chairman determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board of Directors.

Conflicting Positions: Board members shall not hold positions as Board members, executives, or advisors of other Financial Institutions in Myanmar or their affiliated companies, since these may lead to conflicting interests.

Amendment: These policies may be amended by the Board of Directors at their sole discretion without prior notification so long as the changes conform to the Bank's Constitution and all applicable laws and regulations.

Interpretation: In case of uncertainty or difference of opinion on how a provision of these policies should be interpreted, the opinion of the Chairman of the Board of Directors, with input from other Board members, shall be decisive.

Inconsistency with National Law and Bank Constitution: These policies are complementary to the provisions governing the Board of Directors as contained in the Myanmar Companies Law (2017), other applicable Myanmar laws and regulations, such as the FIL, and the Bank's Constitution. Where these policies are inconsistent with Myanmar law, other applicable Myanmar regulations or the Bank's Constitution, the latter shall prevail. Where these policies are consistent with the Bank's Constitution but inconsistent with Myanmar law or other applicable Myanmar regulation, the latter shall prevail.

Partial Invalidity: If one or more provisions of these policies are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board of Directors may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of these policies are, to the greatest extent possible, similar to that of the invalid provisions.

3.2. Audit Committee Policies

The following Audit Committee policies are complementary to the policies of the Board of Directors, the Bank's Constitution, and any other provisions required of the Bank by the Myanmar Companies Law and FIL.



3.2.1 Roles and Responsibilities

The role of the Committee is to assist the Board in fulfilling its oversight responsibility related to Yoma Bank's financial controls with particular emphasis on: (1) the integrity of internal controls and financial reporting; (2) the performance of the internal audit function; (3) the qualification and independence of internal and external auditor; (4) the appointment and removal of internal and external auditor; and (5) compliance with legal and regulatory requirements.

- **Internal Audit:** The Audit Committee oversees the effectiveness, independence, and performance of the Bank's Internal Audit function. This includes reviewing the internal audit framework, annual audit plan, audit findings, and management's actions to address identified issues. The Committee also monitors the adequacy of the Internal Audit function's resources, structure, staffing, and access to information to ensure that it can perform its duties effectively and in accordance with applicable professional standards. The Audit Committee is responsible for approving the appointment and removal of the Chief Auditor and Head of Internal Audit, assessing the effectiveness of the Internal Audit function, and ensuring that it remains independent from Management.
- **External Auditors:** The Bank's external auditor shall work closely with the Board of Directors, especially the Audit Committee, and report directly to Shareholders through the AGM. The Audit Committee oversees the relationship with the External Auditor and is responsible for recommending the appointment, reappointment, or removal of the External Auditor to the Board for shareholder approval. The Committee also reviews the effectiveness of the external audit process and reports its assessment and recommendations to the Board and Shareholders. The appointment of the External Auditor is subject to applicable regulatory requirements, including approval from the Central Bank of Myanmar, and is considered annually at the AGM.
- **Financial Reporting and Financial Statements:** The Audit Committee assists the Board in overseeing the integrity and quality of the Bank's financial reporting and disclosure processes. The Committee reviews the Bank's financial statements, regulatory financial reports, and other significant financial disclosures to ensure their accuracy, completeness, and compliance with applicable accounting standards and regulatory requirements.
- **Internal Controls:** The Audit Committee oversees the effectiveness of the Bank's internal control and risk management frameworks to ensure that key risks are appropriately identified, assessed, monitored, and managed. As part of its oversight responsibilities, the Committee reviews the adequacy of internal control processes and ensures that the Internal Audit function conducts sufficient testing of controls to assess and report on their effectiveness.
- **Compliance:** The Audit Committee oversees the effectiveness of the Bank's compliance framework and ensures that appropriate policies, processes, and controls are in place to



support compliance with applicable laws, regulations, and internal policies, including the Code of Conduct.

3.3. Risk and Compliance Oversight Committee Policies

The Risk and Compliance Oversight Committee (the “Committee”) of Yoma Bank Limited (the “Bank”) policies are complementary to the policies of the Board of Directors, the Bank’s Constitution, and any other provisions required of it by the Myanmar Companies Law (2017) and the FIL.

3.3.1. Roles and Responsibilities

The role of the Risk and Compliance Committee is to assist the Board of Directors of the Bank in fulfilling its oversight responsibilities with regard to (a) the risks inherent in the business of the Bank and the control processes with respect to such risks, (b) the assessment and review of credit, market, technology, legal and compliance, operational, liquidity, reputational, strategic, and all other types of internal/external risk impacting the Bank; and (c) the effectiveness of the risk management framework of the Bank and its subsidiaries. To fulfill its role, the Risk and Compliance Committee shall have the following responsibilities:

- Approve the overall risk management policies and ensure there is an effective Enterprise Risk Management framework in place to proactively identify, measure, mitigate, and monitor all types of risk in the Bank and promote continuous dialogue about risk management throughout the organization.
- Ensure the Bank proactively uplifts Risk and Compliance culture, implements Business Integrity Policy and Three Lines accountabilities.
- Ensure the overall risk profile and tolerances are in line with the agreed ‘risk appetite’ as approved by the Board.
- Obtain assurance from executive management and internal auditing that the risk processes and systems are operating effectively, with sound controls, and compliance with approved policies.
- Obtain assurance that the Bank is complying with applicable laws and regulations regarding all risk management policies and procedures, especially in complying with the FIL.
- Review the capital provisions of the Bank to ensure they are in compliance with regulatory guidelines and in-line with the risk profile of the Bank.
- Review reports from executive management on the status of the Bank’s risk portfolio, highlighting key risk areas, trends, forecasts, and management actions being taken to address particular issues.
- Review significant risk exposures and the steps management has taken to monitor, control, and report all types of risk, including, credit, market, operational, liquidity, reputational, strategic, and all other types of internal/external risk impacting the Bank.



- Provide guidance to management, as needed, to help improve risk management practices and/or mitigate particular risks, including the existence of qualified personnel at the management level to carry out risk management activities effectively.
- Report the Bank's risk portfolio status to the Board on a regular basis and immediately inform the Board of any substantial changes.
- Provide input on the hiring and dismissal of the most senior risk officer in the Bank, including the Chief Credit Officer and/or Chief Risk Officer, and monitor effectiveness of the Risk Management Unit in general.

The Risk and Compliance Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors of the Bank from time to time related to the purposes of the Risk Committee.

3.3.2. Compliance Oversight Responsibilities

The role of the Committee is to assist the Board of Directors of the Bank in fulfilling its oversight responsibilities. To fulfil its role, the Committee shall have the following responsibilities:

- Ensure that the Bank's policies and procedures are adequate to detect, prevent, and respond to compliance risks.
- Approve and oversee the implementation of the compliance risk management framework, including the AML/CFT policy and compliance program/annual plan, along with any subsequent amendments, ensuring the Bank effectively identifies, assesses, manages, and monitors compliance risks.
- Review the Bank's exposure to compliance and conduct risks, including legal and regulatory obligations, Anti-Money Laundering and Combating the Financing of Terrorism ("AML/CFT"), sanctions, and consumer protection requirements.
- Ensure effective implementation of compliance risk management strategies and controls by the Bank.
- Obtain assurance that the Bank is complying with applicable laws and regulations and make sure the Bank maintains robust oversight of reviews conducted regularly.
- Review and assess reports submitted by the CCO with respect to the Bank's compliance with legislation and other requirements contained therein and provide directions as required.
- Report the Bank's compliance status to the Board on a regular basis and immediately inform the Board of any substantial compliance issues or breaches.
- Periodically review and update its charter and responsibilities, assess the effectiveness of the bank's compliance risk management framework and recommend enhancements to the Board.



- Has the right to request any information, documentation, or personnel required to fulfil its duties and authorized to investigate any compliance related matter affecting the bank.
- Provide input on the hiring and dismissal of the most senior compliance officer in the Bank, including the CCO, and monitor effectiveness of the Compliance Unit in general.

3.4. People, Remuneration and Nomination Committee

The People, Remuneration and Nomination Committee (“People Committee”) is to execute a vital role in providing advisory to the Board of Directors and Shareholders. The People Committee is also responsible for ensuring the proper oversight and guidance is provided in the Bank's people and remuneration related strategies, policies, frameworks, and practices.

3.4.1. Roles and Responsibilities

- To approve the Bank's organizational structure reporting to the CEO;
- Recommending the appointment, and reviewing the performance of Non-Executive Director, CEO, C-Suite Officers, and other key personnel;
- Approving of the Bank's succession plan and identification of critical roles;
- Recommending the Bank's performance management plan to the Board;
- Ensuring that the Bank's incentive approach is aligned to the Board's vision and business objectives, including fixed remuneration, short and long-term incentive plans; and
- To review and update the Remuneration and Reimbursement Policy for Directors.

3.4.2. Re-nomination of Directors

The People Committee reviews the performance of each Director and revises the fit and proper capacity for the position annually. When considering the nomination of Directors for re-election and re-appointment, the People Committee takes into consideration the Director's contribution to the effective running of the Board, preparedness, participation, time commitments, whether proper attention has been given by the Director to the affairs of the Bank, and Director's other board memberships at other organizations. In addition to that, the People Committee also determines whether he/she is independent in character and judgment, and whether there are relationships or circumstances that are likely to affect the Director's judgement. The People Committee reviews all the re-nomination and reappointment of the Directors and submits such review to the Board of Directors for their endorsement before each AGM. Shareholders are provided with relevant information on the candidates that are subject to election or re-election in the AGM notice.



3.4.3. Process and Criteria for appointment of new Director

The Bank adopts a holistic approach in the selection of new Directors. The People Committee is tasked to identify candidates and to review all nominations for the appointment, reappointment and termination of Directors and Board Committee members, taking into consideration the Directors' character and competence, including integrity, reputation, capability, independence status, contributions during and outside of Board and Board Committee meetings, as well as other criteria prescribed and additional relevant factors as may be defined by the People Committee.

3.5 Committees Composition

- The Audit Committee shall be appointed by a majority vote of the Board from among its members. The Committee shall consist of three (3) Board members, all non-executive Directors, at least one (1) of whom will be an Independent Director. Pursuant to the FIL, an Independent Non-Executive Director shall lead/chair the Audit Committee. Ideally a majority of the Audit Committee shall be non-affiliated with the controlling Shareholder. A non-affiliated Director is an individual who does not possess any family or business relationship with the controlling Shareholder, even if not entirely fulfilling the criteria of independence.
- The Risk and Compliance Committee shall be appointed by a majority vote of the Board from among its members. The Risk and Compliance Committee shall consist of at least three (3) Board members. All members of the Committee shall be Directors chosen for their competence and banking and risk management experience. All members should be non-executive Directors and at least one (1) member shall be either an Independent Director or at least non-affiliated with the controlling Shareholder. A non-affiliated Director is an individual who does not possess any family or business relationship with the controlling shareholder while not entirely fulfilling the criteria of independence.
- As long as they remain Directors of the Bank, members shall serve for a period of one year, with the possibility of re-appointment.

3.5.1 Committee Work Procedures

- **Meeting Frequency:** The Committee shall meet as needed, but at least four (4) times a year. If possible, meetings shall be scheduled in advance according to an annual calendar and adjusted as needed, but not more than two (2) weeks from the original schedule, to reflect issues or topics that arise during the year that require Committee attention.
- **Meeting Notice and Agenda:** Meetings of the Committee are called by the Chairman of the Committee. Except in urgent cases where the requirement for prior notice is waived by unanimous approval of the members of the Committee, the notice and agenda for a meeting shall be sent to all members at least fifteen (15) days before the meeting.
- **Committee Performance Evaluation:** The Committee shall review its own performance at least annually in such manner as appropriate, and submit such



evaluation, including any recommendations for change, to the full Board for review, discussion, and approval.

3.5.2. Other Practices

Access to Independent Advisors: The Committee shall have the right at any time to retain independent advisors, and the Bank shall provide appropriate funding, as determined by the Committee, to compensate such independent outside advisors, as well as to cover the ordinary administrative expenses incurred by the Committee in carrying out their duties.

Reporting Obligations: The Committee shall maintain meeting minutes and shall give regular reports to the Board, including on the Committee's actions, conclusions and recommendations and such other matters as the Board shall from time to time specify. Reports to the Board may take the form of oral reports by the Chairman of the Committee or any other member of the Committee designated by the Committee to give such report.

Disclosure: The Annual Report of Yoma Bank shall include a report of the Committee summarizing its role and activities. It should also include the names and qualifications of the Committee members and meeting frequency.

Committee Performance Evaluation: The Committee shall review its own performance at least annually in such manner as appropriate, and submit such evaluation, including any recommendations for change, to the full Board for review, discussion, and approval.

Training: Members of the Committee shall receive appropriate training on an ongoing and timely basis to ensure that they can carry out their functions.

Amendment: This Policy will come into effect upon its adoption by the Board of Directors, except where expressly mentioned otherwise. It can be amended at any time by a decision from the Board of Directors.

3.6. General Corporate Governance Policies

3.6.1. Shareholder Practices

The Annual General Meeting of Shareholders (AGM). Following are procedural requirements that the Bank must follow for the conduct of the AGM:

- Approval of the CBM shall be sought not less than one (1) month prior to the intended date of the AGM, including submitting all documents required by the CBM (e.g., cover letter, AGM agenda, fit and proper submission for each Director, etc.), and the AGM shall only be held once such approval has been granted.
- Not less than twenty-one (21) days' prior written notice of all General Meetings shall be given to Shareholders at their respective addresses from the Bank register. An agenda and accompanying materials setting out the proposed business to be discussed at the



General Meeting shall be circulated by the Bank to Shareholders at the same time as the notice above.

- The meetings shall be conducted professionally, fairly and expeditiously.
- The meeting is to be chaired by the Chairman of the Board or, in the Chairman's absence, the Deputy Chairman of the Board (if any), or if neither of them is present within thirty (30) minutes after the time appointed for holding the meeting, the directors present at the meeting may choose a chair of the meeting.
- The meeting shall discuss the matters mentioned in the invitation agenda.
- The chair of the meeting shall decide the logical order of the agenda before the start of the meeting.
- The Shareholders may send written questions to the Board of Directors prior to the meeting.
- Every member of the meeting, whether attending personally, by proxy or by corporate representative, has one vote for each share owned for any matter decided by poll.
- The Board of Directors shall ensure that the responsible partner or certifying auditor of the External Auditor attends the General Meeting of Shareholders and is available to address the meeting. The Shareholders must listen to the auditor's report during the AGM. In order for Shareholders to approve the Bank's accounts, Shareholders have the right to question the auditor with regard to any of the matters reported in these accounts.
- The AGM is held at a place that is easily accessible for the majority of Shareholders and at a convenient date and time in Myanmar. The registration procedures are convenient and allow for quick and easy admittance to the AGM. The AGM (and other general meetings) may be attended by Shareholders and Directors either physically or by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.
- The voting results and other relevant materials are distributed to Shareholders, either at the end of, or soon after, the AGM.
- The Board of Directors shall make a report of the AGM available to the Shareholders of the Bank no later than one month after the end of the meeting. Shareholders shall then have one month to respond to the report. Following such period, the report shall be adopted by the Chairman and the Corporate Secretary of the meeting.

3.6.2 Shareholder Information and Influence

Where appropriate, the Board of Directors and management shall ensure that any substantial or material information about the Bank (i.e., any information that may influence a decision or action taken by a Shareholder) is provided to all Shareholders on an equal basis and ensure, as practical, that no single Shareholder possesses such information that others do not possess. This will ensure that Shareholders have access to the same information.



3.6.3 Special Majority Shareholder Matters

Certain vital resolutions shall require a supermajority vote of at least seventy-five percent (75%) outstanding shares at the AGM or at any other general meeting of the Bank in order to be adopted. Such resolutions are set out in the Myanmar Companies Law (2017).

3.6.4 Investor Consent Matters

Certain matters require the consent of all of the Investors in order to be adopted.

3.6.5. Other Policies

Director and Employee Confidentiality: Unless required to do so by law, no Board member or employee shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Bank and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Bank and which he/she knows or should know to be of a confidential nature. A Board member shall not use such confidential information for his or her personal benefit.

Changes to Corporate Governance: Any substantial change to the corporate governance structure of the Bank shall be submitted to the AGM for discussion under a separate agenda item. Any other non-substantial changes can be approved by the Board of Directors.

Adherence to CG Policies, Business Integrity Policy, Code of Conduct, and Applicable Laws: Bank Directors and employees shall understand these Corporate Governance Policies as their joint obligation and accordingly obligate themselves to ensure that their provisions and spirit are adhered to and acted upon throughout the Bank. Further, all directors and employees of the Bank shall agree to act in accordance with all applicable laws and regulations and ethical standards of business conduct. Board shall have primary responsibility for ensuring the development of compliance with, and periodic review of corporate governance, conduct and business integrity policies and practices in the Bank, including the regular update of these policies.

Anonymous Reporting of Breaches or Conduct Concerns: The Board shall implement the procedure set out in the Code of Conduct, to allow anyone (including employees or stakeholders) who has a concern about conduct, Corporate Governance practices, accounting, internal controls, or auditing matters, to communicate that concern directly to the Board Audit Committee Chairman or other Audit Committee member.

3.6.6. Audit & Control Environment

Risk Management and Internal Control: The Bank places great importance on maintaining a sound risk management and internal control framework. The Board of Directors of the Bank, via the Audit and Risk and Compliance Committees, is tasked with ensuring that appropriate risk management and internal systems are established and working effectively. Among other things, the Board (i) approves risk management procedures and ensures compliance with such



procedures; (ii) analyzes, evaluates, and improves the effectiveness of the internal risk management and internal control procedures on a regular basis; (iii) develops adequate incentives for executive bodies, departments and employees to apply internal control systems; and (iv) ensures that the Bank complies with legislation and charter provisions.

Internal Auditor: The Bank shall have an internal audit function that is responsible for ensuring the risk management and internal control framework of the Bank is working effectively. The Bank shall ensure the internal audit function is staffed by qualified person(s) with appropriate levels of authority in the organization and is given necessary training and resources to carry out its duties effectively. The internal audit function shall report to the Board Audit Committee functionally and to the CEO administratively. The Board shall ensure the internal audit function is independent from management to ensure objective analysis and reporting. The internal auditor's authority, composition, working procedures and other relevant matters are regulated in its Constitution.

External Auditor: The Bank shall engage a publicly recognized, independent auditing firm fully independent from the Bank, the Bank's management and major Shareholders. The external auditor shall be submitted for approval of Central Bank of Myanmar as set out in the relevant regulations and thereafter appointed by the AGM. The remuneration of the auditor shall be disclosed to Shareholders.

3.6.7 Information Disclosure and Transparency

Disclosure Policies and Practices: The Bank shall disclose all material key financial and non-financial information. Such information should be included in the Annual Report to Shareholders and may also be disclosed in summary form to the public via an Annual Report and/or corporate website (excluding some sensitive financial information as decided by the Board)

Key Policy Documents: The Bank shall disclose on its website key policies and policy documents and any other key documents which help demonstrate the Bank's commitment to good governance and conduct.

Confidentiality: Despite striving for strong transparency and disclosure practices, the Bank shall take measures to protect confidential information. The Bank is not required to disclose any information of Bank confidentiality, such as that related to its clients, or the information of which the disclosure may damage or deprive the Bank of its competitive advantage. Any information obtained by the Bank's employees and the members of the governing bodies may not be used for their personal benefit.

3.7. Succession Policy

The main purpose of the CEO and Senior Management Succession Policy is to provide guidance on the mechanism of CEO and Senior Management replacement when a decision of replacement,



emergency or planned, has been made. This Policy aims to avoid disruption in the operations of the Bank, maximize the value of the business of the Bank and enable it to meet future needs.

The ultimate responsibility of CEO and Senior Management Succession planning rests with the Board of Directors either directly or through the People Remuneration and Nomination Committee of the Board.

The main components of the Succession Policy include provisions related to:

- Capacity and organizational needs assessment.
- Definition of CEO and senior management profiles and the design of the succession planning process.
- Identification, development, and assessment of internal candidates for succession, while monitoring external talent opportunities.
- Evaluation and selection of successors for the CEO and other senior management positions.
- Leadership transition and mentoring arrangements to support effective succession.
- Emergency succession planning for the CEO and other senior management positions to ensure business continuity.

3.8. Dividend Policy

The Dividend Policy sets guidelines for calculation, declaration and payment of dividends in the Bank.

The main components of the Dividend Policy include provisions related to:

- Decision on disbursement of dividends.
- Dividend accrual/ calculation
- List of persons with the right to receive dividends
- Disbursement of dividends

3.9. Conflict of Interest Policy

3.9.1. General Provisions

This Policy is to provide guidance on identifying handling potential and actual conflicts of interest involving the Directors and Officers of the Bank. The Bank is committed to the highest level of ethical standards. The Directors and Officers of the Bank are required to conduct their business internally and externally with objectivity and honesty and in accordance with the Bank's Corporate Governance Code, Policies (including this Conflict-of-Interest Policy and the Related Party Transaction Policy), and Code of Ethics.



A conflict of interest may occur if an interest or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her responsibilities in the best interests of the Bank.

3.9.2. Individual Director Responsibility

Directors shall act at all times in the best interests of the Bank rather than in the interests of any particular constituencies. Directors shall perform their duties and conduct affairs of the Bank in such a manner that promotes public confidence and trust in the Bank. Directors shall abstain from actions that may lead to a conflict of interest, or the appearance of a conflict of interest, with the Bank. If a conflict arises, including because of any non-compliance with this policy, the Directors are obligated to report it immediately to the Chairman and conflicted Directors shall remove themselves from a position of decision-making authority with respect to any conflict situation involving the Bank.

3.9.3. Procedure

Prior to Board action on a contract or transaction involving a potential conflict, the Board member who has the conflict shall declare all material information related to the conflict at the earliest opportunity. The Corporate Secretary shall record this declaration in the relevant Board meeting minutes. In such a case, the other Board members present shall consider whether it is appropriate for the conflicted Board member to take part in the discussion of that item of business before the Board, after giving full consideration to whether the conflict may otherwise compromise the member's objectivity and/or ability to properly fulfill his/her duties to the Bank. If they decide that it is not appropriate, they may require the Board member to leave the meeting room during the discussions. The Board member shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting. The Board member will not be permitted to vote on the relevant resolution or be counted toward the quorum of that Board meeting at the time of any such vote or, if the resolution is to be passed by circular written resolution, shall not sign such resolution to the extent such Board member is not entitled to vote on the matter.

In the event it is not entirely clear that a conflict of interest exists, the Board member with the potential conflict shall disclose the circumstances to the Chairman of the Board or his designee, who shall determine whether full Board discussion is warranted or whether there exists a conflict of interest that is subject to this Policy.

3.9.4. Confidentiality

Each Director shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of the Bank. Furthermore, Directors shall not disclose or use information relating to the Bank for their personal profit or advantage or the personal profit or advantage of their family member (A family member for the purpose of this Policy is a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Board member).



3.9.5. Declaration of Interest

Upon taking office, a Board member shall be required to disclose to the Bank all interests and relationships which could or might be seen to affect his ability to perform his or her duties as a Board member. Further, pursuant to CBM directive no. (9/2019), Board members and Officers of the Bank shall disclose all direct and indirect substantial financial and commercial interests they or their family members have in the Bank. Any such interests declared shall be recorded by the Corporate Secretary. The Board members shall disclose any relevant directorships, employment or significant interests of family members which might give rise to a real or perceived conflict. Each Board member shall inform the Bank when there are changes to his/her interests and shall complete a form annually that specifically lists his or her interests. The Board secretary may request Board members to review the form annually for accuracy and completeness.

3.9.6. Gifts

Accepting gifts or other favors from individuals or entities can also result in a conflict or duality of interest when the party providing the gift/favor does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Board member in the performance of his or her duties. This does not preclude the acceptance of gifts or entertainment that are unquestionably modest in nature, in line with customary practices in the ordinary course of business and not related to any particular transaction or activity of the Bank.

3.10. Related Party Transaction

3.10.1. General Provisions

It is the Policy of the Bank that Related Party transactions are conducted at arm's length with any consideration paid or received by the Bank in connection with any such transaction being on terms no less favorable than terms available to any unconnected third party under the same or similar circumstances. The purpose of this Policy is to set out the procedures by which the Bank may enter into a Related Party transaction. This Policy applies to the Directors and senior managers of the Bank. Related Party transactions constitute a conflict of interest within the meaning of the Bank's Code of Corporate Governance. This Policy is not intended to conflict with any applicable laws or regulations and if any such conflict occurs the requirements of the law or regulation shall prevail.

3.10.2 Review and Approval Procedures

When a Related Party conflict exists, members of the Board and management shall disclose information about the conflict of interest to the Board. It is the responsibility of each Director and senior manager to promptly notify the Board, through the Corporate Secretary, of any proposed Related Party transaction as soon as they become aware of it and obtain approval prior to entering into the transaction.



3.10.3. Disclosure of Related Party Loans

All related party transactions approved by the Board of Directors shall be recorded in the minutes of the Board meeting. The Bank is required under CBM directive no. (11/2019) to report all Statutory Related Party transactions to the CBM on a monthly basis and disclose all Related Party transactions in its annual financial statements. Moreover, pursuant to the FIL and CBM directive no. (11/2019), the Bank shall not provide lending or facilities to Statutory Related Parties unless done on market terms and conditions (arm's length basis) and unless such transaction is secured by collateral. Lending to Related Parties shall not exceed more than five percent (5%) of the Bank's capital. Further, any facility or lending provided to a Statutory Related Party must be deducted from the Bank's Tier 1 capital if such facility or loan remains outstanding, as required by CBM directive No. (11/2019).

3.10.4. Review by External Auditors

The Bank's independent external auditor shall be required to review all Related Party transactions included in the financial statements to provide assurance as to the accuracy of the information reported.

3.11. Director Remuneration and Expense Reimbursement Policy

The People, Remuneration, and Nomination Committee (the "People Committee") of the Board has established the following Director Remuneration and Expense Reimbursement Policy (the "Policy") for the compensation of the Board in accordance with the requirements of the Myanmar Companies Law (2017) ("MCL").

Members of the Board shall not be entitled to receive any compensation for service on the Board or any Committee thereof other than as described in this Policy.

The main components of the Director Remuneration and Expense Reimbursement Policy include provisions related to:

- Attendance fees
- Payment of fees
- Expense reimbursement
- Directors and Officers Liability Insurance

In addition, the Bank has established Director's Travel and Expense which addresses how and when members of the Board of Directors are reimbursed for expenses in relation to the Director Remuneration and Expense Reimbursement Policy. As a general rule, expenses shall be reimbursed on the basis of actual and reasonable expenses incurred, subject to limitations set forth in this Travel and Expense Policy.



3.12. Signing and Financial Authority Policy

3.12.1. Scope

This Signing and Financial Authority Policy applies to (i) any type of contractual arrangement that obligates Yoma Bank to provide or receive credit facilities, payments, services or goods to or from a third party, or requires use of the Bank property, facilities or other resources and (ii) any correspondence for and on behalf of the Bank with third parties.

3.12.2. General Provisions

Yoma Bank will only be bound by written contracts to which the Bank is a party that (i) have been reviewed and administered in accordance with the Bank's approved policies and procedures and (ii) have been executed by the Bank representatives who have specific contract signature authority. No employee or officer of Yoma Bank has authority to sign contracts on behalf of the Bank without a formal written delegation of authority.

In addition, no Yoma Bank employee or officer may incur any financial liability on behalf of the Bank unless they are specifically authorized under this Policy or have a formal written delegation of authority to do so.

3.12.3. Authorized Signatories

The Chairman and each of the persons appointed from time to time as the Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer, and Chief Compliance Officer have primary delegated authority from the Board of Directors to sign all contracts, agreements and correspondence and other documents on behalf of the Bank ("Authorized Signatories") in accordance with the limits set out in the Policy.

3.12.4. Financial authority limits

The person appointed from time to time as Chief Executive Officer has primary delegated authority from the Board of Directors to incur financial expenditure (both CAPEX and OPEX) each financial year for and on behalf of the Bank in accordance with the budget approved by the Board of Directors for that financial year.

3.12.5. Signing Authority for Credit Facilities

Authority to approve and issue credit facilities to Yoma Bank customers is governed by the Bank's Credit Policy and Delegation of Authority. The Credit Policy sets out the authority limits for approval of credits by the Bank credit committees; such authority having been delegated to the respective credit committees by the Board of Directors.



3.12.6. Other Signing Authorities

- **Signing of periodic financial returns:** Periodic financial returns are to be signed by the Chief Executive Officer and Chief Financial Officer. In the event the Chairman & Chief Executive Officer is not reasonably available, Chief Financial Officer or Chief Compliance Officer may sign for and on behalf of the Chairman & Chief Executive Officer with delegated authority. In the event the Chief Financial Officer is not reasonably available, the Chief Financial Officer's direct deputy/s may sign for and on behalf of the Chief Financial Officer with delegated authority.
- **Signing of minutes and resolutions:** Minutes of Board and Committees meetings will be signed by all Directors present at the meeting. Minutes of Shareholders meetings will be signed by Chairman, Executive Director or Corporate Secretary; or any 2 of the Directors/ Shareholders. Resolutions of Shareholders, Board and Committees meetings will be signed by Chairman, Executive Director or Corporate Secretary; or any 2 of the Directors/Shareholders.

3.12.7. Conditions for all signing authorities

Any officer or employee of Yoma Bank holding delegated authority under this Policy shall have the authority to delegate to another party within his/her department and under their immediate supervision for the limited purpose of signing in his or her absence. Such delegated authority must be in writing and state the scope and duration of the delegation.

No officer or employee of Yoma Bank may sign or otherwise execute any document that binds Yoma Bank or incurs any financial liability, unless he or she has been delegated authority in accordance with this Policy, that has been documented in writing. Documents signed by officers or employees without documented signature authority, or commitments made without due Authority to Commit, may be deemed void. Individuals in such circumstances may be personally liable for the obligations assumed under such documents and may be subject to disciplinary action up to and including termination of employment.

If any one of the authorized persons resign from or is no longer employed with the Bank or is for any reason no longer appointed in the relevant role, the delegated authority is automatically revoked. The Board may at any time revoke the delegated authority of any person, notwithstanding that such person may still be appointed in a relevant role.

3.12.8. Authority to Commit

The person appointed in the role of Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer, and Chief Compliance Officer shall each have primary delegated authority of the Board to approve and commit the Bank to, and to make representations to external parties that the Bank is willing to enter into any legally binding contracts or arrangements in respect to, any commitment by the Bank involving the exchange of money or property, any obligation to perform services requiring payment or use of resources of the Bank, or the assumption of any liabilities, including any indebtedness ("Authority to Commit").